

Social Media: A Strategic Decision-Making Tool

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Abstract: Social media is seen very much as a marketing tool, and there is little in the literature that considers its use as a strategic decision-making tool. This conceptual paper is an attempt to redress the balance. Social media user-generated content from blogs or consumer feedback is one way that social media can support effective strategic decision making. However, the business and organizational environments are influential on the effectivity of the data collected and, ultimately, its analysis. The decision-making approach — single or multistage — are significant influencers on the quality of the decisions. Multistage decision making is supportive of controversial decision making, which leads to better utilization of the information and, consequently, better decision making. Ultimately, robust decision making is underpinned by the effectiveness of the decision-making process.

Key words: social media; marketing strategy; uncertainty; strategy; decision making

JEL codes: M3, L1

1. Introduction

Decision making is required by all organizations; however, the approaches used to come to a decision will vary. Consequently, many books have been written on decision making, because of its importance to businesses and to organizational functioning (Hoy & Tarter, 2010; Litchfield, 1956). Decision making is constraint by time and revisiting a decision is a bounded process that is also time-consuming (Hoy & Tarter, 2010). Decision making requires a degree of optimism and participation (Connolly & James, 2006; Gigerenzer, 2000; Gigerenzer et al., 1999). However, other authors view decision making as a nonoptimistic process (Kahneman et al., 1982; Kahneman & Tversky, 1973). This does beg the question: is social media more supportive of a particular approach to decision making or is social media's role in decision making unrelated to the decision-making approach? Decision making requires the identification of patterns, and these patterns guide the individual especially in the formative years and they become ingrained (Calabrese & Zepeda, 1999). Social media is a tool that can leverage the patterns and enhance the decision-making process. Decision-making assessment will require criteria referencing (Calabrese & Zepeda, 1999). Carroll and Johnson (1990) used criteria referencing to identify conflicting reference points. Examples of these reference points are purposeful versus nonpurposeful, consistent behaviour versus inconsistent behaviour, and reasoning versus prone to error. Calabrese and Zepeda (1999) suggest that a "good" decision maker rarely makes a "wrong" decision, because a good decision maker keeps an eye on the present and also on the future. This suggests the good decision maker has vision and can link current

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decisions to future decisions. They understand how decisions today could affect future decisions. Knowledge is a key influencer on decision making and its ability to influence the cognitive pattern recognition is highly individualized (Calabrese & Zepeda, 1999). How the decision makers interact with the organization to form a dynamic relationship is influential on the quality of decision making (Saiti & Eliophotou-Menon, 2009). Collaborative approaches to decision making are not easy and simple (Connolly & James, 2006).

Social media and marketing are becoming a prevalent tool for developing and maintaining engagement of customers and they have been found to influence purchase shopping behaviour (Ruane & Wallace, 2013). Traditional marketing is viewed as a unidirectional process; however, social media is a multi-interaction process (Scott, 2010). Social media is more effective for pull-marketing strategies, thus using social media to provide communication of information, knowledge, values, and ethics about the product or service offerings (Lagrosen & Grundén, 2014). The literature on social media focuses on marketing aspects such as marketing communications (Mount & Martinez, 2014; Lagrosen & Grundén, 2014; Ruane & Wallace, 2013; LaPointe, 2012; Booth & Matic, 2011). Social media can be used as a strategic tool and thus can improve decision making, and leveraging social media to improve the level of decision making is scarcely covered in the literature. This conceptual paper contends that the application of social media as a strategic decision-making tool is neglected and social media has an important role in ensuring the robustness of decision making.

2. Theoretical Frameworks

2.1 Social Media

Research in social media became business-focused in 2006 and one of the first studies was by McAfee (2006, 2009). McAfee coined the term “Enterprise 2.0” to identify social media within or between companies, their partners, or customers. McAfee’s work focuses on the benefits for business (Deans, 2012). Marketing and social media are popular areas of investigation in the academic literature (Deans, 2012; Angel & Sexsmith, 2009; Baker 2009).

The social media framework (Figure 1) devised by Cook (2008) suggests the four C’s: communication technologies, connection, cooperation, and collaboration. The framework is a reference point for business and aids understanding of how to evaluate technology in the business environment and consider their business implications (Deans, 2012).

Cross-cultural communications play an important role in business decisions (Buderi & Huang, 2006; Huang, 2010). Experimentation with communication technologies across cross-cultural borders may prevent business failures such as product launches and outsourcing due to cultural misunderstandings (Ricks, 2006). Social media is changing communications across borders (Bernoff & Li, 2008). Social media will become a pervasive tool of communication as younger people, who grew up with social media, enter the workplace in increasing numbers. Western countries will need to communicate across cultural borders to engage the middle class in emerging countries, as an example (Deans & Miles, 2011). Strategy based on ideas or variety suggests that an abundance of ideas will help to improve the robustness of the strategy. Applying the communication advantages of social media to strategic decision making would help organizations to leverage their competitive advantage and update their strategic ideas more readily.

Connection technologies such as Facebook, LinkedIn, or Twitter enable individuals to remain in contact in the workplace or socially. LinkedIn is a popular social network for business people to stay in contact. However,

some countries, such as China, are not supportive of social networks. Mash-ups are potentially powerful by connecting or combining applications to develop new ones that provide added value (e.g., Zillow.com is a mash-up of real estate data and Google maps). Really Simple Syndication (RSS) is another connection tool that provides information feeds, thus connecting publishers with consumers. RSS feeds are an efficient and effective method to channel and distribute information (Cook, 2008). Decision making is reliant on information that is effective and efficiently directed and interactions between individuals, which is an attribute of social media connectedness (Cook, 2008; Calabrese & Zepeda, 1999; Heck & Marcoulides, 1991).

The framework below (Figure 1) is a method to understand social media technology in an organizational and business context. Social media technologies that are classified under communication require interaction with people and focus on relationships (Cook, 2008). This implies that supportive relationships are required to maximize “interactivity” between people. Communication is important for cross-border activities by firms (Rifkin, 2006). Social media is a game-changer for communications across borders (Bernoff & Li, 2008). Western companies will need to find new ways to communicate and connect with emerging middle classes in developing countries to promote their goods and to encourage consumers in these countries to purchase them (Deans & Miles, 2011). Social media technologies that are under the connection classification require little direct contact with people. Interaction takes place over time and individuals (Cook, 2008). Connection software is an approach to bring together friends, business colleagues, and family. They allow global connections that are seamless, cost-effective, and transparent. Mash-ups are a combination of online applications, such as real estate and use of Google Maps (Cook, 2008). Cooperation technologies support group activities, but each contributor retains authority over their ownership of the information (Cook, 2008). The posting of information on video and photo-sharing sites are classed as cooperation social media technologies. It demonstrates the ability to relay information in real time across the globe. Information is also shared in a timely manner (Deans, 2012). Business decisions require information that is timely and thus make this technology valuable in strategic decision making. The final dimension is collaboration technologies and this requires participants to have common goals and apply a coordinated approach to achieving tasks (Cook, 2008). Collaborative technologies facilitate 24/7 working and is extremely useful for bringing a group of people in virtual locations together to solve a problem (Deans, 2012). These technologies save time and reduce travel costs for firms that have heavy travel commitments (Heck, 2009). Social media technologies have a role to play in decision making from improvement in the decision-making process to informing the robustness of the information used.

<p>Cooperation</p> <ul style="list-style-type: none"> • Social Bookmarks • Media Sharing • Social Content • Ranking Sites 	<p>Communication</p> <ul style="list-style-type: none"> • Blogs • Twitter • Instant Messaging • Virtual Worlds
<p>Connection</p> <ul style="list-style-type: none"> • Social Networks • Mash-Ups • Web RSS 	<p>Collaboration</p> <ul style="list-style-type: none"> • Wikis • Conferencing/Teleconferencing • Electronic Meetings

Figure 1 4C Framework of Social Media Technologies

Source: Cook (2008)

2.2 Social Media and Marketing Strategy

Social media assists in basic marketing techniques; however, the target market group must be defined. Segmentation in the online environment is easier than in the offline environment (Scott, 2010). Weber (2009)

argues that segmentation has changed because of the advent of social media. Segmentation is focused on psychographic and behavioural characteristics because of social media, which is ideally suited for the target group of young people. Importantly, marketers can “listen” (monitor) to the target group risk-free and 24/7. Target groups can express their opinion openly facilitated by smartphones and mobile Internet (Smedescu, 2013). Listening to “conversations” will help marketers learn about specific problems on a brand, which face-to-face dialogue would not elicit. Listening to conversations is also known as “opinion mining” or “conversation sentiment analysis”. The purpose of opinion mining is to detect the state of the conversation, i.e., positive, neutral, or negative (Smedescu, 2013). Snyder and Barzlay (2007) and Pang and Lee (2012) have attempted to develop a more complex scale for conversation sentiment analysis. Sentiment analysis is learning through human interaction but suffers from drawbacks such as the level of accuracy given language is complex and is influenced by cultural norms and context. However, sentiment analysis does give a general idea of the feeling and general direction of the conversation. Recording the information will also give the impact of the conversation on social media and enable negative trends to be identified earlier. Monitoring of influencers, e.g., Facebook friends and Twitter followers, is an important aspect of monitoring (Smedescu, 2013).

Social media marketing is part of Internet marketing. Social media is a promotion tool and a sales support tool. The sales support activities of social media are normally referred to as “social customer relationship management” (sCRM). In the promotional role, it assists in raising brand awareness and enables sharing of the latest product/service deals. This demonstrates the flexibility and multiple uses of social media (Smedescu, 2013). According to Stelzner (2013), social media marketing is a tool to improve brand awareness, Web site traffic, leads, market research; build brand loyalty and search ranking; and grow useful business partnerships. Smedescu (2013) considers social media marketing to be new, where prompt customer-centric action is always required, because social media has given consumers increased power.

Firms should think of social media not simply as a marketing channel but an approach to build beneficial relationships with their customers. Companies need to respect the voluntary nature of social media users and accentuate the positives and suppress the negatives. They should provide interesting issues that engage their users to produce relevant content and spread voluntarism (Lee, 2010).

Lee (2010) states that firms must be careful with the tone and manner of the delivery of the content. Developing a unique tone that is “fun”, “sincere”, and “quick” is a good approach. This is important to communicate an effective message to their customers.

Lastly, Lee (2010) suggests that a cross-media strategy, so that social media is supported with other media and is not considered an alternative. An integrated approach to social media is required to ensure a smooth communication process. A multifaceted approach to blogs is desirable such as the approach used by Intel, Twitter, Facebook, and YouTube. Use of a multifaceted approach to blogs generates a richness of information that is diverse and can be shared with customers.

2.3 Decision Making

Decision making is about doing the right thing (Beech, 1990). Individual interactions drive the decision-making process and these different interactions drive the overall decision-making process, such as the direction of a business or school (Calabrese & Zepeda, 1999; Heck & Marcoulides, 1991). Simon (1960) suggests that decision making has three phases: finding a need for making a decision, defining a course of action, and selecting the course from the available actions identified. Decision making needs to be based on understanding and not based on prescriptive recipes (Richardson & Lane, 1994). Decision making in organizations is influenced

directly by internal political concerns, beliefs about the process, organizational concerns, and, indirectly, information collected from senior decision makers such as a principal in a school (Heck et al., 1989). The expectation is that organizational context and size will influence the decision-making process. However, Heck and Marcoulides (1991) and Monk (1987), found that the size of an organization does not affect the decision-making process, at least in a school. However, Salley et al. (1979) found that school size was an important variable that influenced principals' attitudes about staffing. Decision making in schools is relatively uncertain (Heck et al., 1990) and senior staff cannot have all the information required (Heck & Marcoulides, 1991). Uncertainty is affected by political conditions and the external environment, and these become important factors in situational decision making (Heck & Marcoulides, 1991). A clear understanding of the context in which the decision choices are embedded is of significance in the understanding of organizational processes (Heck & Marcoulides, 1991).

Decision-making assessment can be considered rational or normative and is associated with the decision maker following a logical and sequential set of steps. The other approach to decision-making assessment is the descriptive approach, which focuses on what the decision maker is doing (Glasman & Fuller, 1992). An effective decision-making process is a combination of the normative and descriptive approaches, with descriptive decision makers operating under an umbrella of ambiguity and complexity (Glasman & Fuller, 1992; Gorton, 1987). Rational decision making in environmental uncertainty was conducive to organizational outcomes such as schools (Glasman & Biniaminor, 1981). The principal's vision for the school and the conversion of the vision to expectations are attributes that affect positive organizational decision making (Glasman & Fuller, 1992). There are differences in decision making between effective principals and less effective principals, and one significant difference is how they acted to improve student improvement (Glasman & Fuller, 1992; Patterson, 1984). Glasman and Fuller (1992) found differences in their perceptions to how their administrative roles relate to the delivery of the outcomes. Decision making should move away from a recipe approach to solving problems to "learning mentality" in the preparation of a senior decision maker to use critical analysis (Richardson & Lane, 1994, p. 14).

2.4 Decision-making Processes

Social media gives customers and consumers increased power because of its pervasiveness and young people are more active on social media networks (Smedescu, 2013; Deans & Miles, 2011). Is a central decision-making process appropriate for organizations that intend to use social media as a strategic decision-making tool? Instinctively, the answer would be probably not. However, one needs to consider benefits and drawbacks of using centralized decision making. The guidelines are defined by the organization for decision making, but the decision-making process influences how policies or strategies are determined (Saiti & Eliophotou-Menon, 2009).

Greater participation in decision making increases costs, and several studies have supported decisions based on participation over hierarchical decision making, which is less effective than participative decision making (Deetz & Brown, 2004; Lawer, 1999). Diversity in perspective encourages creativity and leads to better and faster decisions. Problems tend to move from a low level of complexity to higher levels of complexity; "effective measures", such as participative decision making, need to be adopted. The more complex the problem, the more important organizational buy-in becomes (Saiti & Eliophotou-Menon, 2009, p. 447). Factors that support participatory decision making are the environment (political and social); the size, structure, and departmentalization of the organization; and the characteristics of the decision makers, such as their ability, dedication, and motivation (Miller & Lee, 2001). Connolly and Jones (2006) suggest that collaborative work in educational institutions requires participation at every level of the organization. Furthermore, it demands

flexibility, adaptability, and fluency in communications. A study by Saiti and Eliophotou-Menon (2009) on a school in the Greek educational system suggests that there is limited stakeholder involvement in the decision-making process. The study identified a number of weaknesses in the Greek case of centralized decision making. Decision making on Greek educational policy (design and implementation) is the sole responsibility of the Minister of Education. Final decisions on educational policies are made by an administrative hierarchical system of the Ministry of Education. The centralized structure at the Ministry of Education inhibits diversity in participatory decision making. Given that education is a major investment for a country, it would be expected that a collaborative approach to decision making would be a strong contender. Collaborative leadership is necessary to form inclusive relationships that bring in experienced actors and smooth the successful implementation of educational plans. Research by Drucker (1993) and Ghoshal and Bartlett (1995) have demonstrated that most successful organizations harness the commitment and knowledge of their managers to create an environment that promotes creativity and speed up implementation. The interaction between the organization and the decision makers contributes to an effective decision-making process (Saiti & Eliophotou-Menon, 2009).

The above analysis has implications for strategists who use social media as a decision-making tool. Conversations from social media are voiced openly and the polarity of the information is typically honest and unbiased. This is because of the nature of the target group, who are young (Smedescu, 2013). In mature organizations, the top decision makers tend to be older than the target groups and the application of a centralized decision-making process would have similar consequences to the Greek educational case. Social media extends across global borders, operates 24/7, and gives customers and consumers increased power. This implies that decision-making processes need to be responsive to customer-centric needs. Collaborative leadership aids decision making, which is responsive to customers' need, because it would be inclusive of knowledgeable actors with diverse experience. However, participative decision making is slow and time-consuming. There needs to be a trade-off between centralized decision making and participative decision making when decisions are made on social media sentiment analysis.

2.5 Decision Making and User-generated Content (UGC)

One source of rich information for making strategic decisions is the application of user-generated content (UGC) in social media and in particular blogs. This is important when developing strategy based on user-generated content from blogs to understand how it will affect decision making. Studies on user-generated content on decision making from blogs assume it is a single-stage process (Dellarocas et al., 2008; Forman et al., 2008). Ignoring the multistage concept of decision making for information generated by blogs may introduce bias in the process and the parameters (Andrews & Manrai, 1998). The multistage process for decision making may generate managerial insights that are not offered in the single-stage models (Gensch, 1987). Evaluation of the information is known as the screening stage, followed by the choice stage, which requires additional information for due diligence. The final stage is the contract stage, which, in the case of venture capitalists (VC), discusses terms of finance. The stages identified are applicable to ventures seeking finance from venture capitalists (Tyebejee & Bruno, 1984).

Culman et al. (2010) identified the challenges faced by organizations in implementing social media applications such as blogs to interact with customers. They found three factors — mindful adoption, community building, and absorptive capacity. Increase in negative posts attract additional readers and initially will rise exponentially and then stabilize at a point in time (Aggarwal et al., 2011). Readers of blogs exhibit a variety-seeking behaviour (Singh et al., 2010; Huang et al., 2010). Traditional mass media was not as influential

as social media applications such as blogs, YouTube, and MySpace were on U.S. presidential candidates' performance in 2008 (Wattal et al., 2010). To develop a strategy, the user-generated content should be representative of the users and the challenge is to encourage users to engage with the blogs. Firms need to ensure the implementation of the blogs is successful and be mindful of the three factors identified by Culman et al. (2010).

One of the earliest works on user-generated content is by Godes and Mayzlin (2004) and they demonstrated that online conversations can measure user-generated content. The relationship between financial information associated with eWOM and final financing with data predominately from an online blog (VentureXpert) demonstrated the ability to create user-generated content from VentureXpert and its influence on the financing decision in new ventures (Aggarwal et al., 2012). Chevalier and Mayzlin (2006) examined the relationship between online reviews on the relative sales of two online booksellers (Amazon (Amazon.com) and Barnes & Noble (BN.com)). Increased reviews on one site for a given led to an increase in sales compared to those on the other site, and negative reviews had a greater impact on sales than positive reviews. Forman et al. (2008) found that an increase in reviews leads to increased sales regardless of the state (positive or negative) of the reviews. Liu et al. (2010) investigated the forecasting accuracy of user-generated content on box office sales. The result demonstrated that the volume of user-generated content at different phases of the movie life cycle can significantly improve the accuracy of box office sales in the first week and total box office sales. Useful information can be elicited from user-generated content and they can be used for forecasting, which is a valuable attribute for developing strategy.

The next discussion is user-generated content on multistage decision making. Multistage decision making is used when limited resources are available and can reduce the high cognitive processing for large quantities of data (Roberts & Lattin, 1997). Screening is required where limited information is available and time is limited (Bettman et al., 1998; Bettman & Park, 1980). One benefit of screening is that decision makers can reduce the processing required at different levels and can spend more time actively seeking comprehensive information for each stage (Aggarwal & Singh, 2013). Research suggests that a multistage decision-making process is more effective than single-stage decision making. The influence of the attributes varies across different stages (Roberts & Lattin, 1997; Manrai, 1995). Research by Roberts and Lattin (1997), Andrews and Srinivasan (1995), and Roberts and Lattin (1991) suggests that multistage decision making improves the predictive accuracy over single-stage decision making. Research by Aggarwal and Singh (2013) on the influence of blogs on venture capital multistage decision making indicated that blog coverage helps with the screening phase and indirectly influences the final stage (contract in venture capital parlance). More decision makers help to create better alternatives to a negotiated agreement. The context of their research implies that wrong decisions lead to significant losses for the decision makers. It would appear that there is considerable motivation to collect and analyze information at the choice stage of decision making. Previous research suggests that the research context (positive or negative) does not lead to significant losses for the decision makers. The contradiction in the results may be that the decision makers in the previous studies were not highly motivated to collect data beyond the user content-generated information. Aggarwal and Singh's (2013) work is applicable to situations where the motivation to avoid making a wrong decision is high. They give the example of car buying, but this is also true for strategic decisions. Aggarwal and Singh (2013) suggest that strategic decision making should gather user-generated content information and also gather additional information to improve the decision-making process and minimize the risk of coming up with bad or wrong decisions. Strategists cannot rely only on user-generated

content information and should use a process of triangulation to gather additional information to validate and expand it.

2.6 Decision Making and Uncertainty

The uncertainty surrounding vital complex decisions in organizations has long become a barrier to effective decision making (Cohen & March, 1974). However, Tjosvold et al. (2012) found from their research that uncertainty has a positive role (Kahnesman & Klein, 2010). When managers recognize uncertainty in decision making, that recognition leads them to seek opposing views and ask questions from those with different views (Tjosvold, 2008, 1998). Tjosvold et al. (2012) suggest that recognition of inadequacies in one views can lead managers to seek controversial views in an organizational setting. Situations where uncertainty is decreasing will lead to less intellectual and emotional demand on managers and thus improve the effectiveness of the decision making (Berry, 2000; and Cohen & March, 1974). When managers recognize and experience uncertainty, this leads to the promotion of decision making (Tjosvold et al., 2012; Reynolds & Hrudey, 2006; Bukszar, 2003). Notably, this uncertainty can lead managers to seek open-minded discussions of diverse ideas to develop solutions, which they consider to be effective (Tjosvold et al., 2012). Confidence that one is right can impede controversial seeking decision-making ideas, but confidence that one can potentially understand the problem does not inhibit controversial seeking decision-making ideas (Kahnesman & Klein, 2010).

Cooperative goals and uncertainty complement controversial seeking decision making. Managers who have cooperative relationships are disposed to controversial seeking decisions even when uncertainty is not much. Such managers may think conversations are productive even if they have confidence in their opinion. In a competitive environment, managers need to feel unsure before openly conferring with colleagues (Tjosvold et al., 2012). Superiors see their views and goals as cooperative when approaching subordinates, but subordinates, when approaching superiors, are more likely to view their goals as competitive (Tjosvold et al., 2012; Hogan et al., 1994). Individuals who adopt a constructive controversial and open-minded discussion of opposing views are an important antecedent for an effective individual manager decision making and has also proved to be an effective antecedent for team decision making (Tjosvold et al., 2012). Because of the nature of strategic decision making, uncertainty is prevalent and the literature is suggesting that controversial seeking decision making will lead to more effective solutions.

Participants who are in a negative mood gathered, elaborated, and processed information and more cautiously made decisions with more fluency and flexibility than participants in a positive mood. It would appear that negative moods give rise to a systematic approach to decision making. Positive moods induce heuristics processing. Participants exposed to negative mood states decreased their positive mood states and increased their negative mood states. Those inducted to positive mood states increased their positive mood state and decreased their negative mood state (Mohanty & Suar, 2014). Negative mood states increase the involvement in the problem (Mackie & Worth, 1989). User-generated content that is negative on the organization will induce better information processing, leading to more effective decision making. This assumes that the negative content will induce negative mood states. Should organizations using social media user-generated content look for negative outcomes and ignore positive outcomes to promote effective decision making? Does pessimism make for more effective decision making? Higher perceived uncertainty leads to lower behavioural intentions to undertake the activity. Perceived uncertainty is lowered if the actors in the environment play a role in decreasing the uncertainty (Yen, Hung, & Liu, 2014). Top management needs to articulate the benefits of the strategy to decrease the level of perceived uncertainty in the organization (Yen, Hung, & Liu, 2014). Uncertain outcomes sometimes generate

negative evaluations and other times positive evaluations. Affective decisions are influenced by uncertainty, with consumers preferring uncertainty in the outcome over simply offering more to consumers. When promotions involve uncertainty, increased information helps cognitive and affective decisions. The more gifts that are included in the promotion, the greater the decrease in uncertainty for the consumer, but it could be detrimental to consumer purchase behaviour. Cognitive decisions require information and consumers making such decisions view information as positive. However, consumers making affective decisions view uncertainty as positive (Laran & Tsiros, 2013).

Strategic decisions are made frequently, but not all are important or publicized. Some strategic decisions are data-driven (large quantity of historical data) and others are based on judgement and not based on historical data. The decision makers would have no measures to judge the uncertainties. Whether it is the combination of the above approaches or a singular judgement plays a crucial role. An emerging tool to help with judgmental strategic decision making is the prediction market. Prediction markets require a market to be developed and a set of bets is placed by individuals based on their desired outcome. When the event occurs, the market is closed. The individuals will buy a contract for less than a dollar, which equates to the probability of the outcome for the event. This approach is suitable, for example, on whether the elected U.S. president will be a Democrat in the 2012 election (Borison & Hamm, 2010). The presentation of the information on certainty affects decision making and better ways of conveying estimation and presentation of uncertainty is paramount. Forecasts especially made on managerial judgment need to be conveyed clearly and effectively (Goodwin, 2014). Decision makers with more business experience are able to apply and adopt causation-based logic in making the decision than less-experienced managers. The manager's experience of the organizational environment affects the decision-making process by influencing the interpretation of different schemas and allows him to make diverse interpretations and thus decisions on similar "situations" (Nummela et al., 2014). The implication is that experienced managers are better placed to make strategic decisions, as they have the knowledge to apply the "what if" approach. Should only experienced business managers make strategic decisions based on user-generated content?

2.7 Social Media and Business Performance

E-tailers' use of social media draws upon social capital and social networks to promote their online business (Qu, Wang, & Zhang, 2012). Social capital is defined as "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit" (Nahapiet & Ghoshal, 1998, p. 243). Embedded resources can be information and advice (Zagenczyk et al., 2008) and emotional support (Mehra et al., 2006) and reputation due to their central position in the network (Balkundi & Harrison, 2006). These resources can lead to a competitive advantage (Brass et al., 2004). The addition of hyperlinks to other e-tailers' storefronts undermine business performance of the focal e-tailer and hyperlinks pointing to the focal e-tailer's main storefronts boost the e-tailer's business performance (Stephen & Toubia, 2010). However, Qu, Wang, and Zhang (2012) found that hyperlinks were beneficial to e-tailers' storefronts because they reveal their social alliance network.

The number of inquiries is related to business performance. A high number of inquiries is a positive outcome for business performance. It should be noted that 80 percent of the inquiries were resolved satisfactorily. E-tailers seeking advice in online communities may cause social risk to the e-tailers, and they could be portrayed as incompetent and inexperienced by potential buyers, which will undermine their business performance. Friendship ties (positive social relationship) have a positive effect on business performance. Bi-directional or unidirectional

friendship ties are beneficial for business performance. Sharing information online is beneficial; seeking information without contributing undermines online business performance. Advice seeking should be balanced by advice giving (Qu, Wang, & Zhang, 2012).

2.8 Implication to Management

The decision-making process requires the collection and analysis of information. However, the quality of decision making is improved and the robustness of the outcomes strengthened by using a multistage decision-making process (Andrews & Manrai, 1998; Gensch, 1987; Simon, 1960). The implication is that strategic decisions should be based on a multistage approach and “lesser” decisions could be based on the single-stage decision-making process. Social media can help to unravel patterns and behaviour, which are valuable in spotting opportunities and trends. It is clear social media has a role in strategic decision making for online businesses. There is a level of risk when business environments exhibit uncertainty and this uncertainty will affect the decision-making process. Businesses will always experience risks in the environment, so it is important to minimize the uncertainty risks in the decision-making process.

One approach to minimizing risks is to listen to conversations online. Conversations are open and unbiased in the online environment (Smedescu, 2013). Consequently, constant monitoring of social media will provide rich information that can be utilized in the strategic decision-making process. If online information gained from social media is valuable in making strategic decisions, this could imply that the decision-making process should be near or at the top of the organization. Centralization of decision making is not necessarily a good thing and weaknesses have been identified in this method of decision making (Saiti & Eliophotou-Menon, 2009).

One source of information that helps the strategic decision-making process is user-generated content, such as blogs and feedback (incoming and outgoing). The issue for management is decoding the information because information being collected in an open environment does not necessarily mean patterns and trends are easy to discern or are reliable. Although social media can provide valuable information for strategic decisions and strategic planning, a level of triangulation of the information is necessary. One approach is that user-generated content is subject to a multistage decision-making process (Andrews & Manrai, 1998), which will improve decision making because it will foster a collaborative and participative environment (Saiti & Eliophotou-Menon, 2009). A participative and collaborative environment in an organization requires all levels to be involved in the decision-making process. This approach to decision making is supportive of an organizational environment that uses an emergent approach to strategy development. The diversity of information used in developing emergent strategy should focus on the negative outcomes and will lead to effective involvement (Mackie & Worth, 1989). However, the positive and negative outcomes could be contradictory and thus is one method to condense the information before focusing on the negative outcomes to facilitate decision making.

Decision making can be based on affective and cognitive approaches; both may be appropriate for environments that are subjected to uncertainty. Cooperative organizational environments complement uncertainty and can lead to controversial seeking decisions (Tjosvold et al., 2012). Strategic decision making in uncertain environments needs to be different and unique if business performance is to strengthen. There is no benefit in making strategic decisions that are similar to your competitors. User-generated content provides additional information that minimizes the effects of uncertainty in business environments. Strategists analyzing user-generated content should be of an optimistic temperament because in this mood state, the processing of information would be more effective, and Nummela et al. (2014) found that experienced managers make better decisions. The use of social media as a tool to improve decision making and, ultimately, business performance

gives rise to a positive outcome. However, if the information is not presented so that it is understandable and can be used for forecasting, then no amount of tinkering with the decision-making process can overcome this.

3. Future Research and Research Limitations

This paper is a conceptual paper and is thus a research limitation. The work in the chapter could be developed by defining the different stages and roles in a multistage decision-making process that uses user-generated content. The implementation of a multistage decision-making process that is supportive of an emergent approach to strategy development is an area that is underdeveloped in the literature. Review of the literature supports a decentralized approach to the decision-making process, but sometimes this is not always possible or desirable. Under what conditions is a centralized approach appropriate when using user-generated content?

4. Conclusion

The use of social media as part of the decision-making process is an influencer on business performance. How the information derived from user-generated content is filtered and used will affect the significance of its usability. Information that is subjected to a multistage decision-making process makes for better problem solving and controversial decision making. The mood of the persons in strategic decision making is an influencer on the quality of decision making. Decisions that are made in a collaborative and participatory business environment are factors that improve decision making. The analysis suggests that controversial decision making depends on the organizational and business environments and leads to decision making that is effective and makes a difference to the organization's business performance positively.

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