The advantages of social capital for businesses on Facebook

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Abstract
Purpose - The purpose of this research is to study how social capital from Facebook can create advantages for businesses.  
Methodology - This paper uses a quantitative method consisting an empirical survey with 200 Facebook users’ participating and with a theoretical framework based on previous research.  
Limitations – The limits with the research are the number of participant that answered, since Facebook have an enormous number of users.  
Findings – Companies can use social capital in many different aspects that works in favor to the company. By having a greater social capital bring many opportunities to a company. Social media and Facebook is a good way to reach customers and other persons that can benefit the company.  
Conclusion – Profile owners use Facebook friends to other reasons than only being friends. Social capital brings knowledge through communication which can be used in all parts of a person’s everyday life.

Key Words: Digital marketing, Social capital, Companies, Marketing online, Facebook

1. Introduction

The use of internet and social networking has become a centralized part in peoples’ everyday life (Greitemeyer, 2016). The intensions with the internet are many and various. Today, people use the social networking sites at work, in school and in their free time. The companies use social networking as commercial or to create bonds with customers. The individuals often use it as a communication tool to uphold and form social relations (Eşkisu, Hoşoğlu & Rasmussen, 2016). One of the world’s largest and most popular social networking site is Facebook (Greitemeyer, 2016). Facebook was created by a student called Mark Zuckerberg. First it operated in the same function as a yearbook; with names and pictures of the other students at the university, however, the site extended outside of the university. Both the numbers of users and the site’s features have developed over the years (Phillips, 2007). There are nowadays over 1,79 billion monthly active users on Facebook and every second five new profiles are created (Zephoria, 2017).

The main motivation to use Facebook is to simplify the process forming new friendships and maintain the current relationships. To be able to create a new friendship, the user sends a request
for friendship and if the friend accept the request, they will get added to your profile (Greitemeyer, 2016). Between the ages 18 to 24, Facebook is characterized by building the profile, creating social relationships and joining different groups in that age group (Eşkisu, et al, 2016). Even the use of Facebook among adults at the workplace has increased. Facebook is used as an interaction between coworkers which results in a more developed and better communication between the colleagues. It also benefits the communication, marketing and public relationship with consumers and organizations (Frampton & Child, 2013).

Based on the profiles, for example the regularity of visits on the site, the number of friends, the settings and the types of post, you can say a great deal about the users’ social behavior and personality (Eşkisu et al, 2016). An un-named trend on Facebook is to have a large number of friends, since it is synonym with popularity and success. The present research addresses the nature of friends on Facebook. The aim of this research is to examine relationships online, what the number of friends truly indicates and how people can benefit from it in a business point of view. To be able to examine this, a quantitative survey was made with questions about friends on Facebook. This survey was answered by 200 Facebook participants in various age groups. Based on the results of the survey and the earlier research this study will analyze the subject.

“*The interesting thing is that you can have 1,500 friends, but when you actually look at traffic on sites, you see people maintain the same inner circle of around 150 people that we observe in the real world. People obviously like the kudos of having hundreds of friends but the reality is that they're unlikely to be bigger than anyone else's.*” (Robin Dunbar, 2015)

The average number of friend on Facebook year 2015 was 338 and 15 percent of the users even top the average number with 500 contacts. 500 contacts seem to be an enormous amount of people when they are placed on a line, but on the internet people keep adding until they reach the limit of 5000 (Mazie, 2015). When to have such a large number of friends, it is impossible to keep in touch with every single one of them. As the saying above made by Robin Dunbar to the London based Sunday Times - the users with a great amount of friends still relies on the few people within their inner circle of friends (Knapton, 2016). Considering this, the questions that will be answers throughout this research are if friends really are friends and if not, what the purpose is to have many friends on Facebook from a business point of view.

2. Theoretical Framework

2.1 Self presentation, self-esteem and wellbeing

Self-presentation, self-esteem and wellbeing are three factors that effect or gets effected by the usage of Facebook and the number of friends. Self-presentation concludes the theory that people wants to present and show their identity and personality to other people in a social context. This also includes the will to influence others perceptions of yourself, your self-image. The self-presentation can be shown both on the internet and in reality. On Facebook users constantly tries to present their self-image through posting content for example photos, posts and by joining different groups or pages. A larger number of friends leads to people taking the self-
image more serious. The users also give an image of themselves by recommending products or brands on their profile. However, it has shown that people with many friends are often more critical of what they post. Since they have a wider social circle, they have a greater chance to influence (Choi & Kim, 2014).

With the nature of constantly trying to convey a good self-image to the Facebook connections, comes the need of social comparison. People have tendency to always compare yourself with others. Research shows that the number of friends makes an impact on the perception other users have. Profile owners with many friends are perceived as more popular and more favorably than users with fewer friends, they are more socially attractive. The research also shows that people with many Facebook friends would decrease other users’ self-esteem more than profiles with fewer friends. Although, there is a limit to the number of friends. An abnormally high number of friends intend to poorer quality of relationships (Greitemeyer, 2016).

Another research was done to examine the relation between the number of friends on Facebook correlated with wellbeing and social support. The result was that there is a connection between the number of friends and peoples’ wellbeing. Facebook friends are correlated with happiness and wellbeing. Social support is not related to the number of friends (Lönnqvist & Deters, 2015). To increase the social support, users should increase their usage of Facebook which will potentially lead to wellbeing. However, this differs depending on if the friend is a close or a distant friend. Relational closeness is a feeling of connection and psychological bonding with another person. This can be created between two distant friends, but close friends have a stronger and more influent opportunity to influence another person (Liu, Li, Carcioppolo & North, 2016).

2.2 Personality and friending

The number of friends are often displayed on social media pages for any user to see. On Facebook, people constantly show their friends through pictures, tags and likes. But, to be able to do this, a friend request must be sent and accepted. Therefore, the action of friending other users and weather users chose to accept them or not, makes an impact on the number of friends. In some cases, people choses to strategically accept a friend request only to heighten their number of friends and consequently look more popular (Chen, 2014).

Sometimes, you can guess the design of a Facebook profile, judged based on the profile owner’s personality. An extrovert person is more likely to, with the help of his or her openness, have more friends on Facebook. A person who is rich of friends outside of social media, gains more friends online (ibid). People who are open to interaction tend to be more curious of other peoples’ personalities and can usually communicate more fluently with other people. Another factor that influence the number of friends is the time that people spend on Facebook (Eşkisu et al, 2016).

2.3 Social capital

Social capital means the exchange of knowledge, ideas, news, opinions etc. through communication. On Facebook, users constantly communicate with each other by the activities and interest. By having many Facebook friends, the range of activities and interest expand. Considering this, social capital has a connection with the number of friends. A wider possibility
of connection and communication heighten both the ability to access and provide different kinds of social capital. To motivate this an example will be presented. For example, if you are in the need of a job or a place to live, you have a better chance to come in contact or get suggestions if you have a greater range of people to ask (Bohn, Buchta, Hornik & Mair, 2013).

2.4 Using Facebook in work situations

The linkage, with the help of social media, between coworkers has become more ordinary and the effects of it may lead to both negative and positive outcomes at organizations. The dilemma that is questioned is weather to maintain individuals’ privacy outside of the work and uphold the work ethic and professionalism in the company. Some may see it as a risk and a trespass which will lead to negative consequences. The positive result of social media can be that coworkers’ relationship develop which benefit the work. By strengthening the relation, the communication will become better, hence the distribution of information will become better. It is also a greater possibility that the organization’s professional network will grow with the help of social media (Frampton & Child, 2013).

Organizations regularly uses social media to interact and communicate within the company internally and with external influencers. The use of Facebook is not the main typical social website for professional connection in comparison to other sites such as LinkedIn. However, with the growing use of Facebook among people generally, Facebook is used to establish and progressing relations that are connected to the company. The question if a person would accept a friend request from another coworker were asked to several professionals. The result shows that the majority of the people that were asked, 9 out of 10 working professionals, would accept the friend request (ibid). This demonstrate that a great number of the working people, with the support from the research, find it more positive to have coworkers as friends on their Facebook than negative and do not consider it to be an intruding to their privacy life.

2.5 The strength of social network

It is often discussed the reasoning behind the number of friends on Facebook, but do social media reinforce the relation between two friends and in what way? As mentioned earlier in the research, Facebook bring an opportunity for people to both re-connect lost relationships and enhance an already established friendship (Chen, Zhu, Tang, Fung, Wong & Li, 2016). Students are able to collaborate on school activities and projects, organize their social lives and share the hobbies and interests with each other outside of school with the many functions on Facebook. The message function allows users to keep in touch with their friends. Another aspect is the relationship between physical location and social network sites. The strength of two friends’ relationship is influenced demanding on where they live for example home town, where the person lives at present time, the previous and present education city and employment history (ibid).

An experiment was completed with the aim to study how many of the total number of Facebook friends a profile owner was able to identify. The study was made by 4022 participants. The experiment was designed similar to a game with the participant guessing names based on pictures from a chosen group of friends from the participant’s Facebook. The friends were randomly chosen with the agreement of the participant. The game began with presenting a
friend’s profile picture and a few more pictures that the person was tagged in. After showing the pictures, the participant had to write down the friend’s name within a limited time. The name had to be spelled correctly if the participant only knows the first name. The result from the experiment was predicted that 85% of the guesses should be correct (Croom, Gross, Rosen & Rosen, 2015). Meaning that the participant should be able to, out of a friend number of 650, guess 553 friends. However, the result was that the participant only could name 72% of their friend on Facebook (ibid). Out of a friend number of 650, the participant could guess 473 of those.

3. Research Methodology

This paper uses a quantitative method where the aim is to research the nature of friends on Facebook. The research article is based on both empirically research and theoretical framework. The empirically research consist of a survey made by 200 participants who all are profile owners on Facebook. The survey consists of 7 questions concerning behavior regarding friends on Facebook. The survey was posted online, both in different Facebook groups as well as on several Facebook profiles. This, with the aim to reach as many people as possible within different age groups. The questions that was asked in the survey, other than the age and gender of the participant, was the number of friends, how many of those the participant had regular contact with, if the participant considered his or her friends, friends outside of Facebook, the reason to why the participant sends or answers friend requests and finally, if the participant removes friends that him or her do not consider interested of by any way.

The theoretical framework consists of scientific articles regarding Facebook behavior and reasoning to have friends on Facebook. The articles were collected from different databases for example Webscience and Scopus. The search words that have been used most frequently is the following: Facebook friends, self-esteem, social capital and social network.

4. Empirical Results

The following empirical results was given from a survey made to examine Facebook users’ behavior and thoughts regarding friends on Facebook. The results will be presented with the help of horizontal and vertical bar charts and pie charts to provide a clearer picture of the result. The question will be presented over the result as well as the answering alternatives.

Question 1.

How many friends do you have on your Facebook page?
The result shows that the most common number of friends among the participant is 700 or more. The least common number of friends is between 0-99. This indicate that the number of friends on Facebook are generally more likely to be high than low.

**Question 2.**

How many of those friends do you have regular contact with?

![Bar chart showing the distribution of friends contacted regularly.]

The result shows that the number of friends that the participants are in regular contact with is placed on the second scale from a scale of 1-5 with 1 being none and 5 being all the friends. This indicate that not many people have regular contact with all their friends. The number of friends that the participants are in regular contact with are close to none which means only a few Facebook friends (based on the total number of friends).

**Question 3.**

All of my friends on Facebook are my friends in reality

![Bar chart showing responses to the question.]

The most common answer to the third question was to disagree. This means that the participants disagree with the statement that all the friends on Facebook are their friends in reality. The least common answer was that the participants agreed with this statement. The answers are increasing on each alternative from the lowest number of answers with alternative 1 to the highest answers on alternative 5.
Question 4.

I send/accept friend requests on Facebook to...

<table>
<thead>
<tr>
<th>Reason</th>
<th>Answer</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keep in touch</td>
<td>156</td>
<td>79.8%</td>
</tr>
<tr>
<td>Get information</td>
<td>92</td>
<td>46.5%</td>
</tr>
<tr>
<td>View other peoples'</td>
<td>54</td>
<td>27.3%</td>
</tr>
<tr>
<td>Increase the number of friends</td>
<td>11</td>
<td>5.6%</td>
</tr>
<tr>
<td>Make new connections</td>
<td>72</td>
<td>35.4%</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

The results from question four shows that the most common reason why people accept or sends friend requests are to keep in touch with the user. The second reason is to get information regarding work or school projects. The third most common answer was to make new connections. The fourth most common answer was to view other peoples’ posts, pictures etc. The two least common answers are to increase the number of friends or other reasons.

Question 5.

I remove friends on my Facebook that I do not have any interest in

The results from the fifth and last question shows that nearly 70 % of the participant would remove friends on Facebook that they do not have any interest in. The other 30 % disagrees and do not remove friends on Facebook that they do not have any interest in.

5. Analysis

Based on the empirical and theoretical information it shows that the number of friends are nowadays generally high on peoples’ Facebook accounts. From the survey that was made, the majority of the participants had 700 or more friends. However, the results that was given to the question regarding the number of friends discovered to very diverse. This indicates that the number of friends varies from user to user. Therefore, there is no general assumption that can
be made based on the empirical results regarding the number of friends that users’ have on Facebook.

The survey also discovered that the majority of participants had regular contact with only a small part of the total number of friends on their profiles. This demonstrates that the quote made by Robin Dunbar is an accurate saying. Numerous of people have hundreds of friends on their Facebook pages, but are having regular contact with only a small part of them. Many of the users also disagreed with the following statement; “all of my friends on Facebook are my friends in reality”. Even though people choses to accept a friend request, in some cases they do not consider the person being a friend to them. Since a lot of participants answered that they remove friends they do not have any interest in, there must be a reason why users keep friends who they do not consider being their friends outside of Facebook. The hundreds of users must fill a purpose to the user who accepts them. Therefore, what is the purpose of having a great social capital on Facebook in a business point of view?

5.1 Social capital benefit businesses communication

In the same way as Facebook is used for individuals to build relationships and keep in touch with people that fill some kind of function in their lives, Facebook can be used for companies. People can fill a function weather if it is creating attention or to recommend employment, it still work in favor to the company. Using Facebook is nowadays a good way to reach these peoples since a good amount of people have an account on social media sites as Facebook. What benefits businesses it to have a great and develop networking circle consisting of both consumers, stakeholders and other persons. By having many friends or connections the people working in organizations get a greater opportunity to reach out to a larger amount of potentially customers as well as individuals that direct och indirect help the company marketing their brand and products or services. To engage in social media and networking on sites for instance Facebook, the company can raise awareness to the brand and promote itself in the same way as individuals promote themselves to their friends.

One of the main reasons why users feel the need to have many friends was discovered from the theoretical and empirical research to be able to keep in touch with the friends and uphold the relationship. For a company, it is likewise important to maintain a direct connection with their customers and a great part of this, since the social media has become a great part of individuals’ everyday life, is to be visible online. To manage this and actually be visible, the companies has to really work with their social media usage.

Another reason to why users on Facebook feel the need to have many friends was to make new connections. For businesses, it is also very important to, not only keep the connection with the existing customer circle, but to always trying to increase and expand the customer base. Facebook eases the search trying to find new clients, parties and other collaborations. With Facebook’s various functions it is easy to define a certain target customer group that is interesting for the company. It may be a specific gender, age, interest, geographic location or character. It helps make the companies communication more useful and effective. When a company finds it, it is easy to send an invitation or message only to this target group.
5.2 Strength of social media for businesses

To be visible on Facebook gives the opportunity for the users to follow and like the company. Word-of-mouth is a very important strategy for companies to create brand awareness. By succeeding to reach out to the right profile owners on Facebook, the users can help companies in the process of creating brand awareness. It shows that profile owners with many friends tend to be more critical and careful with what they post and which brands they recommend. The factor that is discussed here it users need to promote their self-image. The self-image is very important to remember. In many cases, what a person choses to recommend on their Facebook can be connected to the person’s character. For example, if a user decides to post a picture of a specific shoe brand on their page, the friends will translate this into the person liking the brand.

If they decide to share a brand on their Facebook, it gives the heads up that they really support the brand enough to share it with their friends which is an enormous advantage for the company. Here, peoples’ need to compare with each other have an impact. If a user look up to another user, and that user recommends a brand, then the first user will automatically like that brand too. It is crucial for businesses to have information regarding who their existing customers and potential customers are. Companies needs to be visible where these people are, which often is on the social networking sites. By reaching these users to the point where they believe in the brand, the company can reach a much larger group of people on Facebook. The users recommend the brand to their friends – the more friends on the Facebook page more people for the companies to reach.

5.3 Personality and friending versus personality and business advantage

If a person is extrovert is shows that they are socially attractive and popular. The research shows that profile owners with many friends are perceived as more popular and socially attractive than users with fewer friends, it is a way of digital marketing. This can be applied in the same way for businesses. If a company’s page has many followers, it sends signals to other Facebook users and other potentially customers that the company is liked by many and therefore popular and interesting. This also applies to if a company’s page get shared a lot, it shows that users do believe that other users will find the page and the company interesting. Therefore, it can help the brands image by having many people liking and sharing the Facebook page.

The envy that was created between individuals on Facebook is not relevant when it comes to companies since a person does not compare themselves with a company. However, this could be relevant involving other companies. It might be threatening to other users promoting their companies since its more likely for them to compare themselves with the company.

Individuals gain self-esteem from having many friends on Facebook. Companies gets a good image which can benefit the company. Relational closeness is a feeling of connection and psychological bonding with another person. In the same way that individuals connect a company grows loyal customers who confirms that they like the brand.
5.3 Spread the word on social media

Since Facebook is global, individuals get the chance to reach friends over large geographic locations all over the world. In the same way, the companies might reach potential customers. Local businesses can turn global with the help of marketing on Facebook. This can be a good option especially for the small companies that do not have physical stores in every town or country. In some cases, companies use Facebook to reach people by spreading different offerings. These can be created in a way that includes users to involve their friends to get a better offer. A normal function is the “send this to three of your friends and get the first one for free”. The negative perspective of this is that the company gets a negative image, which then spreads to a large amount of accounts on social media.

Facebook’s functions for example the ability to create groups and events can be used for individuals to plan after school activities or get information about school projects. In a business point of view, this can be used to provide information and bring attention about interesting events that the company has created. With the help of Facebook and the system of friends, users can then send further invites to their friends who furthermore send invites to their friends. The event will spread and the company can reach a larger group of people.

5.4 Marketing tools on Facebook created from social capital

The social capital brings opportunities for the users on Facebook. Social capital is an aspect that can arise from social media sites like Facebook. It occurs when two people communicates and exchange ideas and knowledge with each other. Social capital can be used in every part of a person’s life since it develops thoughts, opinions and personalities characters. By having a large number of friends the user can communicate with more people and therefore have a greater chance to discover new knowledge and thoughts from another person. The social capital can also generate openings to a Facebook user. For example, if a user searches for a person to a job, then they can place the add on Facebook which will benefit both the person looking for a job and the person who placed the add. With more friends, that are interesting to the profile owner, the opportunities will occur more often and the chances to receive an answer will be better.

For company, it can provide the most important business tools. It gives the opportunity to reach information about the customers. It brings opportunities for the people working in the company to get contact with interesting people. It also creates attention about the brand through the communication.

Firstly, as mentioned before, the company gets information about the users – the potential or existing customers. But it is also worth considering that it is a possibility or the company to get access to information from the users. In the same function that Facebook can be used not only to give out information about a user but also to get information. With a larger number of friends brings a larger amount of information. The company can find out about Facebook users consumption pattern, which products they prefer and about their needs and interests. The downside of this can be the privacy of the users or that they do not want to send out information about themselves on Facebook, since it is a social site with millions of users. It may also be used as a feedback forum trough different questioners online. In the same way as individuals compare each other with each other – the companies do. The companies have an opportunity to
discover the competitors offering or events and then overachieve it. Another communication could be to place ads on Facebook. This can be compared to the function of suggesting friends to ad for individuals.

Social capital is a way to make the recruiting process easy, as mentioned before. Companies can use their already employed users’ friends to find other persons that are suitable for a position at the company. More friends the already employed persons have, gives more options for the company. It also gives the opportunity for a Facebook user who works at a company to recommend friends on their Facebook pages. Even if a person does not consider another user on their friend list to be a friend outside of Facebook, it could still be a good person for the work position. This can be shown based on the context the user choses to put on their profile.

A negative aspect or an aspect that could create problems is the confidentiality aspect. It could happen that a person recommends a friend that gives the image of being a “good person” and a reliable person on Facebook but in reality, shows a whole other character. This could bring negativity to both the company and the employer who recommending the person. It could also bring negativity to the person recommending the other person if the company do not consider them to be good enough.

Despite the risks that could come with Facebook it could also bond and create value-bringing collaborations thanks to the networking. However, it is important to remember that it both could lead to positive and negative outcomes. It could connect the company with its consumers and future employees at an emotional level. It could also lead to employees and other clients feel that they connect through things that does not involve work. It is almost always a good thing to be able to talk to each other about other things that does not involve work because it leads to people feeling closer, which may benefit the work in the end.

5.5 Aspects that can help businesses reach users on Facebook

Based on the theoretical and empirical research there are many ways that impact why and how people are reaching each other. For individuals, the most usual reason to send or accept a friend request were to keep in touch, get information and make new friendships. The individuals are sending friend requests to friends they met in situations outside of Facebook. For business, it might be harder to reach users on Facebook. So, how can companies reach users based on the information of how individuals prioritize and send or accept friend requests? To summarize what has been discussed there are different ways for a company to reach users.

The main way is through connection. The more time a company spends on social media, the greater is the chance for them to be seen by potential customers. The content needs to be relevant to the users that the company choses to reach out to. The communication is important and it is an advantage if the company and the employer already have a good network on places like Facebook. With social media, the customers have the power and control and it is up to the companies trying to reach their attention. Nether less to say, social media plays a central role both in individuals’ life as well as companies.
6. Conclusions

The aim with this research was to investigate the nature of friends on Facebook, with the intention to answer the question if friends really are friends and if not, what the purpose is to have many friends on Facebook. This was completed with the support of previous research regarding friending and with a questioning survey that was answered by 200 Facebook users.

The conclusions that can be made are that the number of Facebook friends varies depending on who gets asked, but that the usage of social network sites has spread to a wider crowd and are used in several occasions in a person’s everyday life. Facebook users’ do not have regular contact with all the friends, only the inner circle of friends. The Facebook users also did not consider all the friends on the page as friends outside of Facebook. Therefore, friends are not always friends, some fill other functions who benefit the profile owner’s in one way or another. On social media platforms, friending can fill other functions that can lead to both positive and negative outcomes that can be used both at work, in school and in the free time. Social capital brings new knowledge and thoughts through communication. It may also bring opportunities for the user, since the user is being able to reach a wider range of information by a larger number of individuals.

7. Further research & implications

This subject can be useful to get a perspective in how Facebook or other social media sites can be used by people, companies or other. The results bring another perspective to the normal view saying that users with many friends, do have the same exact number of true friends. Also, companies can use the information to communicate with users in marketing purposes. Like any other research, this study is subject to several limitations that could be starting points for further research. A further research could be to investigate several aspects in the behavior on Facebook. Another limit is the survey and the number of participant. 200 do not represent all users on Facebook and therefore, the result may vary.

References


