Use of Social Media by Businesses: A New Opportunity for Consulting Services by Accounting Firms

Yunus Abdullah, Dr. Michael Akers
College of Business Administration, Marquette University

ABSTRACT
Social media is transforming the policies and practices of the current business market, causing this market to seek adaptive responses to the Millennial Generation (Generation Y) that will gain the majority buying power by 2016. Accounting firms, the major organizations of the business market, are seeking ways to generate more revenue by implementing social media in external and internal operations that sustain positive relationships with clients and their own employees. With the use of social media, there are legal risks of data leakage, information fraud, and hacking. This paper will examine how the use of social media by businesses is leading to a new service being offered by accounting firms, social media consulting. This lead to some firms like Deloitte, PWC, KPMG, Ernst & Young to start entering a new market of social media consulting. Through these adaptive responses, accounting firms recognize that social media is the preferred method to meet the 21st century expectations of their clients and employees.

HISTORY
Throughout history, strengthening relationships, communication with friends and family across long distances has been a concern of human beings (Hendricks, 2013). Many historic inventions lead to the communication technologies we have today. These inventions led to shortening the response time between a message sent from one person and when the response was received. One of the first forms of communication was in the form of paintings by indigenous populations. Following the paintings the Egyptians introduced hieroglyphics. Not until the 16th century B.C. was the first known alphabet created by the Phoenicians. Much later followed letters, telegrams, and telephone.

INTERNAL USES OF SOCIAL MEDIA
Building strong communication within the organization and screening applicants during the hiring processes are two of many benefits of using social media internally. Just like many other businesses, the top accounting firms are in the market to make money. The use of social media in everyday life has been increasing in all age demographics from May 2008 to May 2010, based on the Pew Research Center’s Internet & American Life Project surveys. Social media use grew from 7 percent to 26 percent in people age 65 and older. In people age 50-64, it grew from 11 percent to 46; in people age 30-49, it grew from 25 percent to 61 percent; and in age group 18-29, it grew from 67 percent to 86. These astonishing numbers only support the trend of shifting policies within the accounting firms to implement social media in internal operations (Ernst & Young, 2011 p.2).

EXTERNAL USES OF SOCIAL MEDIA
Although the internal uses of social media are evident, social media is used externally by businesses as well. Two primarily external uses of social media are for marketing purposes to build brand awareness, and in screening comments posted about company to engage its customers. Companies have known the positive impact of word of mouth advertising for years. Social media is like a word of mouth advertising on steroids. Thus, social media has been growing as a marketing tool in most major companies. According to Ernst & Young packets; “Social media is a new game, new rules, new winners” (Ernst & Young, 2011 p.4). It is then not surprising that companies are investing more and more money in social media marketing, in fact it is predicted by Forrester that marketing budget spent by companies on social media will grow 300% from 2011 to 2016 (Ernst & Young, 2011, p.4).

Risks of Using Social Media
Today social media has become a routine instant messaging, updating posts, emails back and forth, employees posting on Facebook and Twitter, uploading videos on YouTube, and sharing photos on Instagram, are all part of everyday use. The result is we live in a world where business and personal social media lines have become more obscured. This situation creates risks of using social media that consist of information fraud, hacking, employees posting sensitive information, and viruses and malware. One of these risks was shown in 2010, when hackers captured the servers of Gawker Media, especially popular blogging network, and obtained 1.4 million user passwords and other personal information. Later the information was shared on torrent networks and spammers took control of information shared by users to the accounts of Twitter accounts (PWC, 2013).

Conclusion
Businesses cannot ignore the risks of using social media that include information fraud, hacking, employees posting sensitive information, and malware. To mitigate the risks of using social media account and instruct businesses on social media policies, accounting firms are providing advice and guidance. The consulting side of accounting profession has been expanding in the last ten years. It is evident from professional literature that social media consulting is growing and accounting firms such as Deloitte, Ernst & Young, KPMG, and PWC have been the front runners in the social media consulting services.

For further information
Email me @ Yunus.Abdullah@Marquette.edu