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Social Media and its Potential in Latin America

Michael Henn

Henwen55@gwmail.gwu.edu

George Washington University

Introduction

The potential of social media for businesses in Latin America is nearly limitless. Every day, access to the internet throughout the developing world is becoming increasingly possible and populations are flocking to social media sites such as Facebook and Twitter. A great portion of this growth is in Latin America, which has experienced double-digit growth in the use of social media and is now the second largest user, worldwide, behind only the United States.¹ Social media in Latin America will provide international and domestic companies vast opportunities to market their brands, goods and services to a greater portion of the population. As this potential grows in Latin America, there is also the opportunity to take social media one-step further with online ideation generation. The concept of ideation generation could lead businesses and Latin American countries to innovations in the business and political arena. All this untapped potential is waiting to be utilized by Latin American governments and businesses. As the region continues to experience economic growth and a rapidly growing middle class with increasing access to the internet, the power of social media will continue to grow.

Synthesio Study

The Synthesio study in 2011 examines the evolving Latin American social media environment. The study examines the region's growth and the vast potential that businesses could harness to market their brands throughout Latin America. Latin America is already the second largest user of social media in the world and that is with only 35% of the population having access to internet² and the fourth largest region of web users behind the United States, Oceania, and Europe. In Latin America 82% of the internet users, utilize social media with Brazil, Mexico, and Argentina having the most social media penetration and the rest of Latin America lagging behind but still experiencing steady growth.³

There is a variety of local and foreign social media sites throughout the region. Facebook is the dominant social media source with 48% of the market. Facebook overtook domestic competitors such as Sonico and Orkut once its Spanish and Portuguese versions went online.⁴ Latin America is currently the largest population of Facebook users at 14%.⁵ Other popular sources are Windows Live Profile, HI5, Twitter, and Fotolog.⁶ The demographic of social media users is similar to other regions of the world with the major demographic being 18-24 year olds.⁷

Twitter is growing in popularity with the introduction of a Spanish version of the site and now has 16.1% of internet users. Twitter has gained popularity with a different demographic than in the United States and Europe by having younger users compared to professionals in the more developed regions.⁸ Twitter has gained popularity through politics with the company featuring growth of 5% in Venezuela after Venezuelan President Hugo Chavez joined in 2010 and over

¹ Glassman, "What Latin America's Exploding Social Media Means to Brands." 2011

² Synthesio. *Social Media in Latin America*. Study. Synthesio, 2011

³ Ibid

⁴ Ibid

⁵ Ibid

⁶ Ibid

⁷ Ibid

⁸ Ibid

90,000 messages were sent when Brazilian President Dilma Roussef held a countrywide discourse during her election campaign in 2010.⁹

Ideation Generation

Ideation is defined as the process of forming and relating ideas.¹⁰ Ideation means conceiving an idea through past or present knowledge, opinions, or thoughts and implementing the idea.

Ideation generation is about harnessing the collective intelligence of an organization, community, or country and utilizing it for strategic decisions. Participants generate and organize insight on difficult issues through structured discussions. The use of ideation generation is to have a group come to a consensus on an issue and come up with the best action steps to move forward. Utilizing ideation generation online and especially if added to social media platforms would allow for large conversations with the masses.

Many companies have developed software that harnesses the concept of ideation generation. The software companies offer structured online conversations and seek to make them more productive. Usually the quality of conversations decrease with the increase of people, but with the structure of the software, ideation generation only improves because more ideas can be brought to the table.

Online ideation generation can improve efficiency by creating a map for each conversation and allowing online users easy access and simple navigation of complex conversations.¹¹ Quality of the ideation with larger groups is maintained by having the most popular ideas being the easiest to access. Being online, the scale of the conversations could be every social media user. The use of the software can be to collect feedback, group brainstorming, and two-sided debate. Users would gain a reputation for their ideas. This in turn could lead those users to become recognized as leaders or specialists regarding the issue of the conversation. Ideas will be weighted by logical discussion based on facts, assumptions, logic, and definitions and with the tool being online quick fact, checking can credit or discredit an idea or comment. There is also the option for anonymity to allow for an atmosphere of honest dialogue about sensitive issues. Another possibility is for red team analysis for dissenting opinions can be displayed to challenge conventional wisdom and reduce the risk of groupthink, a critical concern with the growth of social media. With the concept of ideation generation and software to structure, the conversation if applied to social media could generate common ground by the whole group. This would discover the points of agreement and the points of disagreement that could be targeted and expanded upon.

Social Media Opportunities

The opportunities for businesses to utilize social media in Latin America are expanding exponentially. Case studies from the Sythesis study show how numerous companies use social media and have achieved results in brand recognition and promotion. However, only 53% of

⁹ Ibid

¹⁰ Investopedia. "Ideation."

¹¹ Determan, Tedd, and Lucas Cioffi. "OnlineTownhalls:Your Seat at the Table."

large Latin American companies are mentioned on sites like Twitter¹² showing that many businesses have yet to harness the potential social media could bring their brand.

Positive PR is another opportunity that social media brings. Companies can publicize their philanthropic ventures through social media sites that reach a large part region. This could also be a way for companies to increase transparency. Companies could post information over social media about the most recent financial and environmental impacts, something that would be very popular in the corporate sustainability movement in Brazil.

Social Media is also a chance to increase competition for local companies. Local companies can use their local knowledge to expand their brand further than before. Advantages like advertising in the local language, something that is very popular in the Latin American region, could give the local companies an edge over MNCs. Local companies usually don't have the same resources that the large MNCs have for traditional sources of marketing like television and print. Social Media is a cheaper and possibly more effective form of marketing when used correctly. Companies could quickly respond to consumer feedback to adjust their products to compete with MNC competitors.

Online Ideation Generation Opportunities

Applying ideation generation software to social media would be extremely beneficial for companies and governments in Latin America. The software could be added to social media sites for easy access from a phone or computer. Adding it to social media would also allow for a large portion of the population in Latin America to respond. This could also allow international input as well to increase the scope of the discussion.

Companies could use the online ideation generation for mass consumer feedback. This would make consumer feedback to be structured in a way that showed the worse components of a product and how the product could be improved. This would allow a company to focus on the major flaws and how to improve on them to make a more consumer friendly product for the future.

Another opportunity is for companies to find best practices within their own company. Be it a local firm or a branch of an MNC by utilizing this software with their employees they could find innovative ideas to improve their production and operations. The best of these ideas could be implemented to see if they create cost savings or improved efficiency. This could reduce the need for consultants and advisors to find innovations to save money or improve efficiency. This is an opportunity for companies to find potential leaders that can be developed for upper management roles. It could also be an incentive for quality workers for compensation could be rewarded for their ideas that are adopted.

An opportunity for governments to use online ideation software is by structuring discussions about prevalent topics for their country. Countries could structure a discussion on healthcare and find out the major concerns from the population and how the concerns could be fixed. This type of feedback would lead to efficient and targeted government action.

¹² Synthesio, 2011

Conclusion

Social media is still evolving in Latin America and throughout the world. The opportunities it presents, if harnessed correctly, could propel a new era for businesses to promote their brands. Online ideation generation is taking social media a step further by channeling the power of active social media users to create useful consensus to make policy decisions. It structures the focus of social media to solve problems and create action steps towards the solutions. This could lead to new innovation and faster consumer adaptation than ever before. The internet has created a new market that has and will continue to create new businesses and opportunities for years to come.

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