

Importance Of Legal Regulations In The Use Of Social Networks For Sustainable Business Growth In Ecuador And Latin America

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ABSTRACT

The use of social networks has transformed the business ecosystem in Ecuador and Latin America, providing new opportunities for market expansion and strengthening competitiveness. However, the lack of clear regulations in the digital realm represents a significant challenge to the sustainability of companies, exposing them to legal, privacy and reputational risks. This study conducts a systematic review of the scientific literature registered in Web of Science (WoS) and Scopus, following the PRISMA methodology, with the aim of analyzing the importance of legal regulations in the use of social networks for sustainable business growth in the region.

The results show that digital legislation is heterogeneous and still incipient in several Latin American countries, which generates uncertainty for companies operating on digital platforms. Three key areas were identified in the regulation of the use of social networks: protection of personal data, intellectual property and digital advertising, essential aspects to avoid unfair practices and fraud in the digital environment. Likewise, there is evidence of a direct relationship between the implementation of regulations and the strengthening of corporate reputation, transparency in business and compliance with international standards.

The study highlights the need for companies to adapt their digital strategies to the evolution of the regulatory framework and promote regulatory compliance policies to minimize legal risks. At the same time, it highlights the fundamental role of the State in the formulation of public policies that balance innovation with the protection of the rights of users and consumers in the digital environment. Finally, it is concluded that the harmonization of regulations in the region is crucial to promote a sustainable, safe and competitive business environment in the use of social networks.

Keywords: Social Networks, Legal Regulations, Business Growth, Sustainability, Latin America, Ecuador.

INTRODUCTION

In the digital age, social media has transformed the way businesses interact with their customers, position their brands, and tap into new markets. In Latin America and Ecuador, in particular, the growth of e-commerce and digital strategies have allowed companies to improve their competitiveness and sustainability through platforms such as Facebook, Instagram, Twitter, and LinkedIn (Gómez & Pérez, 2021). However, the rise of these tools has also brought with it regulatory and ethical challenges

that require the implementation of clear regulations to ensure a safe and responsible digital environment.

The inappropriate use of social networks in business environments can generate multiple risks, such as copyright infringement, the dissemination of false information or the manipulation of personal data without the consent of users. At the global level, various legislations have sought to address these problems through strict regulations, such as the General Data Protection Regulation (GDPR) in the European Union, which establishes clear standards on data privacy and security in digital environments (European Commission, 2020). In Latin America, progress on digital legislation has been uneven, with countries that have developed specific regulations and others that still lack robust regulatory frameworks (Fernández & Ramírez, 2022).

In Ecuador, the regulation of the use of social networks in the business environment has been the subject of debate in recent years. In 2019, the Draft Organic Law on the Responsible Use of Social Networks was presented to the National Assembly, which proposed the implementation of sanctions for the improper use of personal information and the dissemination of harmful content without authorization (Canales, 2019). Although this project generated an intense debate about the possible restriction of freedom of expression, it evidenced the growing need for regulations that regulate digital activity, protect users and promote transparency in the business ecosystem.

Sustainable business development in the digital age depends not only on the adoption of technological tools, but also on the ability of organizations to align with ethical and regulatory principles. Companies operating on social networks must adopt corporate social responsibility (CSR) strategies that ensure a balance between economic growth and respect for consumers' digital rights (Capriotti & Zeler, 2020). In this sense, adherence to international regulations, such as those established by the Organization for Economic Cooperation and Development (OECD) and the United Nations, can contribute to strengthening the credibility and sustainability of companies in Latin America (UNCTAD, 2021).

In addition, digitalization has modified the dynamics of advertising and business marketing, which has led to the formulation of policies that regulate misleading advertising, data collection, and segmentation of the target audience on social networks (Platzer, 2014). In countries such as Mexico, Brazil, and Argentina, consumer protection laws have been implemented that seek to prevent the indiscriminate use of personal data for commercial purposes (González & Valenzuela, 2021). However, in Ecuador, the implementation of specific regulations in this area is still incipient, which represents a challenge for companies seeking to operate in the digital environment in an ethical and legal manner.

Another fundamental aspect is cybersecurity and the protection of personal data, since the collection of information through social networks can expose users and companies to risks of fraud, identity theft and data manipulation (Doukas et al., 2014). In this context, it is essential that Ecuadorian companies adopt proactive measures, such as the implementation of digital security protocols, cybersecurity training, and compliance with regulations such as Ecuador's Personal Data Protection Law, enacted in 2021, which seeks to guarantee the protection and proper treatment of user information in digital environments (Superintendence of Data Protection, 2022).

The present study is part of a systematic review of the scientific literature registered in the Web of Science (WoS) and Scopus databases, following the guidelines of the PRISMA method (Preferred Reporting Items for Systematic Reviews and Meta-Analyses). Through this approach, it seeks to identify the main trends in the legal regulations applicable to the use of social networks in business environments and to evaluate their impact on corporate sustainability in Ecuador and Latin America (Moher et al., 2009). The PRISMA methodology ensures a rigorous and transparent analysis of the selected studies, providing a comprehensive view of the state of the art in this area of research.

2. GENERAL OBJECTIVE

To analyze, from a bibliometric and bibliographic perspective, the production of research papers on the variables Social Networks, Legal Regulations and Business Growth, published in high-impact journals indexed in the Scopus and Wos databases.

3. METHODOLOGY

The present research is qualitative, according to Hernández, et al., qualitative approaches correspond to research that carries out the procedure of obtaining information to review and interpret the results obtained in such studies; To do this, it searched for information in the Scopus and Wos databases using the words TITLE-ABS-KEY (social AND media, AND legislation, AND business AND growth) (2015)

3.1 Research design

The design of the research proposed for this research was the Systematic Review that involves a set of guidelines to carry out the analysis of the data collected, which are framed in a process that began with the coding to the visualization of theories. On the other hand, it is stated that the text corresponds to a descriptive narrative since it is intended to find out how the levels of the variable affect; and systematic because after reviewing the academic material obtained from scientific journals, theories on knowledge management were analyzed and interpreted. (Strauss & Corbin, 2016) (Hernández, Baptista, & Fernández, 2015)

The results of this search are processed as shown in Figure 1, through which the PRISMA technique for the identification of documentary analysis material is expressed. It was taken into account that the publication was published during the period between 2010 and 2024 without distinction of country of origin of the publication, without distinction of area of knowledge, as well as any type of publication, namely: Journal Articles, Reviews, Book Chapters, Book, among others.

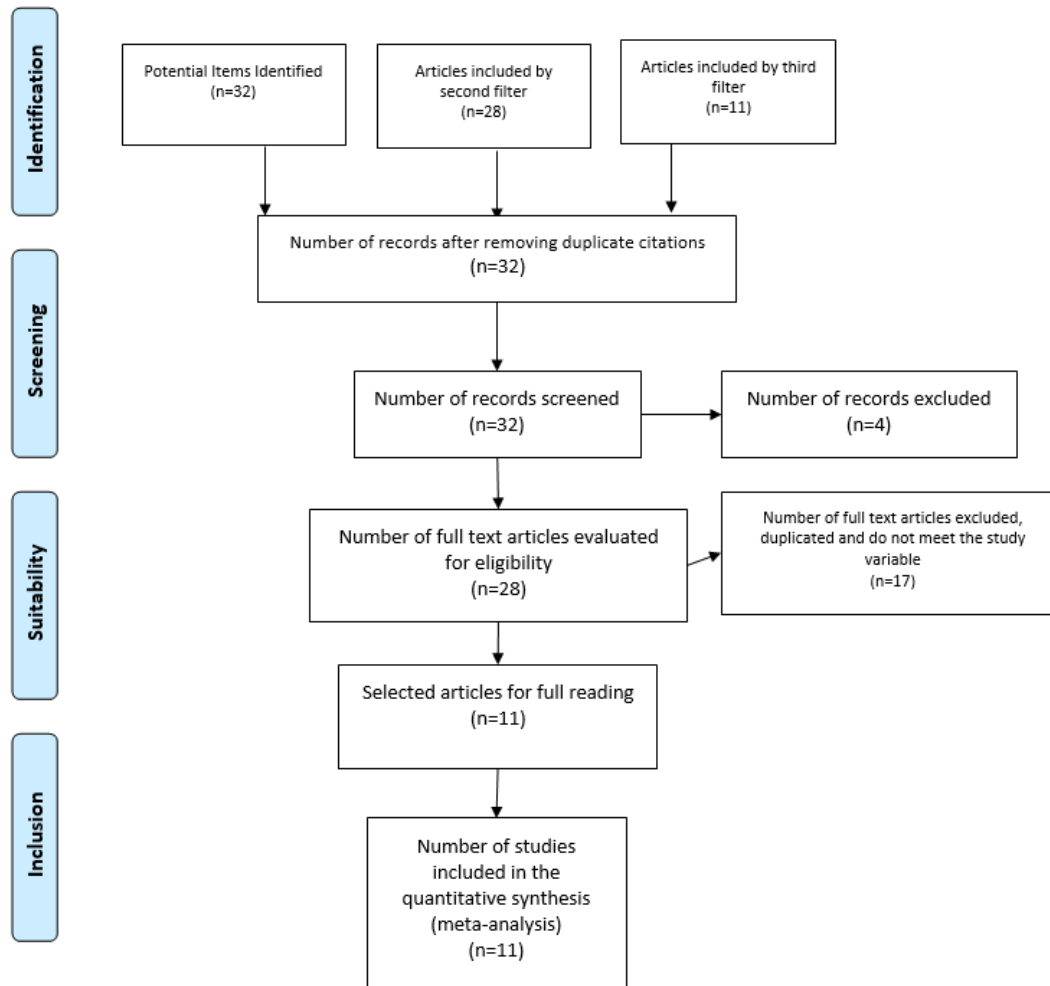


Figure 1. Flowchart of a systematic review carried out under the PRISMA technique (Moher, Liberati, Tetzlaff, Altman, & Group, 2009)

Source: Authors; Based on the proposal of the Prisma Group (Moher, Liberati, Tetzlaff, Altman, & Group, 2009)

4. RESULTS

Table 1 shows the results after applying the search filters related to the methodology proposed for this research, after recognizing the relevance of each of the referenced works.

No .	RESEARCH TITLE	AUTHOR/YEAR	COUNTRY	TYPE OF STUDY	INDEXING
1	<i>A state-of-the-art analysis of innovation models and innovation software tools</i>	Hernandez-Munoz, L., Torane, M., Amini, A., & Vivekanandan-Dukaram, A. (2015, September).	UNITED KINGDOM	QUALITATIVE	SCOPUS
2	<i>Socially responsible public procurement : The need to reconsider the power of public procurement for achieving social objectives; [Socially responsible public procurement : The need to reconsider the potential of public procurement in achieving social objectives]</i>	Samper, M. B. (2016)	SPAIN	QUALITATIVE	SCOPUS
3	<i>Business ethics in Latin America and its impact on sustained economic growth</i>	Chandan, H. C. (2015).	UNITED STATES	QUALITATIVE	SCOPUS
4	<i>Digital Markets Dynamics and Ethical Considerations of Online Drug Sales via Cryptomarkets</i>	Horobets, N. S., Rieznik, O. M., Riamzina, A., Samsin, R., & Denysenko, S. I. (2024).	UKRAINE	QUALITATIVE	SCOPUS

5	<i>Avoiding value destruction due to R&D portfolio changes</i>	Ngqulunga, B., , Walwyn, D. (2020)	SOUTH AFRICA	QUANTITATIVE	SCOPUS
6	<i>The shift to digital advertising: Industry trends and policy issues for Congress</i>	Platzer, M. D. (2014).		QUALITATIVE	SCOPUS
7	<i>Adaptive Management of Business Entities in the Context of Digitalization of the Economy</i>	Hrosul, V., Buhrimenko, R., Kolesnyk, A., Smirnova, P., & Balamut, H. (2022)	UKRAINE	QUALITATIVE	SCOPUS
8	<i>Impact of changing business strategy on R & D portfolio</i>	Ngqulunga, B. O. N. G. I. N. K. O. S. I., & Walwyn, D. A. V. I. D. (2016).	SOUTH AFRICA	QUANTITATIVE/QUALITATIVE	SCOPUS
9	<i>Business ethics in Latin America and its impact on sustained economic growth</i>	Chandan, H. C. (2015).	UNITED STATES	QUALITATIVE	SCOPUS
10	<i>Social media dilemmas in the employment context</i>	Lam, H. (2016).	CANADA	QUALITATIVE	WOS
11	<i>Linguistic multi-criteria decision making for energy and environmental corporate policy</i>	Doukas, H., Tsiousi, A., Marinakis, V., & Psarras, J. (2014).	GREECE	QUALITATIVE	WOS

Table 1. List of articles analyzed**Source:** Own elaboration

4.1 Co-occurrence of words

Figure 2 shows the relationship between the keywords used to search for the study material for the elaboration of the systematic analysis proposed for this research.

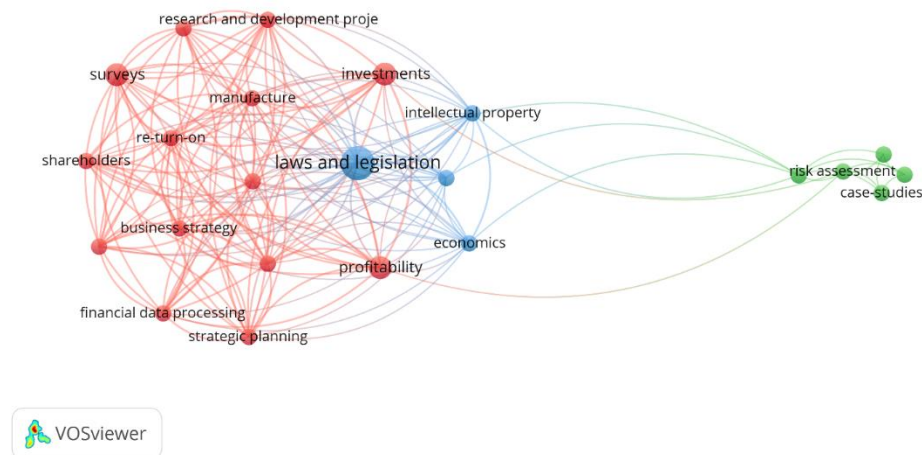


Figure 2. Co-occurrence of keywords.
Source: Own elaboration

This visualization shows the interconnection between key terms related to laws and legislation, business strategy, economics, investment and risk assessment in the context of social networks and their impact on sustainable business growth. In this case, the analysis reveals the importance of regulation in digital environments and how it is linked to strategic aspects of business development.

The analysis reflects three distinct thematic clusters. The first group, focused on business and financial strategies, encompasses terms such as *"business strategy"*, *"financial data processing"*, *"investments"* and *"profitability"*, suggesting that business regulation is directly related to strategic decision-making and financial performance. Secondly, the group associated with legislation and intellectual property, which includes terms such as *"laws and legislation"*, *"intellectual property"*, and *"economics"*, highlights the role of regulations in the protection of intangible assets and the legal framework that regulates business growth in digital environments. Finally, a third, more isolated group focuses on risk assessment and case studies, represented by terms such as *"risk assessment"* and *"case studies"*, indicating a more specific area of study that is less interconnected with regulation and financial planning.

In the context of the importance of legal regulations in the use of social networks for sustainable business growth in Ecuador and Latin America, this analysis suggests that *"laws and legislation"* is a central theme in the reviewed literature and is closely linked to concepts such as economics, intellectual property and investments. In addition, it is observed that there is a strong link between legal regulations and business strategies, which confirms the importance of regulations in investment management and corporate profitability. However, a key finding is that risk assessment and case studies are less integrated with the rest of the main terms, indicating that there is less scientific production on the relationship between regulation, social media use and risk management in the business environment. In conclusion, this network of co-occurrences suggests that laws and regulations play a key role in the structure of the literature on business strategies and economic growth in the digital environment. However, the lesser interconnectedness of these topics with risk assessment and case studies represents a gap in research, which could be an opportunity to explore in future studies. In the specific case of Ecuador and Latin America, strengthening the relationship between legal regulations and business sustainability in social networks could be an area of strategic interest for the development of more effective policies in the digital sphere.

4.2 Discussion

The impact of social networks on sustainable business growth is a phenomenon that has been widely studied in the scientific literature, especially in the context of developing economies such as those of

Latin America and Ecuador. However, the use of these platforms requires a solid regulatory framework to ensure their ethical and efficient operation, avoiding risks such as misinformation, misuse of personal data, and misleading advertising (Hrosul et al., 2022). This systematic analysis examines the scientific production indexed in Scopus and Web of Science (WoS), considering relevant articles on digital regulations, business ethics and regulation in digital environments. This systematic review follows the PRISMA methodology (Moher et al., 2009), selecting research that addresses key aspects such as the regulation of digital commerce, business ethics and data protection in social networks. 11 studies identified in WoS and Scopus were analyzed, prioritizing those with approaches applicable to the Latin American context. The study by Hernández-Muñoz et al. (2015) presents a detailed analysis of innovation models and digital tools that impact business regulation. Although the work focuses on the United Kingdom, its findings can be extrapolated to Latin America, where the lack of digital regulation remains a challenge. The authors emphasize that the absence of clear regulations can slow down the development of efficient and sustainable digital strategies in start-ups. Samper's (2016) study on socially responsible public procurement in Spain highlights the importance of legal frameworks in the use of digital platforms for the acquisition of goods and services. The research highlights that companies operating in digital environments must adopt regulations that promote transparency and accountability, which is critical for sustainable growth. This framework could be applied in Ecuador to establish best practices in social networks within the business sector. Chandan's (2015) work on business ethics in Latin America highlights the role of social networks in building trust and business sustainability. The author stresses that the lack of regulation in the dissemination of business information on digital platforms can lead to credibility problems, suggesting the need for stricter regulations to prevent misinformation and ensure business integrity. The article by Horobets et al. (2024) on digital markets and online sales in Ukraine highlights the regulatory challenges in digital environments. Although the context is different, the study provides evidence on the importance of establishing supervision and control mechanisms on digital platforms, preventing the spread of illegal content and ensuring a regulatory framework that protects consumers. This approach is highly relevant for Latin America, where digital trade still faces significant regulatory barriers. The work of Hrosul et al. (2022) highlights the concept of adaptive management in economic digitalization. In this context, it is noted that companies that manage to adapt to regulatory changes have greater opportunities for sustainable growth. In Ecuador, this principle could be applied to establish clear regulatory compliance protocols on social networks, ensuring that companies can operate without exposing themselves to legal sanctions. The article by Lam (2016) explores the ethical and normative dilemmas in the use of social networks in the workplace. It is proposed that companies must adopt clear policies to avoid legal conflicts related to the improper use of information on digital platforms. In Ecuador, this analysis is key to understanding how social media regulation can prevent corporate defamation and strengthen the reputation of companies. Most of the studies reviewed show that regulatory frameworks on social networks in Latin America are still incipient, which generates uncertainty in the business sector (Hrosul et al., 2022; Chandan, 2015). The regulation of social networks must be aligned with ethical principles that protect both companies and consumers, avoiding misinformation and promoting transparency (Samper, 2016; Lam, 2016). Companies that manage to adapt to emerging regulatory frameworks have greater opportunities for sustainable growth and less exposure to legal sanctions (Hernández-Muñoz et al., 2015). This systematic analysis highlights the importance of developing a clear regulatory framework for the use of social networks in the Latin American business context. Through the review of the scientific literature registered in WoS and Scopus, it is evident that the lack of regulation in digital platforms represents a significant challenge for business sustainability. The implementation of well-structured regulatory strategies in Ecuador and Latin America is essential to ensure the sustainable development of business in the digital age.

CONCLUSIONS

This study has shown the relevance of legal regulations in the use of social networks as a key factor for sustainable business growth in Ecuador and Latin America. As digital platforms consolidate themselves as essential tools for the competitiveness of companies, the regulation of their use becomes a fundamental aspect to guarantee a transparent, safe business environment aligned with principles of corporate social responsibility. The lack of a unified regulatory framework in the region has generated uncertainty for companies, which highlights the need to establish clear regulations that balance the development of the digital ecosystem with the protection of users' rights and market stability.

It was identified that regulating the use of social networks in the business environment not only protects consumers and organizations from legal risks, but also promotes business sustainability by establishing principles of digital ethics, transparency, and regulatory compliance. Regulations on data protection, intellectual property and digital advertising have proven to be essential to prevent unfair practices and fraud in the digital environment, which highlights the importance of their effective application in Ecuador and Latin America. In addition, the lack of harmonization between national laws and international standards limits the ability of companies to expand and integrate them into global trade. A key finding of the study is the need for companies to adapt their digital strategies based on current regulations, implementing compliance policies that minimize legal risks and improve their corporate reputation. Training in digital law and good practices in social networks is a fundamental strategy to ensure that companies use these platforms ethically and effectively. In this sense, the role of the State is crucial in the creation of regulatory frameworks adapted to the evolution of technology and in the supervision of their compliance, guaranteeing an equitable and secure digital environment for the development of business.

Another relevant aspect identified is the need to strengthen the relationship between the public and private sectors in the formulation of digital policies that encourage innovation without compromising data privacy and security. The regulation of digital commerce on social networks must include inspection and certification mechanisms, allowing companies to operate with confidence and guaranteeing consumer protection. This point is especially relevant in Ecuador and Latin America, where business digitalization is advancing at a rapid pace, but still faces challenges in terms of legal and regulatory infrastructure.

While there are efforts to regulate the use of social media in the business sector, the research revealed that the implementation of regulations is still incipient in many countries in the region. Consequently, the adoption of international regulatory models, such as the European Union's General Data Protection Regulation (GDPR), is recommended to ensure greater legal certainty in the digital environment. The experience of other economies that have implemented robust regulatory frameworks can serve as a reference for the development of policies tailored to the specific needs of Latin America.

In conclusion, sustainable business growth in Ecuador and Latin America depends to a large extent on the implementation of legal regulations that regulate the use of social networks. A well-structured legal framework not only strengthens the competitiveness of companies in the digital realm, but also protects consumers and fosters a safer and more transparent ecosystem. The digitalization of business must be accompanied by regulatory strategies that promote innovation, but also ensure accountability and compliance with ethical standards. The formulation of effective public policies and their proper implementation will be decisive in consolidating a sustainable and regulated digital business environment in the region.

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