Social Media in FMCG Marketing: Understanding How Supermarkets Use Facebook During the COVID-19 Pandemic

Surej P. John(✉) and Richard Walford

School of Business, Eastern Institute of Technology, Napier, New Zealand
{spjohn,rwalford}@eit.ac.nz

Abstract. Social media is regarded as one of the most cost-effective, yet efficient tools for marketing communication and promotion. The current study examined the usage and applications of social media among supermarket retailers in New Zealand. This study also examined how grocery stores and supermarkets in New Zealand had used social media for implementing six strategic marketing objectives: customer involvement, interaction, intimacy, influence, insights, and impacts. This study examined and analysed the Facebook pages of all six supermarket chains in New Zealand. Results indicated significant differences across supermarkets in terms of achieving those objectives. Results also suggested that retailers could do more in terms of enhancing customer interaction, intimacy, and impacts. The study provided direction on how retailers can better manage their social media contents to build profitable customer relationships.

Keywords: Social media marketing · Retail · Digital marketing · Engagement strategies

1 Introduction

Retailers of food and other fast-moving consumer goods represent the largest segment of retailers around the world (Filipe et al. 2017). According to the recent report from Deloitte, grocery supermarkets accounted for the largest number of companies (136) in the top 250 businesses in the world and have contributed more than 67% of the total revenue of the top 250 (Deloitte 2020). Despite the Covid-19 pandemic and subsequent lockdown of various global markets, the global food and grocery retail market is expected to grow at a Compound Annual Growth Rate (CAGR) of 5.0% from 2020 (Grand View Research 2020). Further, supermarkets and grocery stores were the only industry in New Zealand that recorded a substantial increase in sales and profits during the national lockdown which occurred between 25 March and 8 June 2020. During the June quarter of 2020, the supermarkets earned NZ$5.6 billion from New Zealand sales, an increase of 12% (NZ $615million) compared to the same time period of the previous year (Statistics New Zealand 2020). Grocery stores are a highly competitive industry in New Zealand with two major brands controlling 85% of the market. This study examines how grocery

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stores and supermarkets have used social media, particularly Facebook for marketing their goods and services and implementing customer relationship management strategies during the national lockdown due to Covid-19 pandemic.

Social media is considered as one of the most cost-effective, yet efficient tools for marketing communication and promotion (Assimakopoulos et al. 2017; John et al. 2018; Yoon et al. 2018). As social media networks are platforms for online consumers to interact with and influence one another, these channels have a direct impact on brand communities, sales and overall firm performance (Wang and Kim 2017). Further, social media channels enable online users from being mere passive users of the information to become active users who can create and share brand-related information including marketers (Wang and Kim 2017). Research indicates that social media applications enable current and potential customers to interact directly with the producers which empower them to take an active role in the co-creation of customer value and experience (Brodie et al. 2013; Prahalad and Ramaswamy 2004). With these facts in mind, retailers have increasingly used social media for implementing customer relationship management strategies. These strategies include customer involvement, interaction, intimacy, influence, insights, and impacts (John et al. 2018; Stevenson and Hamill 2016; Yoon et al. 2018). The current study examines how grocery stores and supermarkets in New Zealand have used social media for implementing those six strategic objectives. Hence, the current study seeks to establish a baseline for social media activities for New Zealand supermarkets and identify what strategies are being used for maximising the effects of their social media-based marketing. Towards, this objective following research questions were developed.

RQ1: How do retailers use social media for marketing activities?
RQ2: Is there any significant difference in the use of social media across grocery stores and supermarkets?
RQ3: What are the significant issues faced by grocery stores and supermarkets when using social media for marketing and promotion?

2 Literature Review

Social media plays a major role in today's digital marketing landscape. Unlike traditional marketing channels, social media networks are powerful channels for interactive marketing (John et al. 2018). Research suggests that a significant proportion of current and potential customers search for product information before their purchase over social media (Torres de Oliveira et al. 2020). Social media channels enable customers to interact freely with the firm, request product information, provide feedback on products and services, and even make complaints (Neslin et al. 2006; Torres de Oliveira et al. 2020). Therefore, monitoring and analyzing social media channels help the marketers to understand customer motivations and preferences before, during and after their purchase (Hays et al. 2013). According to Chan and Guillet (2011), a social media evaluation criterion should monitor four digital marketing strategic objectives: attracting, engaging, retaining, and learning (John et al. 2018). Kietzmann et al. (2011) noted seven functional building blocks of social media: identity, conversations, sharing, presence, relationships,

reputation and groups. Hays et al. (2013), suggested three areas of social media analysis that are useful for the marketers. These include 1) Audience size (e.g. number of followers), 2) Level of customer interaction (e.g. number of comments and shares), and 3) Customer sentiments (e.g. nature and types of comments posted, number of likes and dislikes).

Based on the current research, Stevenson and Hamill (2016) proposed a simple, yet comprehensive model for monitoring and measuring the functional use of social media in tourism marketing. The model proposed six key performance indicators (the 6Is) for social media monitoring. These include involvement, interaction, intimacy, influence, insights and impact. Social media involvement refers to the level of audience's interest, emotional attachment or arousal with social media contents (Amaro and Duarte 2015) and these can be measured by the number of users, fans or followers (Phelan et al. 2013). Interaction refers to the level of user engagement over social media. Social media interaction indicates the online activities of the users such as reading posts, creating and sharing useful contents such as pictures, videos and reviews (John et al. 2018). Intimacy indicates the level of customer sentiments towards brands (Stevenson and Hamill 2016). Brands build customer intimacy over social media through online interactions and conversations. Influence refers to the ways social media is being used to influence customers' attitudes and purchase decisions. Influence indicates how a brand manages its social media for advocacy, referrals and recommendations (John et al. 2018). Obtaining valuable consumer insights is another key objective of a brand's social media usage. According to Stevenson and Hamill (2016), insights refers to the "*level of actionable insights received from monitoring online conversations*". The sixth dimension, impact refers to the effects of social media marketing measured against their marketing objectives. Brands provide multiple options on social media for customers for purchasing products or make product inquiries Options include among other aspects, providing toll-free numbers, email addresses and links to online shopping sites.

3 Methodology

Based on previous literature, this study employed both quantitative and qualitative research methods. Several previous studies related to social media marketing (Chan and Guillet 2011; John et al. 2018; Phelan et al. 2013) have employed qualitative data analysis. Qualitative data analysis, particularly content analysis is useful for monitoring digital marketing initiatives particularly communication via social media as it helps researchers to examine a topic in great detail without restricting the data collection to pre-defined survey questions (Phelan et al. 2013). Content analysis is a widely accepted technique for investigating social media use as it assists researchers to examine the contents and data trends systematically, and identify an empirical basis for social media usage (Cheung et al. 2020; Phelan et al. 2013). This study examined and assessed the social media contents posted by six major grocery supermarket brands in New Zealand. Currently, the supermarket industry is a duopoly in New Zealand with only two major players: Foodstuffs New Zealand (owns Countdown, Super Value, and Fresh Choice) and Woolworths (that owns Pak n Save, New World, and Four Square) (Foxcroft 2020). This study examined the Facebook data posted by all six supermarket brands in New

Zealand. Facebook is the only social media platform that is being used by all six brands in New Zealand. Links to the social media pages were identified from their corporate websites and the required data from Facebook pages were downloaded using NCapture tool for the Google Chrome browser. Data were collected during the first six weeks of the national lockdown period starting from 25 March 2020. Once the data was downloaded, a comprehensive review, coding and analysis of the contents were performed using NVivo version 12. This study examined the social media contents based on the Social media monitoring framework (SMM) proposed by Stevenson and Hamill (2016). Twenty-seven items were used in this study to measure six digital marketing dimensions in social media. The measurement items were either recorded by frequency or count. Some items have used a dichotomous scale, where criteria were coded as either present or absent. SPSS version 24 was used for further quantitative analysis of the collected data.

4 Results

The post level data from six major retailers, referred to as posting strategy, was the first step in understanding retailers social media landscape. The descriptive statistics of these posting strategies are shown in Table 1. Key social media posting strategies employed by retailers as per the SMM framework is provided in Table 2. We have examined the number of posts, type of posts (e.g. images, videos), post frequency, the purpose of posts (e.g. announcements, entertainment, engagement, informative), and engagement statistics such as page likes, page followers, post likes, post comments and post shares in the first stage. As shown in Table 1, we can see that most supermarket retailers were consistent in providing timely updates regarding Covid-19 lockdown and related news, the announcement regarding the product availability, supply and online deliveries, and high-quality contents to educate, entertain and engage their online customers. An average of 31 posts was made by six retailers during the 35 days with a minimum of 10 and a maximum of 68 posts. An average of .89 posts was uploaded daily. Two retailers were outstanding in using social media for marketing communication with an average of nearly 2 posts per day. Photos and images were found to be popular content types. Photos and images accounted for a minimum of 71% to a maximum of 179% per post. On the other hand, videos accounted for only 23% of the post contents on average. Informative (28.3%), announcements (23%), and engagement (15%) type posts accounted for most of the content types. All retailers (at varying levels) were found to be providing useful customer information during lockdown such as safety advices, news, recipes, product usage information, product care suggestions, contests, quizzes, polls and so on.

As shown in Table 2, retailers were having mixed opinion in terms of using social media for marketing purposes. For example, only 50% of retailers were actively using social media for increasing customer involvement and participation. Regarding customer interaction with posts, only one-third of the retailers were updating their contents daily and another 50% weekly to daily. All retailers were keen on providing useful information and thus developing customer intimacy. Examples of work from home tips, safety advice, recipes, the announcement of special delivery and services were available on all retailer social media pages. While all social media pages provide links to their corporate websites,

Table 1. Descriptive statistics of the posts and engagement strategies

Posts		**Mean**	**SD**	**R1**	**R2**	**R3**	**R4**	**R5**	**R6**
	Total posts	30.67	21.54	68.00	23.00	22.00	44.00	17.00	10.00
	Post frequency (posts/ day)	0.89	0.60	1.94	0.66	0.49	1.26	0.49	0.50
	Average characters per post	69.83	19.27	69.00	83.00	99.00	51.00	48.00	69.00
Post types									
	Photos	32.17	26.42	48.00	18.00	21.00	79.00	17.00	10.00
	Videos	10.67	13.79	35.00	9.00	2.00	18.00	0.00	0.00
	Announcements	7.00	4.47	12.00	9.00	10.00	8.00	2.00	1.00
	Promotions	3.83	3.97	7.00	6.00	0.00	9.00	1.00	0.00
	Informative	8.50	8.31	25.00	5.00	5.00	8.00	6.00	2.00
	Engagement	4.50	5.54	15.00	0.00	4.00	3.00	0.00	5.00
	Thanksgiving	2.50	2.35	7.00	2.00	2.00	2.00	2.00	0.00
	Greetings	1.67	0.52	2.00	1.00	1.00	2.00	2.00	2.00
	Percentage of photos	103.97	38.96	70.59	78.26	95.45	179.55	100.00	100.00
	Percentage of videos	23.43	22.99	51.47	39.13	9.09	40.91	0.00%	0.00
Engagement									
	Page likes	176959.50	167355.85	309967.00	315063.00	39237.00	360992.00	23854.00	12644.00
	Page followers	173254.67	162740.39	305367.00	310161.00	39366.00	347523.00	24294.00	12817.00
	Total likes	28036.33	33245.69	71671.00	24450.00	3154.00	67042.00	1866.00	35.00
	Total comments	10475.67	13109.15	32965.00	6674.00	629.00	19386.00	3200.00	0.00
	Total shares	4051.00	5169.62	12246.00	2814.00	381.00	8602.00	256.00	7.00
	Total engagement	42563.00	51029.21	116882.00	33938.00	4164.00	95030.00	5322.00	42.00
	Engagement (%)	18.23%	13.64%	38.28%	10.94%	10.58%	27.34%	21.91%	0.33%
	Average comments per post	193.49	171.00	484.78	290.17	20.05	88.68	188.24	89.00
	Average shares per post	94.24	84.38	180.09	122.35	33.11	199.86	15.06	15.00
	Average likes per post	526.32	469.39	1053.99	1063.04	166.00	691.15	109.76	74.00
	Percent of posts with likes	100.00%	0.00	100.00	100.00	100.00	100.00	100.00	100.00
	Percent of posts with comments	82.40%	18.13	98.53	100.00	70.00	97.00	58.90	70.00
	Percent of posts with shares	94.41%	9.66	100.00	100.00	100.00	100.00	76.47	90.00

only 17% of the retailers provide links to the firm's other social media pages. Nearly 180 posts with 193 photos and 64 videos were posted by six retailers during the first six weeks of the lockdown. Various content types such as announcements, brand and store promotions, festival greetings, informative, thanksgiving, and user engagement posts were provided by New Zealand retailers. Regarding the consumer insights, while all retailers provided some form of customer service channels such as instant messaging and post replies with a response time of less than a day, none of the retailers was found to be providing options for customer reviews and testimonials. Also, online users were unable to rate or rank retailers based on their purchasing or shopping experience. Finally, the conversion of the active audience to customers is also an important function of social media today. As shown in Table 2, nearly 83% of the retailers provided hyperlinks to online shopping/booking in their social media. Also, 67% of the retailers have provided their nearest address and map. Nearly 33% of the retailers have provided reservation hotlines, and email addresses for potential customer contacts. It was found that only one of the six supermarket retailer groups had provided any customer hotline numbers, links to loyalty cards and mobile applications in their social media pages. This study

Table 2. Social media monitoring strategies of FMCG retailers in New Zealand

Involvement			
	No. of fans or followers	0–10000	
		10001–50000	50.00%
		50001–100000	
		More than 100000	50.00%
Interaction			
	Dynamic Content	Update daily	33.00%
		Daily-weekly	50.00%
		More than weekly	16.00%
	Promotions for individuals/groups		50.00%
	Promotions for special holidays or events		66.67%
	Provision of contests/games/quizzes		66.67%
	Reply to customer queries		83.33%
Intimacy			
	Brand introduction/success stories		33.33%
	Useful customer information (work from home tips, recipe etc.)		100.00%
	Announcement of special services		100.00%
	Links to brand's official websites		100.00%
	Links to brands other social media pages		16.67%
Influence			
	Total number of posts		179
	Average posts per day		0.89
	Total number of photos/images		193
	Total number of videos		64
Insights			
	Provision of online customer service		100.00%
	provision of customer reviews/testimonials		0.00%
Impact			
	Provision of online booking		83.33%
	Provision of reservation hotlines		33.33%
	Provision of call Centre hotlines		16.67%
	Provision of email addresses		33.33%
	Provision of address/map		66.67%
	Link to Clubcard/loyalty card		16.67%
	Links to mobile app		16.67%

contributes to digital marketing and e-commerce literature in many ways. First of all, it is evident from the literature that social media can be efficiently used for marketing and customer value creation through its interactive communication platforms. However, not many studies have examined or monitored the actual usage of social media in retail marketing. This study attempts to fill this gap. Secondly, the current study has extended the Social Media Monitoring framework (Stevenson and Hamill 2016) by examining the social media behaviour of supermarkets and grocery retailers in New Zealand. The findings also indicate the need for retail brands to involve, interact and to develop intimate relationships with online customers over social media channels.

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