How to Achieve a Social Media Transformation

Mark Kilgour, Sheila Sasser, and Roy Larke

1   Theory Development

In the consumer decision making process there are four sources of information consumers use to assist in determining which brands they will consider for purchase; commercial, social, experiential, and public sources. Organisations have the most control over the commercial sources, but this information is usually viewed as the least credible from a consumer perspective. In contrast, experiential sources are usually the most reliable type of information, except in situations where a social source, such as a friend, is also an expert in that product category, in which case this social source may be perceived as more reliable. This chapter looks at how well planned content creation can blur the lines between commercial and social sources of information in this new social media environment.

Social media has changed the traditional dynamics of these types of information sources, both through changing the ease and frequency of access to social sources of information (Mangold & Faulds 2009), and also by providing new ways in which corporations manage their communication processes. A number of academic articles have looked at key individual elements of social media communications including; the degree and ease of interactivity (Boyd & Ellison 2007; Stewart 2005), the perceived level of control from users (Kelly, Kerr & Drennan 2010; Swain 2005), the importance of relationship marketing (Yoon, Cropp & Cameron 2002), the characteristics of the users and their active involvement in shaping the new media environment (Chi 2011; Keller 2007; Singh & Sonnenburg 2012) as well as their motivations for using the media (Gangadharbatla 2008; Zeng, Huang & Dou 2009). Each of these areas extends our knowledge of how these factors are important for corporations in the social media environment.

While these research streams have been crucial to our understanding of social media, they are yet to be fully integrated. The integration of these different streams provides the basis for a corporation to achieve outcomes beyond what traditional broadcast media can offer. Social media provides the potential to interact with users who are highly involved, and build relationships with individuals who will then positively represent your corporation to their social media communities. Social media campaigns, if they are well integrated, provide a synergistic form of interaction with customers that can change the corporate source of information from being perceived as a commercial source to

being perceived as an expert social source – we refer to this as the social media transformation approach.

The conceptualisation of this social media transformation was the result of a series of exploratory studies undertaken using experts and heavy social media users. This research provides an understanding of the transformation approach that corporations can use to improve the perceived credibility and value of their social media communication strategies.

2   Method

Social media as defined for this research is the media for interaction. While it uses the internet as the primary basis for information transfer, it differs from, and is a significant sub segment of, internet media. Social media has the additional component in that it involves some form of social interaction as part of the process. This may occur in a number of different forms from social media sites such as Facebook, Weibo, YouTube, Mixi and Twitter, through to blogs and online magazine style content. This social interaction component has significant implications for how corporations and society utilise this new media. There is a lot of hype around social media as a communication medium, and the objective of this research was to understand how corporations can best utilise social media communications in their promotional campaigns.

Given the broad nature of the research objective, research was first undertaken using interviews and surveys. A series of research techniques were employed with each stage informing the research objectives of the subsequent stage and guiding the next set of research questions with increasing structure. Initially unstructured depth interviews were conducted with experts at a major advertising networking event in Detroit. Use of expert interviews was chosen as the preferred research technique as it best serviced the research objective, through obtaining a deep understanding of participants' thoughts, opinions, attitudes and behavioral intentions (Hair et al., 2008).

This first stage involved interviews with a small sample of current US social media experts in order to identify a research framework. This involved unstructured interviews and feedback forums with senior executives in social media positions. Position titles were Director of Interactive Experience, Vice President Group Director of Digital, Director of Social Media and Interactive Marketing, all of major multinational advertising agencies or emerging social media agencies, followed by brief and informal discussions, casual interviews, and informational excerpts with senior executives at Facebook, Yahoo, Google, F/X, Hulu, MEDC, and VideoEgg. These took place at professional events, seminars, panels and symposiums that provided access to these individuals, who are typically unreachable.

In order to shed further light on the initial findings from the depth interviews, qualitative research was conducted using two distinct groups of heavy social media users. Given that social media is relatively new, coupled with its very dynamic nature, it was necessary to develop an analysis based on a group of heavy social media users who possess an extensive corporate background and applied expertise. The first discussion group evolved as part of a topical media exercise of students that fit the target profile, and who were enrolled in an online, graduate, integrated marketing communication program. Respondents were identified only within their specific group and remained otherwise anonymous. Findings from this exploratory study were then used to develop a set of questions that were then administered to a group of graduate students in the United States and New Zealand.

The refined survey questionnaire was administered to two small groups of 10 graduate students enrolled in at two major universities in the United States and New Zealand. This group was selected as they fit the profile of heavy and informed users of social media (VALS^{TM}, SRI Consulting Business Intelligence 2009). Thematic analysis was undertaken to identify key themes. Finally a further survey was administered to 105 executive graduate MBA and Graduate Master's students with five years of industry experience in appropriate industries. Thematic analysis was conducted on the data and key themes identified. This series of studies provided a number of insights. Integrating the key set of themes, lead to the identification of the social media transformation process. Given the amount of data generated and limited space, this paper focuses on a limited number of themes.

3 Theme One – Context Matters

Social media has quickly become a prevalent source of social information. Particularly amongst certain segments, the high usage and ease of access to social media means consumers have become more reliant on social sources of information to determine their consideration sets for purchase. These social sources of information are viewed as more reliable than traditional broadcast advertising. Not only does social media provide information that is perceived as more credible, the high use of social media by some segments means that traditional media are being crowded out, especially as simultaneous viewing habits increase (Pavlou & Stewart 2000). However, social media is not a traditional media and even if companies are able to use this media to converse with consumers, the consumer can always stop the conversation. It is important for an corporation to first understand the social media environment and the opportunities and constraints that this environment presents.

Responses highlighted the importance of the media environment as influencing expectations and perceived benefits, as context dictates customers' expectations and values. In terms of why consumers use the media, it is clear that consumers use social media primarily to meet social and esteem needs by interacting with friends, family, and communities, with which they share common interests (Ridings & Gefen 2004). From a corporate perspective, respondents emphasised the need to avoid using social media as a traditional broadcast advertising medium.

A key difference between the social media context and traditional media such as radio or television is that, unlike traditional broadcast media where the content is primarily provided by corporations for customer's entertainment purposes, and where consumers have an expectation that the cost of that entertainment is advertising, in the social media context the platform is primarily for social interaction between individuals who share common interests and who do not accept that the cost of using the medium is advertising. This lack of acceptance of advertising means that corporate communications need to be integrated into the reasons for people using this medium – their social and esteem needs.

For a corporation using this medium it is therefore paramount that they are not using it to merely sell product, but are providing something that is of social value. A consistent theme in responses was the need for a soft sell approach and the need to provide information that is of value to the community at large. So while corporations may provide content and entertainment, to be effective they need to do so in a way that their message becomes part of the social interaction and provides value to either the individual or the community.

4   Theme Two: Social Value

A central theme across all respondents was the need for corporations to interact in a way that is valued by their targeted social media community. This value may be a result of individuals discussing entertaining brand activities or promotions, or by providing information to an individual that will enhance their social standing.

A corporation can try to sell to social media users, but unlike many advertising media, this is not the place users expect to see commercial information. Unless the user has chosen to seek out commercial information, then in most cases corporate advertising messages will be viewed as an intrusion from an outsider into the user's social media space. To overcome this limitation social media facilitated sites, or those that use a social model, are appearing that have a direct commercial objective. Examples include Gilte Group, Glamour Sales, or other flash sales membership sites, as well as more

general social media commerce sites like style.com, fancy.com, or, in a more specialist way, iQon and Buyma.com in Japan.

Buyma.com, uses social interaction as the entire basis of its business model, integrating with the Japanese group orientated culture, limitations on import opportunities and language barriers. Members to the site, which at its most basic level is a social media site, sign up to be either sellers (called 'buyers' by the site in the same way as any retail organisation) or purchasers. Buyers are most usually based overseas or are about to travel overseas. They take orders from their followers for products only available outside Japan, and build their following based on their reviews and access to new and interesting merchandise. Buyma.com takes a margin from both seller and purchaser.

As this example indicates, the key for brand use of social media is interactivity, but it does not need to be corporations interacting with customers directly, it can be a message or platform that results in social interaction. So when looking at using social media, broadcast type advertising is appropriate if corporations are providing advertisements which then result in social interactions. Subsequently, traditional advertising media may still have an effect in this media given appropriately creative content. Although respondents generally do not listen to corporate broadcast advertisements in a social media setting, respondents noted that social media communications can be effective if they do not just 'talk at the consumer', but start by listening and interacting with them, creating conversations.

Consumers will only maintain a relationship with a brand on social media if the value they get from the relationship is perceived to be greater than the cost of maintaining that relationship. The same applies for the corporation. While the transaction costs may seem to be minimal for the consumer in an online environment, the increasing time scarcity of consumers may continue to increase the perceived relationship cost. If, however, a consumer's self-concept is tied to information provided by the brand, then this will enhance the value of the relationship. If that consumer is also an influencer and an existing brand advocate, then the corporate value of maintaining that relationship is dramatically increased.

5   Theme Three: Integration

One of the issues noted by respondents was that interactions must consider the current relationship between the corporation and the social media user. Each social media user comes with a pre-existing level of knowledge, and relationship, with the corporation. This relationship may range from a prospect to a brand advocate. This level of pre-existing knowledge influences how each person will react to content.

People may initially join a social networking site, forum, or view a user generated content site, for social needs, and as their level of participation increases their self-identity may become related and enhanced by their interactions with the site itself. This greater level of involvement presupposes a greater level of commitment and a development of further social and self-esteem based bonds which will further influence the users' motivations. User generated content and interactivity also changes the degree of interdependence and power of individual contributors. Knowledge of the users and information generation therefore become key currencies in social media.

6   Theme Four: Targeted Objectives

As with any form of promotion, the corporation will have different objectives they need to achieve based upon the current type of relationship they have with a customer. For prospects, a corporation will have to gain attention and develop affective responses. For a brand advocate, reinforcement of existing positive attitudes and encouraging word of mouth is often the focus. Hence the content elements within messages will depend upon the current level of brand knowledge, with more originality relative to appropriateness elements required to break through to less knowledgeable target audiences such as prospects. For advocates, more focus will be on appropriateness elements and the maintenance of a dialogue in order to further build the relationship and encourage positive word of mouth. However, the fact that consumers are using this media for social rather than commercial purposes means a high level of novelty may still be required and effects are likely to be small unless the user finds social value in the corporate message. Highly original social media advertising can create the 'talk around the water cooler' effect, and generate conversations within the community.

The problem of linking social media content to actual sales opportunities has now been largely solved. In Japan, a reasonably recent example and one currently receiving significant support in terms of venture funding from Itochu Technology Ventures and KDDI is iQon. The company began as a fashion-related social media site. Members take pictures of themselves in their own fashion outfits (called 'looks') and make collages of their fashion collections which they post online. In addition to receiving comments and advice from other members, and building a 'fan' following in this way, iQon has commercialised the service in two ways. First, comment and feedback, even complete make-over advice is provided at a fee by the company's own experts. Secondly, and more importantly, iQon links individual photos of product to online sales sites of the brand in question, allowing users to click a product and make an immediate purchase. This kind of thing has been common in digital

magazines for much of the past 10 years, but it is now possible using product shots posted by members from the general public. Until it was shutdown in 2014, Dentsu and NTT's 'Finddog' smartphone search tool similarly allowed consumers to take photos of fashion and interior items they find anywhere, and have the software search for the same item in NTT's databases, compiled from links with most of the major catalogue shopping sites.

One advantage of most social media platforms is that they allow for the full range of promotional tools to be utilised from advertising through publicity, sales promotions and even virtual personal selling. The costs versus the benefits need to be considered when deciding upon whom to target using which social media platform, and which promotional tools to use. Advocates will be more responsive to social media communications as they have a higher level of existing knowledge and involvement with the brand. However, the fact people are non-responsive to advertising using this media will diminish the relative effectiveness of using this media for that purpose. Subsequently it is not surprising that many corporations have chosen to include sales promotions activities to incentivise response.

Social media can be used as a virtual salesperson with the opportunity for a corporation to develop a relationship with customers. While the costs of a virtual salesperson may be lower than an actual face to face or telephone based sales call, this relationship building will still consume significant resources and hence relative costs to benefits must be considered. Relationship variables have been extensively modelled in the literature (Wilson, 1995) and include key variables commitment, trust, cooperation, mutual goals and performance satisfaction. Many of these variables will take a significant amount of time and resources to develop, and operationalising the system of interaction will vary dependent upon the status of the current relationship, and the product category. Convincing a prospect, using a virtual salesperson, that your corporation has mutual goals with them and that you can be trusted is a difficult proposition as prospects are unlikely to be responsive, even to the initial communication. Subsequently applying resources to achieve more intensive interactions will be more cost effective with consumers who have a strong existing relationship with the brand.

7   Theme Five: Influencing the Influencers

Many social media commentators have identified what are referred to as influencers, and this theme was clear in the comments in this research. Influencers are people who have strong networks within a social media community and who diffuse information that maintains and often enhances information flows across that community (Murdough 2009). Some of these

people are active bloggers, or tweeters, with large followings of people who actively seek out their messages. The importance of these opinion leaders, and/or network hubs, has been increased significantly due to the large number of people having access to their communications over what is a highly efficient and timely media. While the true value of some of these individuals may be overestimated due to the increasing propensity to 'buy' followers and likes, their relative effect is still substantial. Corporations must be careful when attempting to influence these opinion leaders as they are difficult to control and could therefore result in unwanted re-messaging.

Corporations need to identify the value they can provide to these key influencers. Social media can be a source of product information (Ahrens & Coyle 2011), and the influencers achieve their influential status by providing social information to the community. Some of this social information may be related to products and services. Content therefore needs to be developed that has social value. The problem is that what is valued by whom will differ at least to some extent on the individual. Understanding influencers and developing content to meet their needs therefore increases the likelihood of the corporation's message being redeveloped and diffused in a form that loses its perceived corporate identity. Ideally over time such strong relationships can be developed with influencers that they become advocates of the brand, actively and voluntarily becoming part of the communication process; and passing on information and/or events to their networks.

Subsequently, to facilitate positive social discussion around their brands, corporations should not only identify opinion leaders they should identify those that are already advocates and those that would value information from the corporation to enhance their social standing. This can be achieved through data mining of social media information as this can provide invaluable information about groups of people and the relationships between demographic and behavioural information and interests, attitudes, and purchase intentions. Not only is basic demographic and geographic data available, underlying motivations to use the social media, such as friendship versus emotional support, can be utilised to identify key opinion leaders who will be receptive to the brand message. If opinion leaders can be identified whose self-concept is tied to their knowledge of the product category, then they are more likely to be receptive to brand information.

The alternative strategy is for a corporate representative to become the influencer in the product category. However, this strategy has significant risks as a lack of transparency in terms of disclosure of vested interests can result in a strong negative brand effect. Influencers who are corporate based lose credibility as they are seen as a commercial, not a social source, of information. Hence a corporation's social media spokespeople must be careful not to be seen as selling product but providing information.

8   Theme Six: How to Communicate

People in the social media environment are not looking for ads. However, if the ad is novel enough it may become part of the social conversation in social media. Most forms of advertising are however, essentially just another form of broadcast advertising and in many circumstances it may be more effective to continue to use traditional media such as TV or radio where there is at least some acceptance of advertising as the cost of using those media, and also provide those ads in a viewable social media context such as on the corporate Facebook page or on YouTube.

The greatest potential return from social media activities is when a corporation is able to change their commercial communication to be perceived as an expert social source. They would do this by targeting social media influencers and having a conversation with them. If the corporation can develop relationships with brand advocates who are also social media influencers, then this will provide a significant return through e-word of mouth and inclusion of the brand in prospects' consideration sets.

While the ultimate aim of corporate communications is brand purchase, for this to occur they must be in the customer's consideration set. Social sources of information from opinion leaders are often the most powerful and credible source of information for consumers when developing their consideration sets. By providing influencers with information that will enable them to maintain their expert status in their social media community, corporations can change their corporate communication into an expert social source – the social media transformation approach. Given that influencers are identifiable through their activities on social media sites and their motives can also be determined through analysis of their social media behaviour, highly targeted content can be developed.

Of course once you are in the customer's consideration set you still need to have a high quality landing site for the customer to be able to further evaluate and ideally purchase your product – this is now so crucial that the landing site is a key element in the 'quality' measure used in Google Adwords. Social media provides the basis for corporations to have their brands become the consumer's friend, but unless it is part of an integrated process of moving consumers through cognition, affective, and behavioural responses, then it is wasted. Hence a series of steps can be utilised to manage the social media transformation process, although the objectives and content elements will depend upon the characteristics of the target audience, and in particular their brand relationship and level of category involvement. For example, when targeting key influencers with a strong positive relationship with the brand and category, the following steps can be followed to assist with the process;

The Social Media Transformation Approach

1. Determine your communication objectives and the target audience

2. Use social media information sources to identify the key influencers of your target audience who have a strong and positive relationship with your brand/ corporation

3. Determine the value those influencers get from their social media community and how you can assist them in attaining this value

4. Integrate what the influencers value into your key message

5. Provide an integrated landing site to support the process

6. Scan the social media environment to identify opportunities to implement the social media transformation process

7. Evaluate and refine the message based upon the outcome of the target's social media interactions in relation to their user generated content and their changing user status.

9   Implications

Social media changes the environment in which communication takes place and hence a corporation must adapt to this new environment. Integration of the implications of the key themes led to the following insight – if done properly social media can be used to change a corporation's communications from being perceived as a commercial source to a social source. The result of which is that the brand becomes their friend. This is critical in a social media environment but is something a lot of managers are yet to grasp.

Social media, as the name implies, provides a 'friend' or at least 'the opinion of a friend', providing constant, fresh content, information and involvement. Many corporations are still using social media as a broadcast sales media rather that what it ideally is: a social media. Concepts such as permission marketing and in-bound marketing have been coined to refocus social media campaigns and they are an integral part of a social media strategy, but this social media transformational approach goes beyond this.

Social media is not a traditional advertising media and should not be used as such. The focus should be to understand the community and the social dynamics

of that community so that you can provide that community or its key members with something they want that relates to your brand – true marketing. Social media marketing should not follow the traditional broadcast route, you have to add something to the community not just sell to it.

Brands may not assume that all social media users welcome intrusions, although it may be appropriate for some users, others may not be so eager to engage. Brand managers and all entities engaged in social media positioning must carefully listen to the consumer conversations and determine the needs and segments that may be receptive. Social media is complex as each user is different. Understanding of the drivers of these differences allows for more effective content creation strategies that may allow your brand to become the customer's friend.

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