Impact of Social Media Changes Marketing
ผลกระทบของสื่อสังคมต่อทิศทางการทำการตลาด

มณฑาจุฬา สุวัฒนะดิลก
Montajula Suvattanadilok
Lecturer Business Administration
Administration and Management College
King Mongkut's Institute of Technology Ladkrabang
ksmontaj@kmitl.ac.th

Abstract

Social media has been involved in almost every aspect of our lives. This is because of its accessibility, speed of communication, and the network effect of the tool itself. For example, Twitter, Youtube, Facebook, and Instragram have been widely adopted and become household words, penetrating and connecting the society. In this regard, social media is considered a powerful marking tool which answers to what the entrepreneur, manufacturer, and marketer need. This study aimed at investigating the impact of social media toward consumer's media behavior, entrepreneurship and commercialization, marketing strategy, and marketing research methodology. The implication of this study is offered insights into media consumption behavior, so the all the stakeholders are able to enjoy the benefit of applying social media to both marketing and public.

Keywords : Social media, marketing, advertisement, consumer, internet

บทคัดย่อ

สื่อสังคม (Social Media) เข้ามามีบทบาทความสำคัญอย่างมากในสังคม อันเนื่องมากจากความสะดวกในการเข้าถึง ความรวดเร็วและความสามารถกระจายข่าวสารระหว่างผู้ส่งและผู้รับสารจำนวนมากในวงกว้าง ตัวอย่างเช่น Twitter, Youtube, Facebook, Instragram ซึ่งต่างได้รับความนิยมอย่างกว้างขวาง แทรกซึมสู่ทุกกลุ่มชนในสังคม ดังนั้นสื่อสังคมดังกล่าวจึงนับว่าเป็นเครื่องมืออันทรงพลังสำหรับงานการตลาด (Marketing) ซึ่งอำนวยความสะดวกและตอบโจทย์แก่ผู้ประกอบการ ผู้ผลิต นักการตลาด อนึ่งงานศึกษาเรื่องนี้มุ่งศึกษาผลกระทบของการใช้สื่อสังคมที่มีต่อพฤติกรรมผู้บริโภคสื่อ ผลกระทบต่อความสำเร็จหรือความล้มเหลวของสินค้าหรือบริการต่อผู้ประกอบการและผู้ผลิต ผลกระทบที่มีผลต่อการทำการตลาด และผลกระทบที่มีผลต่อบริษัทวิจัยการตลาด งานศึกษาเรื่องนี้จะช่วยผู้ประกอบการ ผู้ผลิต นักการตลาด และนักวิจัยการตลาด เข้าใจความเปลี่ยนแปลงที่เกี่ยวข้องกับพฤติกรรมการบริโภคสื่อ และการนำเอาสื่อสังคมมาประยุกต์ใช้ให้เกิดประโยชน์สูงสุดในทางการตลาดและสังคม

คำสำคัญ: สื่อสังคม การตลาด การโฆษณา ผู้บริโภค อินเทอร์เน็ต

1. INTRODUCTION

Marketing consumer products have become more challenging and complex. Consumers are exposed to a variety of digital communications and technologies. It is necessary for companies to conceive marketing campaigns to cover all the channels in order to gain customers' attention. Therefore, it is believed that Web 2.0 provides a range of platform for a new generation of marketing, which is made possible by communication technology [1]. So far, many consumer companies have already turned social media into a tool for customer satisfaction and product design and development.

Social media referred to the means of interactions among people on internet-based applications that allow participants to create, exchange, and share user-generated content [2]. Moreover, its interactive nature makes social media gained popularity very quickly and changed human communication behaviors among individual and group levels [3].

For example, the number of activities on Facebook such as posting, messaging, liking, and forming new online communities is unceasingly skyrocketing. As of October last year, the total Facebook subscribers have already passed one billion with 2.7 billion "likes" on daily basis. Empowered by faster network technologies, social media is now powerful than ever before, and this is an opportunity for marketers to turn it such powerful social media into powerful marketing and research tools. Many marketers have already expected to employ social media as tools for marketing. This paper discussed the effect and impact of social media and its applications towards marketing at large.

2. REINVENTING SOCIAL MEDIA

Although we did not yet fully understand its potentials, social media power has widely been adopted to archive particular purpose. To illustrate, police officers used Facebook to trace down criminals. People were looking up for their lost relatives on Facebook and then reunited. The world saw and heard what happened in Arab String through Youtube video clips and civilian news reporter. As for product and service R&D, Starbucks mainly employed Facebook and Twitter to collect consumers' ideas about its new coffee favors and also to channel promotional products and events. Dell let buys to design their own personal computer which they later bought it. Amazon gave fully control of its selling products to customers to review and rate such. Peugeot invited consumers to participate in car designs, and the winners were awarded after then [4].

Weinberg and Pehlivan [5] argued that social media re-invented media process elements in four dimensions. First, "media" was moving away from TV, radio, print, and billboard to social networks, blogs, micro logs, and communities. Second, "spend" was moving away from cash and cost to social currency, trustworthiness, authenticity, transparency, and investment. Third, "delivery" was moving away from marketer to message consumer. Lastly, "objectives" was moving away from awareness, knowledge, recall, and purchase to conversation, sharing, collaboration, engagement, and evangelism.

So far, many consumer companies have already turned social media into marketing tool because of its ubiquity. However, the modern-day portable smart communication devices gave a new challenge to markets as consumers did not adhere to a single device. Therefore, the challenge was how to cover all the social media sites on all devices. According to recent Pew Research Center, cell phone, laptop computer, e-book reader, and tablet computer were the most popular gadgets owned by adults [6].

2. EWOM on SOCIAL MEDIA

eWOM is an online version of word of mouth (WOM) which has become so influential in the age

of social media. WOM was broadly described as informal communication and message reached to other customers about particular characteristics of a product, service, or seller [7]. Altogether, online media on the Internet's could influence individuals who were engaged [8], and therefore eWOM was coined. In this regard, social media expedited eWOM effect as it was a cost-effective means for marketing [9, 10] since the spread of electronic technologies helped increased communications and interactions among consumers [11].

eWOM has become more influencing since traditional media consumption has declined while social media has continued to rise. Studies, for instance, found that the amount of time the youth exposed to social media was almost 8 hours a day, practically equal to working office hours in most offices and companies [12]. In this regards, IT savvy young generations have gradually gained attention from social media marketers due to their media consumption and purchasing power [13]. However, not only among young generations but also adult and older generations were also attracted to social media as they increasingly spent more time on the internet.

Social media also gave birth to viral marketing which presented seductive opportunities for new forms of communication among consumers, marketers, and entrepreneurs. Viral marketing was another version of electronic word-of-mouth (eWOM) which was a tactic of turning media consumers into marketers, and these consumers were to spread the message about particular product or service at the speed of the communication.

Ramaswamy [14] studied Nike's best practice of value co-creation with customers by building and promoting the use of Internet engagement platforms. Ramaswamy [14] proposed DART guidelines for co-creating value with customers which was originally developed by Prahalad & Ramaswamy [15] and tested by Ramaswamy & Gouillart [16]. The DART was described as:

a) *Dialogue - fostering meaningful dialogue with the consumer*
b) *Access - providing a company's customers access to each other*
c) *Risk return relationship – reciprocating with the customer*
d) *Transparency - creating a trusting environment*

The findings [14] showed that Nike was able to establish customer relationships on a scale and scope as never before.

3. THE CASE OF FACEBOOK

Facebook has become a household name just a few years ago. Although it somewhat did not provide real information about the owners of the profiles, but it was still considered viable for getting to know customers [17-19]. For example, a study found that groups on Facebook were a good source to get to know people with similar preference. This regard, marketers could benefit from such groups as they generate value information such as what the customer wants, what the product should improve, and the expectations that they had towards particular product or service [20].

Importantly, Facebook was considered one of most cost-effective communication platforms on this planet. Many marketers already turned Facebook into marketing platform facilitating communication between the brand and the consumers. Therefore, an entrepreneur was able to communicate directly to the market and to the customers [18].

Facebook groups were among the popular social features on Facebook. Many users have turned the group feature into an online community where users with common interests shared ideas with others, so marketers could make relationships with the users (customers) in the group [21]. Moreover, Facebook provided multi-level privacy policies to Facebook groups such closed and open. Moreover, Facebook also provided update feeds

when changes applied to the group so that the members were on the same page [22].

3. THE CASE OF STARBUCKS

Starbucks was one of the very first companies who utilized social media in every aspect of its marketing; therefore Starbucks separated itself from its competitors in term of brand recognition and brand exposures.

Brand recognition could be done in many ways. With social media environment, Starbucks however drove its brand awareness to the next level because Starbucks made its customers exposed to the brand in a very effective way [23]. Right before the Election Day in 2008, Starbucks released a free coffee giveaway spot on national television and on Youtube. As a result, it successfully generated an electronic word-of-mouth effect, for Starbucks was mentioned on Twitter in every eight seconds on average [24].

In the same year, Schultz, Starbucks' Founder, launched MyStarbucksIdea.com, depicted in figure 1, as a forum for customers to submit their questions, recommendations, and even what should be the next new coffee favors. Impressively, Starbucks was able to raise over 80,000 comments from 180,000 customers, and 50 ideas out of the submitted ones were implemented in Starbucks stores nation-wide [25]. Once again in May 2009, Starbucks launched a viral marketing campaign that encouraging its customers to take photos of themselves in front of the company's new billboards, and post the shots to Twitter [26].
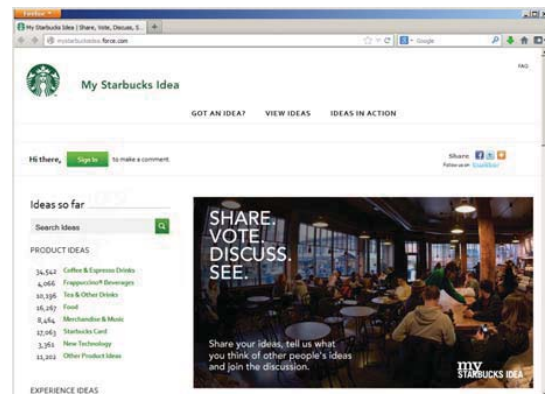

Figure 1: My Starbucks Idea social media site

Furthermore, Starbucks' social CSR helped turn crisis into a marketing opportunity. In the year 2000, Starbucks was complained by a non-governmental organization (NGO) for "profiting at the coffee farmer's expense by paying low prices and not buying "Fair Trade" coffee beans [27]."Starbucks responded to the complaint by incorporating the fair trade practice into its mission, and the communications department made sure that the message was reached to the public with traditional and social media. Consequence, Starbucks was able to build relationships with NGOs and people who were previously against Starbucks.

Starbucks was an exemplary case of corporate turning social media power into marketing power.

4. THE CASE OF DELL

Perhaps, Dell has become one of the often-cited success stories in using social media to strengthen relationships and establish trust with customers. It began in the year 2006 when Michael Dell asked "Why don't we reach out and help blogger with tech support issues?" What Dell did was, however, by far beyond technical support and ending up with launching "Direcct2Dell" by the end of the year. Long before 2006, there were complaints about Dell PCs, and these complaints just meant to one thing, "Dell sucks" or "Dell lies." With an effort to resurrect Dell's reputation, Michael Dell initiated blogger program to

communicate and provide technical assistance to the customers. As a result, the outcomes were expected and cheerful, so Dell was able to directly communicate with customers and process their comments for product improvement and development. While Direct2Dell was to externally reach out to the customers, Idea Storm initiative was internally implemented and deployed to encourage Dell employees to express, share, and exchange their ideas. Michael Dell himself was usually posting his comments and ideas on Direct2Dell and Idea Storm, too.

After the success of Direct2Dell and Idea Storm built upon social media platform, one after another campaign was released and the receptions were unprecedented. As illustrated in table 1, Dell has launched a variety of social media participatory programs to reach out to customers and its employees by repeating it success.

Table 1 Dell's Social Media Timeline

Year	Initiation
2006	Direct2Dell
2007	Idea Storm
	Studio Dell
	Dell on Twitter
	Dell Share
2008	Channel Blog
2009	Dell on Youtube
	Dell on Facebook
	Dell on Linkedin
	Dell on flickr
	Dell TechCenter
2010	Social Media & Community University (SMaCU)
	Social Media Listening Command Center
2011	*Dell named the number one most social brand
	*Dell awarded Digital PR Awards
2012	Dell on Google+
	Dell on Pinterest

*Modified from Dell's Global Marketing

7. THE CASE OF McDStories

For a company, social media is expected to delivery customer satisfaction, communicate with customers, and finally help promote the brand. Without well-crafted plans, social media could turn out wrong and ugly. It happened in early 2012 that McDonald's launched a Twitter campaign by using the hash tag #McDStories. The hash tag was meant to share happy stories and memory with McDonald's food. However, it just flat failed.

Instead, McDonald's customers abruptly vented their angers attached with the hash tag. The Tweets were anything ranging from employment issues, food nutrition, health problems and diseases caused by Happy Meal. The examples are as followings.

"One time I walked into McDonalds and I could smell Type 2 diabetes floating in the air and I threw up. #McDStories" (Twitter)

"When homeless the best place to shoot up was McDs. Then I'd climb up into the play land tubes and nod off till school let out #McDStories." (Twitter)

#McDStories I lost 50 lbs in six months after I quit working and eating at McDonalds." (Twitter)

Just in minutes, the "stories" went off so violently that McDonald's decided to take it down in just two hours. This unfortunate story has later become a monumentally reminder to marketers to plan the social media carefully before execute it since the damage could not be undone.

8. DISCUSSION & IMPLICATION
8.1 Suggestion

The power of social media was unquestionable, and most of the case studies recounted above have reconfirmed it. Since information traveling on social media is very fast and participation from the customers is unstoppable, it is recommended that one going to get serious on the platform be well-

planned and well-prepared. Strategies including promotion initiative, retention plan, or recovery scheme are mandatory before launching social media campaign.

Moreover, although social media is philosophically to encourage freedom of speech, such hate speech or violence can easily go off. In this regard, a brand manager is to take a very close care of activities going on. This is also including monitoring mood and tone of the conversations. Taking down an initiative should be considered as the last arrangement to execute since it in turn means to cut off the communication between the brand and the customers.

8.2 Implication for marketers

Taking in account of the demographics of social media users, it seems all the attentions were paid to the people generation X's and Y's, and at the same time left the baby boomer generations behind. Drawn from the findings, what baby boomers attractive to marketers and entrepreneurs is firstly the baby boomers make up 84% of social media users share. Second, the baby boomers reliable buyers since their cognitive scheme and preference are settled down while the younger generations could be a moving target since they can be exposed a variety of influences throughout their life spans. Although young adults enjoy their energies, they lack of financial security. Although late adults enjoy their financial security, they are just busy working and making funds for their late lives. The baby boomers however have fully controls over their fortunes and luxury of their retirement time to spend. Piyapong, Phadungchai and Sirirat [28] stated that "the web-based instruction on the use of internet searching and e-mail communication for occupation was at 80.00/81.67 and the student achievement after learning with web-based instruction was higher than before learning with the web-based instruction."

8.3 Implication for marketing research

Young generations have spent more time on social content on multiple portable devices. Marketing research shall not depend solely on certain traditional media channels. For example, digital television network services over the internet allows consumers with great flexibility across place and time to watch contents online no matter what time it is and where they are. For example, conventional TV program rating methods might no longer valid since consumers do not need to access a physical TV sets with set top boxes, therefore traditional TV program rating information might not reflect the reality. Moreover, the timeframe used to rate TV program rating has become blurred since consumers have migrated to social media such as Youtube.com on portable devices (i.e. smart phone, tablet computer, desk PC) to view the content at their most convenient time. To calculate a rating figure for a specific TV series, marketing research agents may find that they need at least three weeks to cover all the media platforms and to count and collect across those multiple media platforms. At the moment, Nielson Media Research has re-invented their survey methods by adding social media coverage into practice, and they had found certain relationships across media platforms. For instant, Neilson found that US TV viewers are talking about TV programs on Twitters. The implication is that TV networks and advertisers need to take a close look on digital conversation in order to target the audience.

8.4 Implication for Entrepreneur

Word-of-mouth has been awfully real with on social media platforms with the speed of light. Social media has become a meeting place for two groups of consumers: the one looking for product reviews and the one offering product comments and reviews, and entrepreneurs shall collect comment, feedback, and even criticism on their service or product posted on social media conversation streams. No matter the word-of-mouth with the

speed of social media may turn out, the loser will fail fast and the winner will succeed even faster. However, social media at the end of the day just benefits both groups. Negative comments and feedback from the unhappy customers can help the losing entrepreneur to locate and then internalize their mistakes on their products, business plans, or marketing campaign executions so that the entrepreneur can fix them according to the customers. On the other hand, the wining entrepreneur can qualitatively turn those messages into product research and development materials so that the entrepreneur could deliver improved products to the customers. At the end of the day, the losing one and the winning one will finally win through co-R&D through the comments and the feedbacks on social media platforms.

The advent of social media has remarkably transformed almost every aspect of our modern lives, including people's consumption behaviors. Perhaps, traditional marketing wisdom might no longer valid and thus need an amendment. Further investigations are recommended.

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