Growing importance of social media as the opportunity for brands to win customer attention

Introduction

Nowadays customers have the chance to publicly evaluate, comment on and vote for the best products as well as discuss their favorite brands with people from all over the world without even leaving the home. Regardless of where they are they use their mobile phones to ‘twitt’ and share their ideas.

We can speak about Internet Economy – ‘a new economy where suppliers and recipients, producers and consumers are electronically connected with each other and transactions are conducted over the internet’ [Zastępa, 2001, s. 346].

Social media give marketing a new dimension. Relations with buyers are no longer build on one-way communication, where marketer ‘screams’ to the customers, but they are based on mutual interactions between company and client that stimulate collaboration between them and foster bigger commitment of the consumers. Companies have to be aware how to use the available possibilities in order to achieve the competitive advantage.

A company operating in the contemporary world cannot ignore this huge amount of customers active in social media. Nowadays, having a corporate website and an e-mail account is no longer enough to successfully compete for attention of customers. The business that wants to achieve the competitive advantage in XXI century cannot disregard the marketing potential of modern information and communication technologies (ICT).


Social media are often associated with the term Web 2.0, the most common websites of this type include for instance: NK.pl, Facebook, YouTube, Digg, Flickr, Myspace.com, Slideshare, LinkedIn, Reddit, Wikipedia, StumbleUpon.

The Web 2.0 concept is being associated with Tim O’Reilly who mentioned this term at the Media Web 2.0 conference in 2004, though it was first defined by DiNucci in her article ‘Fragmented Future’ [O’Reilly, 2005, access: 06.10.2011]. She points out that ‘Web 2.0 is not just a technology or the screens full of text and images but an ether where interactions happen. The more people interact and spend time on updating pictures, videos, tagging and commenting the bigger value for the whole society is created and the better Web 2.0 works for everybody.’ [DiNucci, 1999, s. 32].

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The common thread of social media platforms is that they are created by their users. Communication, connection and participation are the most important characteristics of Web 2.0. Business has no longer exclusive right to speak about its products, now users actively participate in creating the content and contribute to the increase in the value of products or services they purchase. Therefore network is described as a platform because the website not only provides the user with information but gives him the possibility to interact and contribute to the content given [O’Reilly, 2005, access: 06.10.2011]. This participation is moreover reflected in decentralization as no longer corporation alone defines the rules. Best examples of this revolution are participative websites providing news such as iThink.pl, OhmyNews, NowPublic and services based on users cooperation: Digg, Wykop, reddit, Newsvine [Barefoot, Szabo, 2011, 19-27].

It is not necessarily the content that brings people back to the website or blog but the possibility of exchanging ideas, sharing their experience with thousands like minded people and satisfying social desire for belonging or being needed and appreciated [Li, Bernoff, 2008, s. 173-180]. This opportunity spotted Procter & Gamble and created an online community for teenage girls: beinggirl.com that is a great example of interacting with customer. The company provided its clients with place where they can discuss problems they face that do not necessarily have much in common with the products company sells. The page offers access to the information that possibly can interest them without directly promoting exact products, the brand is mentioned many times in a very subtle way [http://www.beinggirl.com].

The core of Web 2.0 is the community and interactions within it. Technological progress enabled contacts of people who have never met before. Online societies are opened to everybody and each participant has the same freedom to express himself in this virtual world. This encourages socializing, rational discussion and global collaboration. These are reflected in user contributed value, customer self-service, using collective intelligence and knowledge sharing. This global co-operation could not take place without open licenses and trust in other users as co-authors.

The company that benefited from this kind of online cooperation with customers is Del Monte – producer of food for dogs. After the market segmentation, it targeted the segment of clients who believe their dog is a part of the family. Therefore Del Monte created an online community called „Dogs are people, too“ and asked dogs’ owners to describe the favorite day of their pet and how they imagine a perfect breakfast. It turned out that they expect dogs’ food to look like food for people: eggs with beckon and ketchup, cheese etc. The results of this survey inspired the producer to launch product line of these shapes. Moreover, the respondents pointed out that the healthiness of the products they buy for their pets as well as that it contains vitamins and minerals is very important for them. Therefore, Del Monte decided to adapt products
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to those specific needs and to sell them in the packages with information about nutritional value of food [Li, Bernoff, 2008, s. 250-256].

What more is characteristic for Web 2.0 is that so called ‘network effect’ takes place – the value of the network increases with every additional user [O’Reilly, 2005, access: 06.10.2011].

Furthermore, Web 2.0 can be characterized by features such as: dynamic content, metadata, network standards scalability as well as simplicity and user-friendliness. Thanks to the new media, information spreads at enormous speed what gives a way to viral marketing. [Ackerman-Greenberg, 2007] After a person places a photo or information on for instance Facebook, he does not have to inform about it each of his friends as all of them can see it immediately in the moment the information was updated [Kirkpatrick, 2011, s. 15]. This makes the communication automatic and instant. The message can be shared with anybody anywhere in any place of the globe, what was not possible before. When millions of people pass the message to their friends it is becoming very popular on a global scale that was not possible with the use of traditional communication channels [Levinson, 2010, s. 115].

An example of successful viral marketing campaign is ‘Will it blend’ series of videos presented by Blended company producing blenders. On the videos different items suggested by brand’s fans are blended. Those were for instance: iPad, Lighters, Book, a wooden rake, super glue and even a skeleton. Each of the videos had several million views [http://willitblend.com]; [http://blendtec.com].

Advertainment is a marketing message that is presented customers in an entertaining form, and does not directly mention the product. The name is a combination of two words: advert and entertainment. This form of promotion has a significant advantage over classical advertisement, because it mentions the brand in more subtle way and it attracts customers with its humor. Providing users with good entertainment puts the company in a positive light. Interactivity of advertainment is so appealing that people vulnerably search for it and participate in the games as well as interesting competitions. It gives customers sensation that they have influence on the business, when for example joining a competition in creating advertising spot or package project [Koszembar-Wiklik, 2010, s. 318-319].

2. Network Generation

The Generation Y, described also as: Millenium Kids, Millenium Generation, Net Generation, Gen Netters, Echo Boomers, Video Kids includes people born after the year 1980. They grew up watching TV broadcasts and therefore are resistant to their persuasive character. Due to having free access to information, mass media and internet they are more aware of the world around them and its problems than their parents and grandparents were at the same age.
Moreover, they strive for interpersonal relations and perceive on-line contacts as much easier way of communication than traditional face-to-face meetings [Kobayashi, et al., 2010].

The modern technology poses no challenge for the Generation Y. Surfing on the internet is no more difficult for them than using the TV or microwave. For the first time in the history children are better with innovative solutions than their parents, they use them intuitively. Nowadays teenagers learn, communicate, work and create societies in a very different way than they did. They are the driving force of social changes.

A significant percentage - 83% of people from Network Generation admit they usually already know what exactly they are going to buy before even going out to the shop. Most of them look up the information about the product they are going to purchase on the internet [Gillies, Tapscott, 2007].

The representatives of the new generation think of themselves as of real revolutionists who not only talk but also implement their own ideas into reality. The culture they create is based on individualism not leadership [Zastępa, 2001, s. 38].

Millennium Kids value freedom and liberty of choice between different product variations and expect they will receive services and goods that are personalized and adapted to their specific needs. Consequently, the freedom of changing the work, participating in creation of their work environment, possibility of self-realization and balancing work with social and private life are one of the most important values for them. They want their school and work to be a place where they can have fun [McAffe, 2011, s. 197-199].

With each passing year, more and more people, especially young spend more time surfing on the internet than in front of the TV [Barefoot and Szabo, 2011, s. 30]. Generation Y rejects what is imposed from outside. They like to share and discuss their points of view and take joint actions (what social media facilitates). They create influential networks that have big impact on the purchasing behaviors of their peers - 90% of young people admit they are very likely to purchase a product recommended by their friend, 32% teenagers buy things that their friends have and 29% ask for their recommendations before buying anything [Tapscott, 2010, s. 325]. Even 75% of young people in Poland share their both positive and negative experiences with brands on social media and 20% declares that information from social media is more important than from traditional communication channels [EURO RSCG, 2010, s. 11].

An example of a company that use this opportunity of receiving feedback from customers is Dell - that created online platform IdeaStorm, that encourages clients to share their critical opinions about the company’s products, complaints, ideas for improvement and any other viewpoints concerning products and services [www.IdeaStorm.com]. Moreover, on the forum customers voluntarily help to solve each other’s problems with the equipment. Michael Dell comments on this project: ‘We just have to open to our customers. They possess
a great knowledge and we need to involve them in a greater extent [Tapscott, 2010, s. 322].

Net Generation observes very carefully and expects from organizations and co-workers openness, clarity and credibility. They will not work for the employer that represents values opposite to their own. Moreover, they expect the standards of the company they buy products from to be in line with their own principles [Li, Bernoff, 2008, s. 188-189].

Almost 90% of polish respondents claim they expect from companies more openness and dialogue [EURO RSCG, 2010]. According to the research by Forrester Company, after allowing customers to place their opinions and reviews on a corporate website, 96% sellers has observed the increase in the number of people purchasing products online [Barton, 2006].

This strategy uses for instance company eBags [http://www.ebags.com] that sells bags online – 3 days after the bag is purchased it sends email to a client and asks for reviewing it on the website, the response rate is 22% [Li, Bernoff, 2008, 194-202].

An increase in recommendations of the particular brand by 7 points (on the scale 0-10) results in 1% growth in sales. At the same time, decrease in negative opinions by 2 points will also result in 1% increase [Marsden, 2005]. Therefore it can be concluded that social media influence purchasing behaviors of young people to a great extent.

Network Generation lives on high speed and consequently expects immediate answers for their questions and doubts. This poses a challenge for a customer support department – every question or gossip should be followed by an immediate answer.

For the young generation of Poles, Internet is gaining a significant importance in creating social structures. It has become the first source of information for them. Young people choose it due to quick access to information it provides [Janczyk, 2008, s. 176].

Generation Y expects constant innovations. Instead of taking a role of passive consumers and observers, young people await that company will allow them to participate in developing products and services they purchase. Consequently the borders between suppliers, sellers and clients are no longer distinct and customized products give customers the possibility to receive the experience perfectly suited to their own needs. Therefore, marketers provide the possibility to personalize the websites and products. They become pro-active prosumers, initiators and co-organizers [Benkler, 2008]. As the research shows 60% of young people use the opportunity given by the business and participate in improving the products sold by the company [Tapscott, 2010, s. 352].

All those characteristics of the new population explain why advertisement on traditional marketing channels is no longer effective in targeting this generation. While conventional media usurps the right to provide the information, new media delegates this right to their users. They give the control to normal people. The transformation from one-way to interactive media takes place.
Web 2.0 gains so much popularity because it allows normal people getting involved without being organized in hierarchical structures, they have a chance to contribute and participate in changing the world around them while acting independently [Tapscott, 2010, s. 50-51].

Business definitely should take this population into account as in 2006 the Network Generation alone bought products worth 190 billion dollars. Moreover, young people have a significant influence on the buying decisions of their parents whose purchasing power amounts to 2 trillion dollars annually. People over 21 years old influence 81% of buying decisions of their parents concerning clothing and 52% decisions regarding cars purchases. Even children at age between 5 and 14 years old have a significant power – they influence up to 78% of all grocery shopping their relatives do. Those figures speak for themselves [Goss, 2003, s. 72].

3. The growing importance of social media

In recent years, the popularity of social media has significantly increased. The number of active users of websites such as: YouTube, Facebook, Naszklasa, Twitter increases each year and corporate blogs are more and more frequently visited by current and potential customers. In general, those platforms are visited by 75% of global consumers who have access to the internet. Internet users spend even up to 22% of their online time on social media websites [GDSInternational, 2010, access: 24.06.2011].

Wikipedia has currently approximately 14 million users worldwide while Facebook reached over 500 million participants. Each month 30 million pieces of content are shared on Facebook and there were 80 million new Facebook accounts in the first quarter of 2011. There are 50 million ‘likes’ of Facebook pages per day [Primal, Jaffrin, 2010, access: 25.06.2011]. Among active Facebook users 40% log in on the website every day. The same percentage of users is a fan of at least one brand fan page and 51% of them will buy the brand they are a fan of [Comm, 2009, s. 3].

Similarly, almost half of young people in Poland are fans of at least one brand on Facebook and 25% of them like at least 10 different brands [Raport Digital Young 2011, s. 15-16].

Furthermore, Twitter has 106 million users, 27% of them log in to it every day, and 1 billion tweets are sent per week. 25% of the users follow their favorite brands there and 67% of them buy the products of the brands they follow. Moreover, LinkedIn has 50 million active users worldwide and Flickr 4 billion users. There are 1 million new LinkedIn members every week. Moreover, 48 hours of video are uploaded to YouTube every minute, and it has over 3 billion video views daily [Hayes, 2011, access: 11.06.2011].

The world’s biggest companies (according to ranking Fortune 100 in 2010) understand this new trend and 65% of them already have a Twitter account, 54% have created fan page on Facebook, 50% have their corporate channel on YouTube, 33% have a corporate blog. While 79% of them use at least one
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of those marketing tools, 21% make the most of all four [GDSInternational, 2010, access: 24.06.2011].

In 2014 business worldwide will spend 3 billion dollars on social media campaigns. In comparison, in 2010 companies spent on them 716 million dollars. Consequently social platforms will be a bigger marketing channel than e-mail and mobile phone. During the last year only, the number of people worldwide visiting portals mentioned above increased by 24% [Hayes, 2011, access: 11.06.2011].

On the internet not entrepreneurs and lawyers but normal people have the final say. Together they form crowds that nobody can ignore and underestimate their influence. Traditional influential groups lose their power and bloggers are gaining more control than traditional critics and magazines [Tapscott, 2010, s. 330].

Brand is what the customers think it is, it is no longer defined by the marketers. Ricardo Guimaraes a founder of Thymus Branding Company in Sao Paulo says: ‘The value of a brand belongs to the market and not to the company. The company in this sense is a tool to create value for the brand. Brand in this sense – it lives outside the company, not in the company. When I say that the management is not prepared for dealing with the brand, it is because in their mind-set they are managing a closed structure that is the company. The brand is an open structure – they don’t know how to manage an open structure [Li, Bernoff, 2008, s. 119].

Over half of young people in Poland with the access to the internet share their opinions about the brands online and 42% do this on the brand’s profiles or social media services. Over 60% of young Poles read opinions about different product brands on blogs, almost 50% visit social media websites of companies they buy products from, 44% become a Facebook fan of a brand and 84% search for information about brands in Google [Raport Digital Young 2011, s. 9-10].

Generally speaking 83% of customers trust the recommendations of their friends and over a half of internet users trust reviews posted on the web by people they do not know. They admit that comments on forums have changed their perception of a specific brand (47%), the same effect had friends’ opinions posted online (43%) and comments of other users they do not know on social portals (31%) [Raport Digital Young 2011, s. 5-7].

Almost 60% of users contact companies via email, 45% on websites, 30% on social platforms, 24% use online games created by the company, 17% take use of message boards, 16% of blogs, 14% photo-, audio- or video-sharing sites while 13% mobile devices and relatively less - 4% on micro-blogs [GDSInternational, 2010, access: 24.06.2011].

Companies should have in mind that there are various reasons why people engage with them online: 77% of users look for free incentives such as: free products or services, discounts and coupons; 46% look for help with solving problems or for information about the product and service; 39% want to give
company feedback on their products; 28% look for entertainment; 26% hope that company will allow interaction with the brand through mobile applications, widgets or online games; 21% expect to see targeted, personalized ads or banners [Hayes, 2011, access: 11.06.2011].

4. Implications for business

Increasing number of advertisements reduces their effectiveness and growing cost of them decreases their economical efficiency [Ries, Ries, 2004, s. 25].

The development of social media and internet economy poses not only challenges but also many opportunities for the companies. Modern technologies abolished the barriers between producer and customer and provide with many solutions that allow receiving important feedback from clients. Businesses can use Web 2.0 for their own advantage by creating the profile on social media portals and other interactive websites. Enterprises should keep their clients updated by uploading videos and other materials as well as enabling users to share them with others – this will facilitate the viral marketing. Companies can create corporate blogs where directors and employees share information that is important and interesting for customers [Li, Bernoff, 2008, s. 147-149]. Businesses should remember that participating in online communities helps them to actively listen to their clients. Social platforms are not a place for screaming out the marketing message. Selling should be replaced by serving customer. Corporations must remember that communication with clients has to be interactive and include not only asking but also receiving both positive and negative feedback [Li, Bernoff, 2008, s. 44-45].

Advertainment gives the user the opportunity to be an active participant in the creation of the product. Consequently, he becomes a brand ambassador that promotes a brand in less or more conscious way. Spreading the information by clients is not only cheap but it also increases probability that the message will be really read, as emails sent directly by the company are usually treated as a spam and put into trash without even being opened and read [Koszembar-Wiklik, 2010, s. 318-319].

Therefore CRM - Customer Relationship Management is being replaced by CMR - Customer Managed Relationship. Customers expect to be listened to by the company and to receive information concerning both products currently existing as well as those to be launched. They await to see the proof that they are really important for the business and cared for, they want to be partners of B+R department and they want to do this without any remuneration. This is culture of participation [Jenkins, 2007, s. 132]. When the business satisfies this need for co-operation client will be willing to spend their money on the product because he feels it is not the company’s product but most of all his own. Web 2.0 gives people the power and enables them to establish relationships. The global trend is that in order to find information they reach to other people rather than to traditional institutions and corporations. Therefore, companies are
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The use of social media allows business to get to know how the brand is perceived by the community, it helps to quickly spot changes in the image company has, changes of opinions, topics customers speak about, comments on competition. It enables business to observe the problems arousing on the blogs, save money on research and increase the efficiency of the analysis, reveal new trends and market forces while they emerge [Li, Bernoff, 2008, s. 139-141]. Consequently company is able to quickly react to them and effectively and efficiently manage crisis in the area of PR and use the ideas of customers in order to create new products and launch new marketing campaigns.

Therefore traditional 4P Marketing Mix can be changed to ABCD Marketing approach where A - anyplace - purchasing takes place where the customer is ready to buy the product or service. B - brand – brand is defined by the customer who should be given the possibility to participate in giving the final form to a product that is customized, personalized and adopted to his certain needs. C - communication – means that traditional communication channels are replaced by two-ways communication i.e. dialog. D - discovery – business has to remember that customers are constantly searching for information, comparing the competitive products and evaluating customer value they receive. Therefore, company should also pay attention to their competitors’ actions in virtual world. E - experience – customers do not buy a product itself but the experience it provides, they expect the possibility to customize it and to express themselves through it [Tapscott, 2010, s. 356-363].

In the society that spends greater and greater amount of time in the cyber-space the word-of-mouth marketing also takes over virtual character and is no longer limited to face-to-face contacts. Therefore companies should concentrate on buzz marketing [Li, Bernoff, 2008, s. 119]. It is recommended to understand the brand as a relationship with client and assure transparency and credibility of the organization. The most appreciated by the customers actions are those that show company’s accountability, transparency, commitment and consistency. Enterprises should remember about those values in their day-to day operations and messages they share with the world. Undoubtedly social media helps strengthening and building deep mutual relationships with not only customers and fans but also with business partners and other entrepreneurs.

Conclusion

The use of Web 2.0 allows the companies to reach new public and generate higher profits. With the use of social media platforms companies can listen - conduct research in order to better understand the customers and their needs. They can communicate – execute the interactive marketing through involving users in corporate messages. Moreover, they can inspire and strengthen the results of buzz marketing while connecting their fans. Company will in addition benefit from the fact that clients support each other on social media doing
the job of the customer support centre for free. Furthermore, involving them in the creation process of the products and services they buy will help company provide better quality products. The presence of the company in social media has invaluable influence on building reputation and trustworthiness as well as the brand awareness and customers’ loyalty.

**Literature**

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Summary

The article aims at explaining what stands behind such a big success and popularity of social media. Author presents the Web 2.0 concept and basic characteristics of social media. It explains the reasons why company should be involved in the creation of online communities and participate in them. It presents the results of several researches showing current trends in the way customers communicate with companies and the changes in their expectations. The author tries to explain the main reasons why social platforms are gaining popularity and what are the challenges as well as opportunities for business concerning those changes.
Key words
generation Y, social media, word-of-mouth marketing

Rosnące znaczenie mediów społecznościowych jako szansa dla firm w walce o uwagę klienta (Streszczenie)

Celem artykułu jest przedstawienie głównych charakterystyk Web 2.0. Autor wyjaśnia dlaczego portale społecznościowe zyskują na popularności oraz przyczyny dla których przedsiębiorstwa powinny zaangażować się w kreowanie wirtualnych społeczności i w nich uczestniczyć. W artykułe przedstawione zostały wyniki badań dotyczących nowych trendów w zakresie sposobów komunikowania się konsumentów z firmami oraz zmian jakie zaszły w zakresie potrzeb klientów, zwłaszcza pokolenia nazywanego Generacją Y. Autor stara się wyjaśnić jakie wyzwania, a zarazem szanse dla przedsiębiorstw stanowią zachodzące zmiany.

Słowa kluczowe
generacja Y, media społecznościowe, marketing szeptany