Social Media: Relationship between Users & Businesses

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Advancements in technology, in particular Social Media, have greatly disrupted the traditional ways of conducting business. The Internet has given a voice to the end consumer, and Social Media has allowed this voice to be heard by anyone, anywhere. In essence, social media is word-of-mouth on steroids. As such, we are seeing an increasing demand from end-consumers for pull-marketing, personalization, and greater trust in peer over corporate sources. As the rise of participatory culture becomes increasingly relevant, it is vital that businesses understand users' motivation for participating in social media so as to leverage on the increased engagement and willingness to participate.

In their paper, Correa, Hinsley, and de Zúñiga (2009) explore the relationship between users' personality (based on the Big Five model) and social media use. Expanding on previous research, authors show how extraversion and openness to experience are positively related to social media use, while emotional stability was a negative predictor. The study found differences in social media use between different genders, in that males with high neuroticism were more likely to use social media. Lastly, they also showed the importance of extraversion leading to social media use among young adults, and openness to experience as an important predictor of social media use among older adults (Correa et al., 2009). The studied relation between personality and social media use is an important stepping stone for businesses in understanding the personality of potential brand advocates, and hence are able to more effectively target their participatory audience for marketing campaigns. For example, by knowing which personality traits are positively correlated to a user's willingness to share content, businesses can more accurately and "cleverly" target gatekeepers who are more likely to have a greater reach and likelihood of sharing viral campaign content (Dobele, Lindgreen, Beverland, Vanhamme & van Wijk, 2007). Therefore, my first discussion question is: "How can businesses benefit from understanding the relationships between personality and social media use?"

One common theme found across the literature is the increasing willingness of customers to participate in various components from the production to consumption process, be it in social media, sharing viral campaigns, or engaging with brands. The emergence of this participatory culture is evident from the abundance of crowdsourcing websites such as Kickstarter, Mechanical Turk, and microfinance sites such as Kiva. In an age where time is the most important commodity, this has also led to an increasing importance of the role of customer-centricity within organizations, to engage with consumers and build lasting and meaningful relationships that go beyond the value of a single purchase.

Parent, Plangger and Bal, (2011) argue that the traditional 'willingness to pay' concept is becoming more irrelevant in an era of social media, where push-based marketing is generally

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frowned upon. As such, they propose a new model of user's 'willingness to participate' with brands on social media, as a means of maximizing the gap in their competitive wedge and a source of long-term competitive advantage. This is done by leveraging participation to lower costs, increase loyalty, and increase prices. They also introduce a 6C model of social media engagement, which includes company, content, control, community, customers, and conversations.

However, encouraging users to participate in brand communities are not without risks. By relinquishing control to their users, businesses run the risk of receiving negative publicity that can quickly escalate out of control. For example, a recent attempt by JP Morgan to communicate with their twitter users by organizing a Q&A session backfired with unforgiving responses from twitter users, resulting in JP Morgan cancelling the idea (Bradford, 2013). Hence, my second discussion question is: "What can businesses learn from the 6C model of engagement to avoid backlashes in their social media campaigns?"

Synonymous with Parent et al.'s notion that push-based marketing is a thing of the past, Watson, McCarthy and Rowley (2013) highlight the importance of pull technology in overturning the negative attitudes that consumers have towards mobile marketing communications. In their paper, authors use a quantitative approach to explore the uses of and attitudes towards a pull technology, QR codes. Users increasingly dislike receiving advertisements through their mobile devices, and prefer to use their mobile devices for personal communication. This shifting demand from push to pull marketing has forced companies to rethink intrusive marketing strategies, and has fuelled an increasing need to adopt permission based marketing in mobile marketing strategies. This study builds upon existing mobile marketing literature, and focuses on the utility of QR codes as a medium for delivering "pull" marketing strategies.

However, I am skeptical about the use of mobile marketing literature which largely focuses on SMS marketing, which is becoming less relevant today as SMS marketing adoption decreases and is highly associated with spam. In addition, even QR codes have a low adoption rate and a high perceived utility, but low true utility as it is widely underused. On the other hand, the emergence of QR codes is still significant because of the characteristic of the medium to deliver "pull" marketing strategies. With an increasing importance placed by users on personalization and being in control, it could be useful to focus on permission-based marketing as a more effective means of carrying out mobile marketing efforts. Therefore, my last discussion question is: "How can businesses use permission-based marketing to drive more effective mobile marketing campaigns?"

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