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WHAT ARE THE FACTORS AFFECTING THE INTRODUCTION OF SOCIAL MEDIA IN B2B MARKETING?

Presented as part of the requirement for an award within the Undergraduate Modular Scheme at the University of Gloucestershire

April 2015

DECLARATION

This dissertation is a product of my own work and does not infringe the ethical principles set out in the University Handbook for Research Ethics.

I agree that this dissertation may be available for future referencing purposed via any media platform.

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ABSTRACT

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The use of Social Media for Business to Customer marketing has increased markedly in recent years. Ease of use, market insight, feedback on products and services characterise the B2C scene and yet Business to Business companies appear to be reluctant to follow the trend in spite of the apparently obvious advantages for doing so. There are a number of factors which influence whether a B2B company would decide to employ Social Media as a platform for its marketing activities and these are discussed. Following a literature review to establish the background information on the use of Social Media in marketing generally, semi-structured interviews were undertaken to add contemporary views of its use in B2B marketing specifically and identify any missing parameters. The findings from the literature review were compared to the results of the interviews to establish the key factors relating to the implementation of Social Media in B2B marketing with recommendations for its introduction and further research have been made.

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TABLE OF CONTENTS

Contents

DECLARATION	2
ABSTRACT	3
ACKNOWLEDGMENTS	4
TABLE OF CONTENTS	5
CHAPTER 1 - INTRODUCTION	7
Background.....	7
Rationale.....	8
Research Problem	Error! Bookmark not defined.
Aims and Objectives.....	8
Parameters and Limitations.....	9
Potential Benefits of the Study.....	9
Approach and Structure	9
CHAPTER 2 - LITERATURE REVIEW	10
Introduction	10
Marketing	10
B2B vs B2C Marketing.....	11
Traditional Marketing	11
Social Networking.....	12
Social Media.....	12
Social Feedback Cycle.....	13
Return on Investment.....	14
Analysis	15
CHAPTER 3 - METHODOLOGY	16
Introduction	16
Purpose of the Research.....	16
Secondary Data Collection.....	16
Interviews	16
Interview Sampling	16
Interview Questions.....	17
Ethical Considerations	17
Analysis	18

CHAPTER 4 - FINDINGS.....	19
Introduction	19
Sustained Usage of Traditional Marketing	19
Increased Awareness of SM Marketing.....	19
Return on Investment.....	20
Power of the Consumer.....	20
CHAPTER 5 – DISCUSSION	21
Introduction	21
Sustained Usage of Traditional Marketing Methods	21
Awareness.....	21
Return on Investment.....	21
Power of the Consumer.....	22
Industry Specific	22
CHAPTER 6 - CONCLUSION.....	23
Summary.....	23
Recommendations for B2B Organisations	23
Suggestions for Further Academic Research.....	23
REFERENCES	24
APPENDICES	29
APPENDIX A: Watson’s what, why and how framework.....	29
APPENDIX B: Social Feedback Cycle	30
APPENDIX C: Interview Transcript 1 – Participant A & B.....	31
APPENDIX D: Interview Transcript 2 – Participant C	36

CHAPTER 1 - INTRODUCTION

Background

The world of technology is constantly changing; it is forcing people to adapt how they live their lives. During the WW2 the only means of mass communication was through the household radio, telephone and telegram. However once televisions emerged in the 1950's the ability to watch important events in real time changed the world forever. Britons were able to watch the coronation of Queen Elizabeth II in the comfort of their own living rooms, enabling them to engage and to become involved in the hype and pageant surrounding such a prestigious event. Over 20 million people tuned in to watch the broadcast and were able to share personal stories and experiences with one another. Similarly, during the Apollo 11 mission to the moon in 1969, over 500 million people purchased their first ever television sets and witnessed Neil Armstrong's first lunar walk. "Broadcasting has the ability to bring one show to millions of people with unmatched efficiency" (Anderson, 2006).

When the World Wide Web was introduced in the early 1990's, demands for online communities became apparent. People wanted to find a platform that brought like-minded persons together to give them the ability to share personal information and idea. Almost immediately after the birth of the Internet, the first ever social networking site was born. Geocities, a website which allowed the creation and customization of websites gave users the ability to interact with people with the same hobbies and interests, as well as publishing their own content (1stwebdesigner). Humans naturally try to find faster and more efficient methods of communication. Meadows-Klue (2008) states that Social Media (SM) "simply unlocked an existing human need" and that the contribution of information from one individual to another may be seen as a process of acquiring an online reputation, which ultimately gives the contributor a feeling of power. Human beings have a dichotomous psychological need to be an individual, yet feel connected to and accepted by a much larger social set (Socionomics, 2010).

SM is by its nature about "connecting people, bringing value and building relationships" (Thomas & Barlow 2010). It has enabled people to become closer to their friends and family with a simple click of a button. In a remarkably short time the internet has become an essential part of people's lives: "whether it is for educational, informational or entertaining purposes" (1st Web Designer). SM is the most popular online activity in the USA, closely followed by email and watching videos. A powerful tool has been given to the world, "enabling users to join groups, learn about latest news and events, play games, chat and to share music and video" (1st Web Designer). Exploitation of SM has grown so large that if Facebook were a country it would be the "third largest country in the world, closely behind China and India" (Qualman, 2012). This illustrates the enormity of SM by the sheer number of users online. More people are signing up to new

social accounts every day, seeking that extra social stimulus and the need for recognition inside an individual profile.

Rationale

Businesses today that “have not started to approach the SM scene are already seriously behind the technology adaption life cycle curve” (Thomas & Barlow 2010). SM presents a huge challenge to organisations that have up until “recently been able to control their communications and marketing via traditional media channels” (Gillin, 2009). Research into SM is still at its preliminary stage and it is evident from what information there is, that it has been directed to the use of SM within a Business to Customer (B2C) context. The limited amount of research carried out into the use of SM within a Business to Business (B2B) environment provides the impetus for this study.

The proposed question is that even with published literature regarding the use of SM for marketing purposes, are companies actually paying attention? With the tools ready and available for businesses to use at such a minimal cost, are companies taking advantage of the facilities and investing their time by integrating SM into their marketing activities?

Aims and Objectives

The aim of this dissertation is to discuss the factors affecting the introduction of SM into business to business marketing practices.

Former research has led to this particular question. Interviews with practising marketers operating in a B2B environment have been undertaken and their responses have been compared to the key theories and opinions expressed within the published literature on the subject. O'Hara et al (2001) reveals the importance of setting out aims and objectives and defining them as the ‘building blocks’ of any achievement. Therefore the following objectives provide a set of ‘step-by-step’ goals to give the dissertation focus, as well as providing the reader with an insight into what has been investigated (Collis and Hussey, 2009):

- To review relevant literature to gain an understanding of the effectiveness of SM within a B2B environment;
- To examine how and to what extent SM is being utilised as a marketing tool in a B2B organisation; and,
- To make recommendations to B2B organisations, stating how they can increase their usage of SM with their marketing practices.

Parameters and Limitations

The main focus of this study is to discuss to what factors B2B organisations must take into account when implementing SM into their marketing strategy. Research has been undertaken to gain a clear understanding of how and if businesses are actually utilising SM as a strategic marketing tool. However this dissertation will not focus on SM strategy, nor will it relate to organisations specialising in B2C sales. Rather, this dissertation will consider the under-researched aspect of the factors affecting the introduction of SM as a marketing tool in a B2B environment. This is intentional; since B2B SM marketing is the under-researched subject area, not B2C. Further, since the majority of literature that has been published in this field has focused on B2C marketing, comparing the use of SM in both contexts would be extremely challenging and will not be attempted here.

Potential Benefits of the Study

As the evolution of SM is developing at such a fast rate, both academics and practising marketers could benefit from this study. The marketer will welcome a better understanding of the challenges that marketing is currently facing. At the same time they will appreciate the value that SM can provide when integrated into marketing activities. During the preparatory stages of this dissertation, it was clear that after interviewing several companies operating within a B2B environment, marketers were not aware of the advice given by publishers concerning the values of SM in business. In addition, it was evident that the marketers felt that they had little experience related to the use of SM and believed that better efforts and more rewards could be made elsewhere.

Academically this study will highlight the effectiveness of the use of SM in a marketing environment by illustrating how the theories have been put into practice. Using the evidence provided by the literature and the qualitative data provided by business interviews, this project gained an understanding of the differences in approach between the publishers of SM and the practices adopted by the marketers.

Approach and Structure

Primary research was undertaken through the use of semi-structured interviews with personnel representing businesses operating in a B2B environment. This helped to gain an understanding of the experiences and opinions of practising marketers. Secondary research was carried out in the form of a literature review to provide an understanding of factors and current issues surrounding SM marketing. The study went on to explore research methods that have been undertaken within the constraints of the limitations. Once these arguments were developed, the paper then analysed the findings of the primary research and discussed its connection to literature.

CHAPTER 2 - LITERATURE REVIEW

Introduction

(Boote, et al. (2005) describes the purpose of a literature review as an evaluative report of studies found in the literature related to the chosen subject area: “What are the factors affecting the introduction of social media in B2B marketing?”. The chronological literature review began by focusing on the importance and the evolution of marketing, starting at more traditional methods of marketing and concluding with the uses of SM. As SM is the primary focus, emphasis has been placed on demonstrating examples of how SM can benefit and has been implemented into a business environment.

Marketing

Marketing has been defined as simply just “the art of selling products” (Ronye et al. 2012) however, the progression of the positive views of marketing has improved within recent years. Today, marketing has been described by the American Marketing Association as “the activity, set of institutions and processes for creating, communicating, delivery and exchanging offers that have value for customers, clients, partners and society at large”. Marketing has now been identified as more than selling products and includes several sets of activities which when implemented into business, can derive benefit. Expanding on this, marketing is composed of four key components, all centered on developing customer value:

- **Creation** - the act of collaborating with suppliers and customers to create new products and services;
- **Communication** - communicating with customers enabling the transmission of information related to the products and services, in turn providing the organisation with the ability to learn about customer views and activities;
- **Delivering** – the delivery of offers and services to consumers in such a way that optimises value for both the consumer and the organisation; and,
- **Exchanging** - trading value for those offerings.

A successful marketing campaign will approach a consumer’s wants, needs and desires directly by showcasing a solution that makes their acquisition a possibility. Eventually, the wants become demands when they are backed up by buying power (Armstrong & Kotler, 2009).

B2B vs B2C Marketing

B2B marketing is described as the form of the relationship with one company acting as the supplier and another company acting as the customer. "A business could be represented either by a sole trader, company or institution" (Kumar & Reinartz, 2012). Transactions between the businesses can be very large and complex and are reliant on more than one individual to generate a sale. The amount of people that are involved within the buying process depends on the size and complexity of the sale. Davis, Golobic and Marquardt (2012) state that before buying any product or service from a B2B organisation, account must be taken of the importance of the transaction, its stage and character. Furthermore, careful consideration must be taken to develop an understanding of the potential benefits and usefulness that the particular product or service will bring to the business.

The trend in the last decade indicates that within the B2B environment there are a decreasing number of consumer relationships; however this is set against existing consumer relationships that are much closer because of it. A number of sources (Saini et al. 2010; Kumar & Reinartz, 2012) mention that there are fewer subjects on B2B markets, therefore the value of each transaction is larger.

By way of a contrast, Kumar et al. (2014) defines B2C marketing as the type of commerce transaction in which businesses sell products or services to consumers. A typical B2C transaction is characterised by the personal nature of the product e.g. clothes, food, or subscribing to a pay-per-view TV package. The motivations for these purchases within a B2C environment mostly stem from individual necessity, pleasure or personal indulgence. Often, very little time and thought is spent establishing the reasons for purchasing a certain product or service before concluding the transaction. Furthermore, the size of a B2C target audience is much bigger than their B2B counterparts and the focus is made on attracting new customers as well as retaining old ones.

Traditional Marketing

Before examining current trends in marketing it is important to understand the more traditional methods of marketing. Traditional mass media includes the use of "television, newspaper, radio, posters, transport and outdoor displays" (Stone & Desmond, 2007 p317). Due to its longevity, traditional methods of marketing still play a significant role in business today. People are still accustomed to seeing advertisements in local newspapers or reading billboards. A survey conducted by Svenska Posten (2007) showed that traditional methods of mass communication still counts for more than 50% of total advertising revenues. However with the increased use of digital marketing within businesses, how long will it take for traditional methods of marketing to diminish completely?

Social Networking

Social networks originate from sociology and in a business context, refer to two or more connected business relationships, where an exchange exists between business partners (Anderson, Hakansson, & Johanson 1994). This concept of a network is made up of the formation of connections between individuals, groups of people, organisational departments or corporations (Wasserman & Faust, 1994). Stephen et al. (2010) stated that social networks offer significant benefits, including the enhancement of economic value for organisations. People exploit these networks to grasp at the opportunity to promote their own products or services, collect information or gather resources.

Networking and building a relationship is extremely important for both B2B and B2C activities. It is vital that a B2B organisation communicates with its consumers throughout the whole period of the sale. The initiation of a relationship, its development, maintenance and dissolution must all be considered and handled with care (Ford, 1980; Dwyer, Schurr & Oh, 1987). The decision when buying is usually made by a group of people at different levels of the company rather than by a specific individual. Negotiations are made, prices adjusted and variations incorporated which in turn make the buying process longer and more complex.

Social Media

With the implementation of the Internet, social networking within a commercial context changed forever. Interactions between businesses and consumers evolved and computers began to facilitate interactions between the organisation and the consumer. The traditional problems associated with geographical locations and time differences were no longer critical. Members of an online network could exchange information and provide solutions from and to different locations across the world in a very short period of time (Lea et al. 2006) substituting the need for expensive travel and lost work time.

Key departments that form the basic structure of an organisation can seek the benefit from the use of SM. Firstly, human resources can exploit SM for hiring, collaboration and talent management purposes. Facebook, Twitter and most importantly, LinkedIn provide organisations with information about their potential employees. Personal experiences and qualifications are all portrayed through these sites, ultimately helping the organisation's hiring processes. Looking at the potential employee's perspective, SM can become the ultimate deal-breaker when seeking employment.

Furthermore, SM is said to convey vital sales statistics related to client demographics, customer activity and engagement. The sales department can analyse these statistics and make active changes in its marketing approaches to attract a new or current customers. Additionally, an organisation can analyse their competitor's activities through the use of SM. Monitoring the competition can enable the organisation to gain a better understanding of their competitor's online presence, regularity of interaction

with their customers and target audiences. By identifying these factors an organisation is able to understand any failings in their own SM Marketing (SMM) approaches.

However, one must consider SM a reasonably new technology and its use may not attract all B2B businesses. Many such companies have been slow in implementing new technologies due to perceived barriers such as lack of money, lack of time, training issues, negative views about usefulness, as well as unfamiliarity with the particular technology (Buehrer et al. 2005; Venkatesh & Davis, 2000). The adoption of a new technology is predominately based on the perceptions and position of the organisation. The position of the company today is balanced against where it would like to be in the future, and the use of SM may benefit this development or hinder it.

Social Feedback Cycle

For over fifty years, raising brand awareness has been the ultimate goal for marketers. However the process through which consumers evaluate options to purchase is under-utilised and under-examined by many. The social feedback cycle takes into account the market-generated processes such as brand awareness, product consideration and purchasing whilst at the same time considering how the product or service is used and discussed between consumers. The rating and sharing of personal experiences is now a part of almost every purchasing decision (Evans & McKee, 2010). More people are turning to other consumers for advice and personal experiences on products and services rather than listening to the bland claims made by 'biased' salesmen. Companies have the opportunity to grasp SM and communicate with consumers and influence them through an interactive platform. SM not only enables organisations to promote information about their own brand, but also it gives them the opportunity to gain constructive feedback.

Research shows that firms which use SM to build direct relationships with customers, increase traffic to their website, identify new business opportunities, create communities, distribute content, collect feedback from customers and generally support their brand (Breslauer & Smith, 2009). It can be said that SM provides a valid and important channel for consumers to solicit and gather information, both positive and negative about a product. In the past, most dissatisfied customers would not complain about a product or service unless their dissatisfaction warranted the effort of telephoning or writing to the customer care department. Such an action might be undertaken in the belief that it would ultimately lead to some form of reward or compensation. However, businesses were blind to the fact that there were hundreds or possibly thousands of unsatisfied customers who had chosen not to complain, and simply taken their business elsewhere.

On the other hand, SM is able to assist consumers to like, dislike, rate or share an experience about a particular brand or product online easily. Ultimately this provides a

more efficient and less confrontational platform for consumers to express their thoughts and opinions about an organisations products or services. Long-held conventional marketing wisdom stated that an unsatisfied customer tells ten people. With the new age of SM, a customer has the tools to tell ten million (Gillin, 2009). Shama Kabani (2010) claims that over half of all consumers said that they had already purchased something, or switched to another brand or retailer because of a recommendation they received through a SM site. The customer now has the ability to conveniently endorse or reprimand the retail organisation at quite literally the touch of a button.

Return on Investment

In businesses today many employees already use SM for their own activities, but the business itself may be reluctant to do so on a corporate footing until the cost its introduction is fully understood. Therefore, what is the Return on Investment (ROI) of implementing SM into business marketing activities? Investing time and resources into an activity for which the return is not fully understood will always be a risk. Businessgrow.com state that: "When you ask businesses why they are participating in SM, what do they say? If they say, "to make money", then they will fail because currency in the web is found in both relationships and context". The ROI of SM is measured by the success of conversations and relationships built and sustained through the use of SM sites.

Analysis

The literature review has revealed four key factors that affect the introduction of SM into B2B marketing. These factors will be explored further within the primary research and are shown in Table 1.

Table 1. Key Factors

Factor	Theorist
Decline of Traditional Media The decline of traditional methods of marketing imposes new opportunities for online marketing tools like SM to play a more dominant part in organisations marketing activities. Experts believe that traditional methods of marketing like TV, magazine and billboards advertisements only provide one way communication.	Stone & Desmond (2007) Svenska Posten (2007)
An Effective Tool Increased usage of SM can be used within the whole workplace. Other departments can exploit SM for sales, hiring and most importantly marketing purposes.	Buehrer et al. 2005; Venkatesh & Davis, (2000) (Lea et al. 2006) (Ford, 1980; Dwyer, Schurr & Oh (1987) Stephen et al. (2010) Wasserman & Faust (1994) Anderson, Hakansson, & Johanson (1994)
Power of the Consumer SM provides a platform for consumers to share interests and experiences about certain products or services. Consumers are now more involved and better informed and are more facilitated with an online platform to complain.	Shama Kabani (2010) Gillin (2009) Breslauer & Smith (2009) Evans & McKee (2010)
Return of Investment Questions still lie about the ROI when dedicating time and potentially money into implementing SM marketing into business activities.	www.businessgrow.com

CHAPTER 3 - METHODOLOGY

Introduction

This chapter will discuss the chosen methodological approaches to the project as well as analysis of the primary and secondary data. The chosen method of data collection is revealed whilst also discussing data quality, ethical issues and limitations of the study.

Purpose of the Research

The purpose of this research was to understand to what degree B2B organisations are using SM within their marketing activities. It seemed appropriate that qualitative data should be utilised throughout the study. On the contrary to quantitative research, qualitative data provides a wider range of empirical information sources, which when summarised can be used to develop concepts and theories. Qualitative research approach is justified by the use of semi-structured interview.

Secondary Data Collection

Secondary data was gathered and evaluated within the literature review. Ghauri & Gronhaug (2005) provide a theory that purposes of a literature review can be divided into three main areas: to frame the problem, identify concept and facts, as well as acting as the position to the study. Four key factors were discovered and explored within the secondary research and were used to prove or disprove any theories that may have been identified.

Interviews

The primary research for this project was predominantly focused on collecting qualitative data through the use of semi-structured interviews. By selecting this specific form of data collection, a more personal interaction between the interviewer and interviewee can occur. Any misunderstanding of the question or the answer can be discussed between both parties to ensure data quality. A few structured questions will be implemented to allow the interviewer the freedom to steer and guide the conversation to gain the required knowledge (Kumar, 2008).

Interview Sampling

It is not feasible or necessarily desirable to interview all organisations operating within a B2B environment. Furthermore the process would take a long time and it may not lead to a significant improvement into the findings (Dissertation.laerd.com). The convenience sampling method has been applied for this dissertation. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher (explorable.com). The

representatives of the two companies that agreed to participate within the study had to meet the following requirements:

- Work for a company doing business within a B2B environment;
- Have at least 5 years' experience in their position; and,
- Have an interest and/or experience with SM.

Interview Questions

The key factors in Table 1 in the literature review were identified to help guide the conversation and create questions for the semi-structured interviews. The primary research that was undertaken had identified these key factors and the results within the interviews either supported these key factors or contradicted them. These were then developed into a series of questions. The questions asked within the semi-structured interviews are shown within the Appendix followed by their answers.

Ethical Considerations

Beauchamp and Childress (1983) provide a starting point in considering ethical concerns when undertaking research:

- Respect for Autonomy - respecting the decision-making capacities of autonomous persons; enabling individuals to make reasoned informed choices;
- Beneficence - this considers the balancing of benefits of treatment against the risks and costs; the healthcare professional should act in a way that benefits the patient;
- Non-maleficence - avoiding the causation of harm; the healthcare professional should not harm the patient. All treatment involves some harm, even if minimal, but the harm should not be disproportionate to the benefits of treatment; and,
- Justice - distributing benefits, risks and costs fairly; the notion that patients in similar positions should be treated in a similar manner.

Diener and Crandall (1978) also mention that no harm should be made to participant, no invasion of privacy, neither deception nor lack of informed consent.

All interviews were carried out under no duress and consent was given to use participant's personal information as well as any quotes mentioned within the interview. All questions answered are subject to the discretion of the participant and they were entitled to refuse to answer any questions.

Analysis

Veal (2008) states that there is an added complexity associated with analysing qualitative data compared to the quantitative. Therefore to ensure data quality all interviews that were undertaken were carried out within a quiet room and all answers were written down to help ease the analysis process. The researcher then went back at a later date to examine the information provided in the interviews to help analyse the results in conjunction with the factors discovered within the literature review.

CHAPTER 4 - FINDINGS

Introduction

The following chapter will discuss the findings that were discovered during the research process. The answers that were conveyed within the semi-structured interviews were used to support or contradict any key factors that were identified within the literature review.

Sustained Usage of Traditional Marketing

All respondents agreed that traditional methods of marketing such as magazine advertisements were used more frequently than SM to reach their consumers. Respondent A mentioned that:

“SM has been integrated into our marketing activities, however full integration is part of our future plan”.

Respondent A also discussed that roughly over 50% of their time was being utilised researching online platforms like the Internet for market research purposes. However it was evident that for promotion purposes traditional marketing methods were most popular. Respondent B discussed that SM was *“an add-on to our traditional methods of marketing and most likely will become the primary method of marketing in the future”*. Participant C stated that traditional methods of marketing were still being used within the company and roughly 20% of their marketing activities were aided through the use of SM sites.

Despite the obvious benefits that SM could bring to their organisations, it was evident that the total expenditure in time and money for traditional methods of marketing were still being sustained. Furthermore when asked whether SM improved business sales, each participant agreed that it was a combination of both traditional and SM marketing with an emphasis on the traditional.

Increased Awareness of SM Marketing

The awareness of the benefits that SM can bring to a business was apparent to all respondents. Respondent A agreed that *“SM can increase online traffic by linking SM sites to the website”*. It became evident with this particular business that their website was their main source of business information and SM was being utilised to guide users to their website and not necessarily being used as a separate source of marketing.

Respondent C discussed that when utilising SM one must ask “why do you want SM, and why is there a need for it to be there?” All participants agreed that in this modern world, companies should implement some form of SM into their business activities and

participant B mentioned that if “you don’t have SM; you are not seen as a progressive company”.

The participants also agreed that SM provided the business with insight about the market place. Participant A was impressed with the fact that SM provides “essential analytics about their follower’s demographics and interactivity”. Additionally, the help of traditional marketing methods allowed the company to “delve into markets that haven’t previously been discovered”.

Return on Investment

It became clear during the literature review and again during the interview process, that one of the main barriers affecting the utilisation of SM within a business environment was proving the ROI Participant B believed that “*it became difficult to set out the time to understand the analytics*”. They believed that current methods like “*advertising campaigns and mass emails*” were still the best and most effective method for the time being.

Participant A also discussed that lack of time and training played a large role in the investment of SM into their business practices. They understood “*the benefits that SM can bring to the table*”, however they discussed that the total time they would spend on training members of staff outweighed the benefits. Even though one member of staff was currently assigned to manage their SM accounts, not a lot of emphasis had been made in increasing their usage.

Participant C noted that an employee was individually assigned to personally deal with the organisation’s SM accounts to act as a “*gatekeeper*” for compliance reasons. However when asked whether the ROI was deemed worthy of their time, they were unsure. They stated that they had experienced both negative and positive relationships with clients. Participant B backed up this idea that SM can be “*dangerous if placed in the wrong hands*” however the “*power of knowledge is incredible*”.

Power of the Consumer

Participant C said that as a customer using SM “*you are able to say whatever you like*” however as an organisation “*customer comments are personal and you had to let it go*”. They stated that once a complaint had been made before SM was introduced it would be “*very rare for it to reach a newspaper*”, however with SM “*it gets everywhere*” and companies are “*not always in the situation to defend themselves*”.

Participant B felt that there was not any shift in power when SM was concerned. Customers that are viewing business SM pages tend to be prospecting customers; “*if current customers were likely to complain, they would complain via telephone*”.

CHAPTER 5 – DISCUSSION

Introduction

In the following chapter comparisons are made between the factors explored in the literature review and the findings discovered in the semi-structured interviews.

Sustained Usage of Traditional Marketing Methods

Theory dictates that organisations that have not started to approach the SM scene are already seriously behind the technology adaption life cycle curve” (Thomas & Barlow). The literature review identified that traditional methods of marketing only provide organisations with a one-way means of communication which is ineffective at gaining an insight to customer information such as interactivity and demographics. It was evident from the answers to the question: “how long will it take for traditional methods of marketing to disappear completely” that participants were unable to give an unequivocal responses. However, the interviewees agreed that traditional methods of marketing were still being used within their marketing activities. All participants identified the benefits that SM can bring to a business however it was more dominantly being used as a liaison tool to guide the customer to other advertising campaigns or the company’s website. The overall message that each participant expressed was that SM is an additive marketing method, rather than a replacement for traditional marketing methods.

Awareness

The literature review identifies the benefits of using SM in marketing practices (Breslauer & Smith, 2009) and this is supported by the comments made in the semi-structured interviews. Therefore the concept of using SM is well-understood and yet it appears not to have become the dominant marketing tool. There are clearly other factors involved and businesses appear to be in a dilemma as to its effectiveness and utilisation. On the one hand using SM allows the company to appear to be progressive in its outlook, embracing technological change and current social trends. On the other, particularly for those companies who are risk averse, who rely on their reputation to attract repeat business, there is a reluctance to step away from the traditional and conservative approach.

Return on Investment

Both the literature review and the research showed that there was an increasing amount of attention being directed towards implementing SM into a business environment. Organisations are being persuaded by theorists to use SM with the outcome that there will be an increase in customer relationships, a rise in online traffic and the development of new business opportunities. However the inevitable question of whether SM provides a substantial ROI remains unanswered.

The literature review identified that a ROI can be measured by the relationships and conversations created and sustained through the use of online SM. However,

discussions with the interviewees identified that SM in some cases, can be seen as an online version of the 'mediaeval stocks'. Anyone is able to observe and comment on other consumer's radical views on a company's products or services, without proof or penalty. An argument can be made that a negative relationship with an organisation is not considered a relationship at all. Therefore a company must consider whether the potential for adverse publicity associated with their products or services through the use of SM is worth the risk, time and money.

Power of the Consumer

The literature review identified that SM provides customers with a platform to share interests about products. This finding was echoed in the semi-structured interviews and leads to the conclusion that customers are now more involved and better informed about the products they wish to purchase and make comment accordingly. However in the B2B environment, such customer enlightenment may be considered undesirable and comments made in such an open forum could lead to adversarial situations in which one company tries to denigrate its competitors' products and services in favour of their own. This may lead to litigation which will be seen by many as counter-productive at best and financially ruinous at the worst.

The empowered customer, using a combination of the internet and SM, can find out everything they may need to know about a product within the constraints of copyright. Therefore sensible decisions about product selections and purchase can be made more easily and effectively. With the new age of SM an individual "has the tools to tell ten million" about their own thoughts and opinions about a brand.

Industry Specific

Through the research undertaken it became clear that the extent of SM usage is 'industry specific'; different industries approach the introduction of SM to marketing in different ways. For example, the financial services industry is heavily focussed on compliance and careful consideration must be given to each and every statement, whether it is online or elsewhere. Whereas, manufacturing industry appear to place less emphasis on compliance issues and more on the quality or efficacy of the product.

In the literature review the question of industry specific issues was not identified, presumably because insufficient research has been undertaken due to the fact that SM is a relatively new technology. Most businesses are still in the embryonic stages of SM implementation and this area has not been analysed.

CHAPTER 6 - CONCLUSION

Summary

The results of the literature review and semi-structured interviews show that the use of SM in of B2B marketing is not as widespread as it could be, given the awareness of the benefits and ease by which it could be used. The reasons for this depend on the specific industry and whether SM will help or hinder their marketing efforts. Clearly the customer is empowered by SM to a greater degree than the supplier who struggles to identify the ROI. Businesses question whether the adoption of SM is worth the risk or continue to employ traditional methods of marketing.

Recommendations for B2B Organisations

B2B organisations should take into account whether their industry will support the use of SM in their marketing activities. The use of SM demands a ROI which may be difficult to quantify. In doing so they must weigh the balance of social progression against traditional methods whilst at the same time understand the risks involved. What is clear is that the use of SM in B2B marketing is growing and whilst it is not being implemented at the same rate as in B2C, it nevertheless will become one of the more popular techniques in the future.

Suggestions for Further Academic Research

From the analysis undertaken to support this dissertation it was noted that industry specific issues related to B2B marketing significantly affects whether a business adopts the use of SM. This could be a valuable area for future research.

* * * * *

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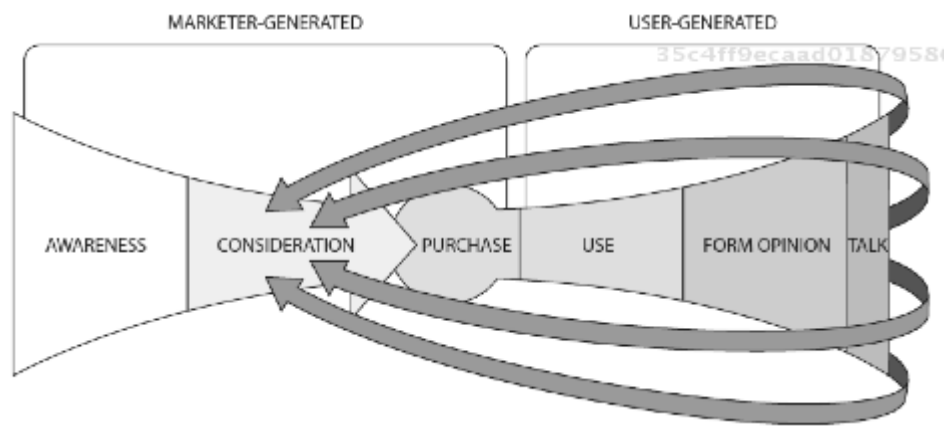
APPENDICES

APPENDIX A: Watson's what, why and how framework

What? What puzzles/intrigues me! What do I want to know more about/understand better? What are my key research questions?	Why? Why will this be of enough interest to others to be published as a thesis, book, paper, guide to practitioners or policy-makers? Can the research be justified as a 'contribution to knowledge'?
How—conceptually? What models, concepts, and theories can I draw on/develop to answer my research questions? How can these be brought together into a basic conceptual framework to guide my investigation?	How—practically? What investigative styles and techniques shall I use to apply my conceptual framework (both to gather material and analyse it)? How shall I gain and maintain access to information sources?

(Source: Bryman and Bell, 2007:89, Figure 3.3: '*what, why and how*' framework for crafting research. Reprinted with permission from Watson, 1994).

APPENDIX B: Social Feedback Cycle



(Source: Evans & McKee, 2010:5, Figure 1.1: *The Social Feedback Cycle*.)

APPENDIX C: Interview Transcript 1 - Participant A & B

A: POSITION: Marketing and Communications Manager

B: POSITION: HR and Finance Manager

COMPANY:

Start of interview

Interviewer: This interview with _____ and _____ of _____ Products. Shall we begin the questions?

PARTICIPANT A: Yes, not a problem.

THEME 1 – INCREASED AWARENESS OF SOCIAL MEDIA

Interviewer: OK, during my research I found that most literature related to social media was increasingly pushing the benefits of it being a marketing tool. There is an increasing amount of awareness for companies to utilise social media to engage with consumers on a more interactive level.

Interviewer: Does your organisation use social media to promote your business?

PARTICIPANT A: Yes, we do.

Interviewer: OK, nice. Are you planning on increasing you social media activities in the near future?

PARTICIPANT A: Not right now, but we do see us increasing our daily future in the near future.

Interviewer: OK, please could you indicate which social media tools and platforms that your organisation is currently using and how frequently you are using them?

PARTICIPANT A: Right, we use twitter and LinkedIn once a month and sites like Facebook or Google Plus we are very irregular with using those.

Interviewer: Why is this?

PARTICIPANT A: We use social media when news that we have updated on the website, so it can be seen on a larger scale. Most of our customers use the website for information so social media is really just an add-on feature.

Interviewer: Why do you think social media has had such huge attention recently?

PARTICIPANT A: I think it is because it can bring so many benefits to an organisation, it's a free marketing tool which means that you can interact with consumers on a more personal level.

Interviewer: You mentioned that you use social media to published information that may not have been seen on your website?

PARTICIPANT A: Yes, social media can increase online traffic by linking our SM sites to our website.

Interviewer: What would you say the benefits of social media marketing are?

PARTICIPANT A: Definitely an increase in exposure online as well as an increase in online traffic by using relevant links to the website. It also is a great research tool; it provides great marketplace insight with the use of online analytics both from our website and on social media. Umm, I probably would say there is a decrease in marketing expenses but it is in combination with traditional marketing methods being cut and refined as well as using social media.

PARTICIPANT B: For me, social media is part of working life nowadays, and if you do not have Social Media you are not seen as a progressive company.

Interviewer: Would you say there are any other benefits that you have experienced?

PARTICIPANT A: Oh, it also can make communications with customer better, as we can reply with a quick response to a larger audience.

PARTICIPANT B: We have recently received the Queens Award for Industry so we are obviously going to be tweeted about that as our audience is either businesses connected with us or people wanting to know about the business. Our 14th Anniversary is on the 13th of May so we are most likely going to be tweeting about that. We can tweet these things as there isn't much risk.

Interviewer: Lovely, thank you.

THEME 2 – THE DECLINE OF TRADITIONAL MARKETING

Interviewer: I also discovered during my research that traditional methods that experts had expressed the decline of traditional methods of marketing such as TV, Newspaper and Magazine advertisements. Do you believe this is the same for your company?

PARTICIPANT A: No, not in our company, haha.

Interviewer: What traditional methods of marketing do you use in your business?

PARTICIPANT A: Magazine advertisements, emails, PR and exhibitions.

Interviewer: Would you say that you have integrated your social media into you traditional marketing activities?

PARTICIPANT A: Yes, however full integration is a part of the future plan.

Interviewer: Why is this? Why not now?

PARTICIPANT A: Social media has been integrated into our marketing activities, however full integration is part of our future plan, once we have a solid company strategic plan.

Interviewer: How many hours in comparison to your traditional methods of marketing to you use using Email, web surfing and social media?

PARTICIPANT A: We probably spend 50% of our time sending emails and searching the web for market research purposes. However of that time is spent using social media currently.

Interviewer: How will your use of technology change in the next 3 years?

PARTICIPANT A: Like I said, we plan on using more of technology in the future, but we can't put anything into place until we have all agreed, as a company on a solid strategic plan.

Interviewer: OK, thank you.

PARTICIPANT A: Yes we would like to use more of social media, but the traditional methods are definitely here to stay.

THEME 3 – RETURN ON INVESTMENT

Interviewer: One of the main barriers affecting the implementation of social media into businesses marketing activities was proving the return of investment. What would you see as the main business barriers when utilising social media into your business?

- Change in organisational culture
- Managing reputation
- Managing multiple accounts
- Managing social analytics
- Understanding trends in social media
- Lack of time and resources
- Lack of training/understanding

PARTICIPANT A: Managing multiple accounts, managing social analytics, measuring return on investment, lack of time and resources and lack of training and understanding.

PARTICIPANT B: Yes, knowledge is everything in this industry!

PARTICIPANT A: I would say it is for every industry!

PARTICIPANT A: We do have one person assigned to manage all the social media accounts, not a lot of emphasis is put on increasing its usage currently.

Interviewer: You say that lack of time and resources is a barrier? Why is this?

PARTICIPANT A: Just because we are very busy and when the time does come on our side we can decide on other projects like using social media later. We know the benefits that social media can bring to the table and we are really looking forward to using it, but for now, we are going to stick with what we know.

PARTICIPANT B: Yes, it became difficult to set out the time to understand the analytics. That is why we stick with what we know, so, advertising campaigns and mass email, like Sarah said.

THEME 4 – POWER OF THE CONSUMER

Interviewer: Do you feel like the consumer has more power when social media is involved?

PARTICIPANT B: I feel like they are more aware and educated about businesses and products. They can research a product online and also see people's ratings and comments on a product.

Interviewer: Do you believe that customers now have the upper hand when buying they are buying a product.

PARTICIPANT B: No, I don't think there is any shift in power as with the right marketing techniques any customer can buy a product.

Interviewer: Social media has allowed customers to go on an online platform and right rude comments freely about a brand and they can't do anything about. Is this the case for your company?

PARTICIPANT B: No, as if current customers were likely to complain, they would complain via telephone and not online. However it can be dangerous is placed in the wrong hands.

Interviewer: Why do you think this is the case?

PARTICIPANT B: It is *much* faster for them to get an answer if they phone in, than if they go online. In our industry it isn't necessary for a customer to bash another online, as it is unprofessional and frankly, will get them nowhere.

PARITICPANT B: Also with businesses you have some sort of contract in place when you are dealing with B2B sales. So sometimes you have things called NDA's (Non-Disclosure Agreements) which mean that you cannot bash another company. Otherwise you are opening yourself up to a legal battle. There is a sort of legal protection with industries like ours to protect yourself and your company from nasty situations.

* * * * *

APPENDIX D: Interview Transcript 2 – Participant C

C: POSITION: Strategy and Planning Communications Manager

COMPANY:

Start of Interview

BACKGROUND INFORMATION ABOUT PARTICIPANT

Interviewer: How long have you worked for company?

PARTICIPANT C: For 3 years in June.

Interviewer: How long have you been in marketing?

PARTICIPANT C: I have been marketing for over 20 Years.

Interviewer: What is your position at the company?

PARTICIPANT C: Have you go a lot of space?

Interviewer: Ha ha, yes!

PARTICIPANT C: I am the Strategy and Planning Communications Manager

Interviewer: How often do you use social media for personal use?

PARTICIPANT C: Probably every other day

Interviewer: What social media sites do you use?

PARTICIPANT C: Facebook and LinkedIn

Interviewer: They seem to be the most popular.

PARTICIPANT: We just did a social media CIM course, so I will bring that down for you after this interview.

Interviewer: Wow, thank you

THEME 1 – INCREASED AWARENESS OF SOCIAL MEDIA

Interviewer: Does your organisation use social media to promote your business?

PARTICIPANT C: Yes

Interviewer: Which social media platforms do you use?

PARTICIPANT C: Facebook and Twitter mostly, LinkedIn to a lesser degree and we have a YouTube channel.

Interviewer: How frequently are you using these social media sites?

PARTICIPANT C: So there is a difference here. I do not do social media; we have a social media manager, because we are not allowed too, due to compliance. So everything has to be done through her mostly. I mean we forward stuff through LinkedIn. She acts as the gatekeeper for all social media posts.

Interviewer: That is her own role?

PARTICIPANT C: Yes she is assigned to just social media, which is a very huge job as this company has over 3000 employees and everything must go through her.

PARTICIPANT C: So the insurance industry is complicated, it depends on how, umm, open you are to risk and how much you use it. For example is not a risk taking business so we don't use it, we are risk averse, and so we are very careful.

Interviewer: You say that it must go through compliance, what does this mean

PARTICIPANT C: OK, I will give you an example from a book that I recently read. Oreo did a great campaign where there was a blackout in New York, don't quote me on that. They mentioned in their campaign that you can still enjoy an Oreo, even if there is a blackout. In our industry, insurance, there is no way that we can react that fast. You have to go through compliance, five day SLAs and this and that which needs to be checked. Everyone will be really hesitant to publish a tweet or post unless there was terms and conditions at the bottom, which took up over 140 characters six times over. You have to be seen that you are always treating the customer fairly, if you write something which someone can misconstrue then it can get really messy.

Interviewer: So a lot of work goes into posting one tweet.

PARTICIPANT C: So a tweet would be, you post something and I retweet it. Generally rules for insurance companies are as far as social media is concerned, is that they do not want you to retweet stuff.

PARTICIPANT C: Greenpeace did a wonderful campaign about KitKat cutting down the rainforest as they are using certain oils to make KitKats. So they did a spoof ad of a KitKat, where you open up a KitKat rapper and it was a finger of a chimpanzee or something. So crisis management is how you deal with that. First you react and check whether it is true or not.

PARTICIPANT C: An example in our company was when we launched a new product. It wasn't in enhancement it was a brand new product, which was really, really good. We wanted to go to the market and reveal that "something was coming and it's really good" Ha ha. So we drafted it up and put it to compliance and they asked "what are you going to do with it?" We replied that we are going to put it on social media, which probably would be LinkedIn and twitter. Compliance then asked whether it was for customers or for advisors, which we replied that it was for advisors. Compliance then said no to the whole plan, as it was going on social media for customers to see. So you can see that a lot of effort goes into one advertising campaign, whereas another industry this won't be an issue.

Interviewer: So how would you go about marketing this product without using social media then?

PARTICIPANT C: So you would still use traditional media such as print and digital advertising and emails. The big thing was that customer was going to see this and we don't directly sell to customers we sell to advisors. So how do we make them aware that they have to buy this? So it was more of if you want this product, contact your advisor, not us – very difficult.

PARTICIPANT C: Twitter you can't just respond to people instantly, I have to write out what I want to say, then go to compliance and they have to check it, so it can take over 5 days for me to get a tweet back.

PARTICIPANT C: Another thing is that if you go into a company and they say that they need social media – you as a marketing manager need to challenge it. You need to ask why and what do you want it to do?

PARTICIPANT C: The thing is that people are really passionate about it, you can target people, create communities of like-minded people. So Facebook is apparently leading the way with targeting people and enables customer to look at the way customers are finding you. An example is if you are divorce lawyer you can go on Facebook and see if people are recently divorced in your area and you can then target them for new business.

THEME 2 – DECLINE OF TRADITIONAL MARKETING METHODS

Interviewer: My research discovered that experts believed that traditional methods of marketing are declining. Do you believe that this is the case in your business?

PARTICIPANT C: No, depends on which company you are asking. Our strategy is everything digital which includes social media. Whereas our competitor is more traditional, all our customers get a monthly paper for example.

Interviewer: Can you give some more examples of traditional marketing methods that you use?

PARTICIPANT C: Umm, customer mailings, monthly paper, PR, advertising magazines are very limited.

Interviewer: Have you integrated social media with your traditional marketing activities?

PARTICIPANT C: The thing is you want everything to work together, if you are edging towards more traditional methods, you must still have an online presence.

PARTICIPANT C: Companies today need to have some sort of social media, to support other methods of marketing.

Interviewer: What is the ratio of traditional methods of marketing to social media for you?

PARTICIPANT C: Roughly 80 traditional, 20 Social Media, that might be generous.

THEME 3 – RETURN ON INVESTMENT

Interviewer: One theorist believed that to discover the Return on Investment of social media is to measure it by the relationships and conversation made through social media. Do you believe this is the case for your business?

PARTICIPANT C: Well again, I wouldn't say we had a lot of success. We found a lot of success of social media when we had been advertising our sponsorships. So we sponsored the tour of Britain and the women's cycling tour, so we use Facebook and YouTube for that. So that got a lot of people involved and got people very positive and engaged.

From an insurance point of view and our traditional stuff, umm, we get a lot of people complaining. So mostly we get a lot of people asking for our address or can they directly

message us and so you take it offline. So I believe it's not a very productive or successful way of using social media. Again in the fact that they can say whatever they like and we have our hands tied behind our backs.

This means that LinkedIn for us makes more sense for our industry. We have got advisors that are on LinkedIn in a group. They can converse with one another and find best ways of selling a product etc.

THEME 4 – POWER OF THE CONSUMER

Interviewer: Do you feel like the consumer has more power when social media is involved?

PARTICIPANT C: You are in a funny position as an insurer you have all this information on your client which is confidential so you cannot do anything. So whatever is been done on social media, they can say whatever they like and you are powerless to it, which meant you had to let it go. Back in the day, you use to have someone who had a complaint, might get to a newspaper – probably wouldn't. But with social media its gets everywhere! The minute it turns into a nasty story, everyone knows about it.

Interviewer: Do you feel like the power has switched over to the consumer?

PARTICIPANT C: Companies aren't always in the position to defend themselves. Worst case scenario if something kicks off on social media is that our social media would shut down, we wouldn't do anything meaning that other parts of the business would not have a voice though social media. Our company and department do not have a plan, a crisis management in place to deal with adverse social media.

Interviewer: Ok that is all. Thank you very much for your time!

PARTICIPANT: You're welcome.

* * * * *