Consumer-Brand Relationships in Social Media

Abstract

The paper focuses on consumer-brand relationships, and attempts to identify what relational benefits and costs consumers-members of social media brand pages perceive. Considering the rapid development of social media and their penetration in business marketing actions, this study is an exploratory step towards the understanding of relational benefits and costs together in the context of social media.

A qualitative approach was employed for this study. Data were collected from four focus groups consisting of 32 Greek social media users who are members of popular brand pages on both Facebook and Twitter, providing preliminary evidence about the perceived benefits and costs arising from consumers’ participation in social media brand pages.

Results indicate that consumers perceive social benefits, information benefits, time & effort benefits, economic benefits, and personal treatment benefits. Overload, privacy concern, and annoyance are members’ perceived costs from interacting with companies in social media brand pages.

The study identifies and proposes several opportunities for company managers, suggesting practices for effective social media handling, towards the enhancement of perceived relational benefits and the reduction of relational costs.

Track: E-Marketing
1. Introduction

During the last years, social media channels like Facebook and Twitter are becoming more and more popular among Internet users (Kaplan & Haenlein, 2010; Nielsen, 2012). Attracted by the rapid penetration of social media into society (Dickey & Lewis, 2010), firms are establishing brand pages on popular social media platforms (Gallaugher & Ransbotham, 2010; Jahn & Kunz, 2012; Martins & Patricio, 2013), to create and enhance relationships with them (Borle, Dholakia, Singh & Durham, 2010), by providing their fans with new online interactive services (Jahn & Kunz, 2012).

Even though social media have been recognized as potentially the most powerful medium for relationship building (Bartlett, 2010; Hackworth & Kunz, 2010; Monseu, 2009; Selina & Milz, 2009), and there have been several calls for research on social media services (Hennig-Thurau et al., 2010; Hoffman & Novak, 2009; Kunz & Hogreve, 2011; van den Bulte, 2010), there is a lack of systematic work based on conceptual frameworks, simultaneously examining what benefits and costs consumers perceive through the use of social media brand pages. Considering this gap, the present study is an attempt to discover what benefits and costs consumers perceive from interacting in Facebook and Twitter brand pages, by extending the relational benefits (Bendapudi & Berry, 1997; Gwinner, Gremler & Bitner, 1998; Hennig-Thurau, Gwinner & Gremler, 2002; Hennig-Thurau, Gwinner, Gremler & Paul, 2005; Reynolds & Beatty, 1999) and costs (Bendapudi & Berry, 1997; Morgan & Hunt, 1994) frameworks in the context of social media.

2. Theoretical background

2.1 Social media brand pages

The emergence of social networks brought major changes in company-customer relationships, by enabling the establishment of social media brand pages, where companies frequently develop direct relationships with their fans (Martins & Patricio, 2013). Recent research shows that the marketing budgets directed towards social media are constantly growing, suggesting that brands are increasingly interested in establishing a presence in social media, interacting with their fans, helping shape their experiences, and even leveraging their voices for a greater marketing impact (Lipsman, Mudd, Rich & Bruich, 2012). Social media brand pages can be found in the literature as "brand fan pages" (De Vries, Gensler & Leeflang, 2012; Jahn & Kunz, 2012) or as "company social networks", which according to Martins and Patricio (2013, p. 568) are "a group of people (followers, fans) connected to a company or brand within the boundaries of a social network site". Such pages are mainly company driven and used as an explicit brand communication and interaction channel (Jahn & Kunz, 2012). Through such pages, companies offer activities and content related with the brand or the core product/service.

2.2 Relational benefits

Setting out from the basic assumptions of relationship marketing (e.g. Berry, 1983; 1995; Sheth & Parvatiyar, 1995), which suggest that for a relationship to last and develop, both parties should receive some short of benefits, in addition to those stemming from the core-product/service, Gwinner et al. (1998), developed a typology of customer relational benefits within a service context namely “confidence benefits”, “social benefits”, and “special treatment benefits”. This typology has been confirmed by several subsequent studies (e.g. Chang & Chen 2007; Colgate, Buchanan-Oliver & Elmsly, 2005; Hennig-Thurau, et al., 2005; Martin-Consegra, Molina & Esteban, 2006; Marzo-Navarro, Pedraja-Iglesias & Rivera-Torres, 2004; Patterson & Smith, 2001; 2003; Yen & Gwinner, 2003).

With the emergence of Internet, e-commerce, virtual communities and social media, several authors confirmed the existence of relational benefits proposed by Gwinner et al.

2.3 Relational costs

Apart from benefits, the development and maintenance of long-term relationships between customers and service providers is supposed to generate or require from the customer some kinds of sacrifices or costs (Bendapudi & Berry, 1997; Morgan & Hunt, 1994). In a relationship context such sacrifices can be called relational costs (Grönroos, 2000).

Literature has suggested mainly three types of costs arising from the use of collaborative environments (Andersen, 2005; Chung & Buhalis, 2008; Jeong, 2008; Stepchenkova, Mills & Jiang, 2007; Wang & Fesenmaier, 2004; Yoo & Gretzel, 2008), namely effort costs (time and monetary), difficulty of use, and loss of privacy. These types of costs were supported by several authors in various contexts (Cha, 2010; Dwyer, Hiltz & Passerini, 2007; Gefen & Straub, 2000; Govani & Pashley, 2005; Gross & Acquisti, 2005; Lee, Kozar & Larsen., 2003; Merono-Cerdan, 2005; Shin, 2010; Yoo, Lee & Gretzel, 2007), and were empirically examined by Parra-Lopez et al. (2011). Moreover, another type of costs which have a negative effect on the continuance of a relationship and is highly related with the use of the Internet, is costs related to non-agreed behaviors from the part of the provider such as spam or promotional e-mails (Ross, 2000). The concept of spam emails has been also studied as in various contexts such as health marketing (Joshua, 2012) and Internet marketing (Joshua, 2011; Robert, Oleg & Nigel, 2008).

On these grounds, this study attempts to explore what relational benefits and costs consumers perceive, through their participation in social media brand pages.

3. Methodology

In order to fulfill the needs of the present study and get information about social media brand page members’ perceptions of benefits and costs, it was decided to conduct an exploratory study through a series of focus groups (Mariampolski, 2001). As the current demographics of the Greek social media users, indicate that the majority of the users are between the ages of 18-44 years old (Socialbakers, 2013), it was decided to conduct four focus groups, one for each age group of 18-24, 25-31, 32-38 and 39-45 accordingly. Each group included eight participants, four men and four women. The population of the study is social media users who live in Greece, have personal profiles on both Facebook and Twitter for over two years, and are connected with at least ten popular (according to Socialbakers, 2013) brands on both Facebook and Twitter for over a year. The recruitment of the participants was assigned to a professional market research company1, and has been carried out through the use of a questionnaire, including questions about users' demographics and familiarity with social media and brand pages on both Facebook and Twitter.

For the needs of the focus groups, a discussion guide with open-ended questions was designed, divided into two main parts. The first part consisted of questions concerning participants’ activities (interactions) on the brands’ social media pages, and the benefits they perceive. The second part consisted of questions about the annoying activities of brands on

1 http://www.focusbari.gr/
social media, the costs and the sacrifices that participants perceive. Also, a pilot focus group was organized with individuals that had the same characteristics as the population of the study, indicating minor changes to the formulation of some questions.

Focus groups were held during May 2013. The duration of each focus group was approximately 90 minutes. All focus groups were voice recorded and videotaped; also notes were taken during each focus group. Transcripts were used to convert the tapes. To analyze the data, content analysis was implemented to develop categories of common themes. In the analysis the researchers were looking for consistent reference to elements which had been identified in the literature. Literature definitions were also used to categorize discussion points. The process of data analysis followed three major phases: description (relying heavily on verbatim quotes from respondents), analysis (identifying important factors, themes and relationships) and interpretation (making sense of meanings in the context) (Wolcott, 1994). The results were grouped into higher level constructs and elaborated by topic.

4. Findings

4.1 Perceived relational benefits

- Social benefits
The majority of the participants in all groups said that they benefit from social interactions with other members of Facebook and Twitter brand pages. Discussions on the topic revealed that they feel to gain value by talking to other admirers of the brand and users of the products/services. Thus, very often members discuss about products/services and exchange ideas. Even through competitions, members interact with each other, asking questions or having fun with the whole procedure. Beyond that, members seek information and ask for previous experiences from other consumers that already used/bought a service/product. Through repeated conversations and exchanges, some participants mentioned that they have even developed friendships that continue at an interpersonal level on their Facebook or Twitter personal profiles. The development of friendships was mainly mentioned by participants who are members of brand pages related with products about pets or hobbies, such as fishing or hunting. As they explained, they feel that they communicate with people who share the same interests. Sometimes, their discussions on specific products result in organizing meetings.

- Information benefits
Study results indicate that members of social media brand pages perceive benefits concerning the information they get from such pages. Participants mentioned that by joining brand pages on Facebook and following companies on Twitter, they can learn all the news about their favorite brands. Thus, they are the first to know about new or upcoming products/services, price reduction, future events of the company, or even social responsibility actions. Participants underlined also the information they get about news, through the newspapers, TV stations or news websites they are connected with on both Twitter and Facebook. Twitter users emphasized on that benefit, due to the nature of the medium, which supports short and accurate posts. Finally, some members perceive that they gain value from the information they get about various interesting news that companies post about their industry.

- Time & effort benefits
Another benefit that was mentioned from the majority of the participants, was time saving. By joining social media brand pages on both Facebook and Twitter, they have access on a plethora of information without spending time searching the web. Companies’ updates and news are available instantly on users’ Facebook news feed, or Twitter homepage. By choosing which brands to "like" on Facebook or "follow" on Twitter, they gather all the information
they are interested in, concerning their favorite brands or products, news or even the habits they have. Apart from that, with few clicks they can quickly find and visit the page of a brand on Facebook or Twitter and get more specific information if they will. Regarding time saving, participants generally agreed that although almost all the information available in social media brands pages can also be obtained through other means such as websites, telephone or emails, it is very convenient the fact that all these information is available through tools which are part of their daily life.

- **Economic benefits**

  Several participants in all focus groups feel that they are benefited from the prizes and gifts they get when they take part in Facebook competitions organized by companies. In the same way, participants perceive to gain value from the promotions, discounts and special prizes firms offer exclusively through their social media brand pages, such as discounts for cinema tickets, car hiring, or restaurants. Finally, it was mentioned that companies frequently give free samples to their fans, as a reward for their participation in the brand page. Participants explained that they save money, as they have the opportunity to use products at no cost.

- **Personal treatment benefits**

  Participants also mentioned the benefit of been treated in an exceptional way. Through brand pages on both Facebook and Twitter, members ask questions directly to the companies, and they get (in most cases) personal and fast answers. This fact makes them feel that they get better service than other customers. Several participants gave examples concerning not only getting service for potential problems with companies, but also asking simple questions. Twitter users also perceive that kind of exceptional service, getting the same fast and personal responses from companies in Twitter. Finally, it was mentioned by few participants that they feel that companies respect them on social media brand pages, more than on other traditional means of communication, maybe as a result of public exposure.

4.2 Perceived relational costs

- **Overload**

  Participants in all groups, emphasized that when companies post daily too many messages on Facebook or Twitter, they spoil their newsfeed and make them feel overloaded with information. Although, overload is perceived as a cost arising from their participation, group members noted that they like active social media brands pages, unlike pages that are not updated regularly. Group members also mentioned that companies often post content without any interesting information, totally unrelated with the brand. Thus, it gets difficult for them to distinguish the information they are really interested in. Participants gave examples of posts such as "good morning", "how are you?", or music videos posted several times within a day.

- **Privacy concern**

  Another important issue that concerns members of social media brand pages is privacy. Participants clarified that they feel uncomfortable with the fact that by joining a brand page on Facebook and Twitter, companies have access on their profile information, preferences and habits. Users concerned mainly about giving access to companies through Facebook competitions and applications. Loss of privacy is perceived by participants as a sacrifice of their relationship with the brand on social media. Few participants expressed their thoughts about been more selective on brand liking or following on Facebook or Twitter.

- **Annoyance**

  Participants are also concerned about been bombarded with advertisements. As they explained, many companies reproduce on their social media brand pages the same promotional messages with other mass media such as TV, radio, newspapers and magazines.
This fact makes members feel that the fan page is just another place for companies to promote their products or services. In some cases, brands post too often repeated promotional messages perceived by users as spam. Thus, their Facebook and Twitter newsfeed is spoiled, and becomes full of advertisements. Participants made clear that, as members of brands’ social media community, they expect to get exclusive content, different from other sources.

5. Managerial implications

Companies could adjust their social media actions towards the enhancement of perceived social benefits, by providing more opportunities for member-to-member interactions and by adding social features that are valued by the members. Likewise, firms could increase the perceived information benefits, by providing useful content to their fans, and increase the attractiveness of their pages, making their fans feel that they gain value, leading them to increase their level of interaction and sharing activity. Considering the fact that brand page members perceive time and effort benefits, firms should try offering daily, useful and informational content. As Facebook and Twitter are two different platforms, each one with its fans, differentiating and adjusting the offered content, could enhance members’ time and effort perceived benefits. Perceived economic benefits could be enhanced by implementing exclusive discount actions, giving the ability to the firms to retain the fans of their social media brand pages. Finally, as members perceive personal treatment benefits, firms should adjust their communication with their fans, by interacting personally with each one of them, answering to each comment or question separately, by mentioning his/her name. As many members do not like to be overloaded with company messages and marketing advertisements, managers should limit the frequency of Facebook page and Twitter updates and avoid overpushing. When posting updates, companies have to make sure that they are providing useful content, not only promotional advertising for their products and services. Additionally, firms should define a clear policy about members’ personal data on Facebook and Twitter, and inform their fans about the handling of their profile information. Moreover, competitions that require from users to give access to their profile data, could be adjusted towards this direction.

6. Limitations and suggestions for further research

This study is an attempt to provide a comprehensive understanding of what benefits and costs consumers perceive from using social media services offered by companies. As there are various social media, each one with different characteristics and audiences, and every social media platform transmits messages to the audience differently, the results of the study cannot be generalized on all available social media platforms. Although participants that took part in this study, have adequate activity on several social media brand pages on both Facebook and Twitter, users of other emerging social media platforms such as Pinterest and Google+, should be reached to provide a better-grounded view of consumers’ perceptions of relational benefits and costs in social media brand pages. Also, a longitudinal examination of social media participation is needed, in order to observe how brand page members’ perceptions of benefits and costs are affected from changes and new added features of social media. Additionally, quantitative studies are welcomed to measure the impact of relational benefits and costs on behavioral intentions towards the social media brand pages and behavioral outcomes towards the brand. Further quantitative studies might also identify distinct members segments, according to their different participation motives and page characteristics they value most. Such insights might specify each member’s value creation potential and help define segment-specific strategies. Finally, following the technological trends, the examination of the impact of new technological possibilities like mobile applications on members’, motives, behavior, benefits and costs, would be an interesting direction for future research.
7. References


