

# ONLINE SOCIAL NETWORKS AND NEW MARKETING APPROACH

AS REDES SOCIAIS E NOVAS ABORDAGENS DO MARKETING

LAS REDES SOCIALES Y NUEVOS ABORDAJES DEL MARKETING

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## ABSTRACT:

Social networking sites and social media in general intensively integrate users' daily routines. Seizing big portions of their time, the new social phenomenon does not stay beyond the interest of marketing practitioners. Marketers want to be where their customers are.

For many modern companies it becomes challenging to incorporate social media into their business strategies, and marketing strategies in particular. Social networking sites bring great opportunities for reaching target audiences in different and, very often, more efficient ways, as much as they disguise dangerous pitfalls for those who adopt new media. Businesses realize new practices of serving their real value – customers. One way shouting no longer results in promising sales. Nowadays customers want to be heard by a company and interact with it.

This paper takes a look at the concept of social networking sites, emerging digital platforms for social interactions. It briefly describes new marketing principles and efforts to be implemented through the communication on social media, and reveals new aspects of the consumer behavior.

**Keywords:** social media, social networking, marketing, business, strategy.

## RESUMO:

As redes sociais e mídias sociais no geral na internet passaram a integrar a rotina de vida das pessoas. Ocupando grande parte do seu tempo, este novo fenómeno não poderia deixar de interessar aos gestores. Cada vez mais, eles precisam de estar onde estão os clientes.

Para muitas empresas modernas, torna-se um desafio incorporar as mídias sociais nas suas estratégias de negócios e nas próprias estratégias de marketing. Os *sites* das redes sociais constituem grandes oportunidades para atingir os públicos-alvo de uma maneira diferente e, muitas vezes, mais eficiente, na medida em que disfarçam armadilhas perigosas para os que adotam estes novos meios. As empresas concebem, assim, novas práticas de ir ao encontro do seu real valor – os clientes. A comunicação agressiva

numa só direção não resulta mais em vendas promissoras. Hoje em dia os clientes querem ser ouvidos pela empresa e interagir com ela.

Este artigo debruça-se sobre o conceito de *sites* de redes sociais, plataformas digitais emergentes para as interações sociais. Discutem-se ainda novos princípios de marketing e os esforços que terão que ser implementados para uma comunicação nas redes sociais, para além de se revelarem novos aspetos do comportamento do consumidor.

**Palavras Chave:** Mídias sociais, redes sociais, marketing, negócios, estratégia.

## RESUMEN:

Las redes sociales y medias sociales en general en internet pasaron a hacer parte integrante de la rutina de vida de las personas. Ocupando gran parte de su tiempo, este nuevo fenómeno social no podría dejar de hacer parte de los intereses de los gestores. Cada vez más, ellos necesitan estar donde están los clientes.

Para muchas empresas modernas, se ha convertido en un desafío incorporar a los media sociales en sus estrategias de negocio y en las propias estrategias de marketing. Los Sites de las redes sociales constituyen grandes oportunidades para llegar hasta los destinatarios de una manera diferente y, muchas veces, más eficiente, en la medida en que ocultan trampas peligrosas para los que adoptan estos nuevos medios. Las Empresas idean así nuevas prácticas para ir al encuentro de su real valor – los clientes. La comunicación agresiva unidireccional no se traduce en un aumento de ventas. Hoy en día, los clientes quieren ser oídos por la empresa e interactuar con ella.

Este artículo se ocupa del concepto de sites de redes sociales, plataformas digitales emergentes para las relaciones sociales. Se discuten también nuevos principios del marketing, los esfuerzos que se deberán llevar a cabo para una comunicación en las redes sociales y se revelan nuevos aspectos del comportamiento del consumidor.

**Palabras clave:** media social, networking, marketing, negocios, estrategia.

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## 1. INTRODUCTION

The interactive core of the Web 2.0 has brought a wide audience of internet users to online platforms such as social networking sites (SNSs) for the simple purpose of online interplay. Various means of new media help people to connect to each other, create virtual communities and whole networks, and give start to online collaborations. Networking becomes a new daily routine. With the help of SNSs the knowledge, contributed by every user, aggregates into the collective wisdom of the Web. Any information can be rapidly diffused online on a worldwide scale and be accessible to anyone connected to the Internet. Web technologies that allow contents to be created, shared and spread online make differences in patterns of the internet usage. Online networking gains an enormous attention from social institutions and businesses. Providing new advantages to the marketing communication, it gives opportunities to effectively approach customers, and build loyal, mutually beneficial brand-customer relationships.

SNSs and social media in general are the hottest topics in marketing for the last few years, however, the impact it has on the business remains ambiguous and blurry. Continuous dynamic development of web softwares and applications along growing number of daily users makes harder to predict any specific behavioral trends and business models.

Consumers become distracted with their netbooks, smartphones, iPods, and other handheld electronic devices, ignoring a big portion of traditional marketing messages that they are exposed to daily. New electronic devices constantly connect people with each other, making for a better control over their own lives. Interacting online, creating and distributing web contents, internet users have the possibility to shift the influential power in the brand-customer relationship to the side of the latter. Nowadays consumers integrate the internet search into their buying processes, heavily relying on social media as on the trustful source of information. Buying decisions become wiser because they are based on experiences and collective knowledge of the others. Web 2.0 technologies create the environment of the informational democracy.

Development of social softwares and applications make businesses to face the tipping point in their marketing communications. Companies witness the weakened influence of press releases and TV advertisements. On the Internet the word of mouth can reach an

audience of millions in a matter of seconds and determine the decision making. Customers, using a power of a simple word, can damage the brand image, or do the opposite. Online word becomes a weapon, hardly reachable by the business control. Companies that comprehend that try to build loyal relationships with customers and participate in dialogs, instead of just pushing one-way selling messages.

Traditional marketing has been challenged by this new reality. To have a big budget helps, but does not solve the problem anymore. Companies may need to obtain the knowledge and skills to create high-quality interactions with their customers. Social media requires attentiveness, emphasizing that the core company advantage is in its ability to listen, understand and extract important details, and, consequently, deliver the right solution. Social media does not intend to replace or undervalue the marketing in its traditional forms, but to demonstrate the need for new complementary channels within the integrated marketing communication. Traditional purpose to gain the market and trigger sales remains undeniable, however, now it should be reached through the dialogs between the brand and consumers. To harvest advantages and benefits that SNSs can provide, marketers need to comprehend principles and insights of social networking, and emerging tendencies in the consumer behavior.

## 1. EMERGENCE OF THE NETWORK SOCIETY

### 1.1 Evolving to the network society

From the earliest times of the human development people have been constantly searching for the convenient means of communication. Ancient man used to create sound signals and fire smoke to transmit the message on long distances. Later the invention of writing had broken limits of the communication in time and space, giving birth to a new communication era (Dijk, 1999). Today in the 21st century with help of the Internet new media have integrated various communication functions into one single hub, organized networking media (Cardoso, 2006). Media became integrated, combining telecommunication, data communication and mass communication, and interactive, shifting to the high-quality multilateral communication and cooperation (Dijk, 1999).

New qualities of computer-based communications raise many discussions that concern their influence on the society. Putnam (1995) suggests that the Internet puts an individual on the path to a faded sociability, and the more time people spend on the Internet the less they

interact with others face-to-face impairing social capitals. On the other hand, Wellman, Quan y Haase, Witte, and Hampton (2001) claim the opposite, stating that online interactions improve interactions offline and even enhance people's social networks. Irrespectively of mentioned contradictions, the number of virtual communities demonstrates fast growing. Members of internet communities are not tied to particular time or space, nor do they berry similar attributes or attitudes. People come to networks and communities bringing their real identities and opening themselves for fair online relationships (Hargittai, 2007).

Social structure is changing significantly. Industrial society transforms into the new network society, which brings new principles to the communication, similar of communities and networks (Castells and Cardoso, 2005). Network society is a hypersocial society, where people better organize and control their lives, and better connect to others through means of digital technologies. The evolution of communications technologies creates the networked individualism that appears from the merge of two behavior trends – communalism and individualism. People that actively use electronic devices become involved in various online interactions enhancing their offline interactive capacities. Diffusion of the network society and communication networks results in the explosion of horizontal networks where communications runs independently from the business or governmental control. All that causes the generation of the self-directed mass communication (Castells and Cardoso, 2005). Any internet user is empowered to create content and diffuse it around the world using simple web technologies that function beyond the constraints of institutional media channels. Web 2.0 technologies are good example of tools that allow democratization of the online environment.

## 1.2 Web 2.0

The burst of a dotcom bubble in the beginning of the 21st century initiated discussions among investors, managers and information technology specialists on issues related to mistakes that caused dramatic and expensive for many online failures, and to the future of businesses on the Internet. On one of the brainstorming sessions, run by O'Reilly Media and MediaLive International in 2004, participants emphasized the new business philosophy and common principles that were successfully applied by companies - survivors of a dotcom collapse, and suggested the Web 2.0 - the new interactive environment of the Web.

*“Web 2.0 is a set of economic, social, and technology trends that collectively form the basis for the next generation of the Internet – a more mature, distinctive medium characterized by user participation, openness, and network effects”* (Musser and O’Reilly, 2005: 10).

It is an environment, integrated with social softwares and applications, where the user is an information provider and consumer at the same time. Providing an easy access to the social media, the Web 2.0 gives an opportunity to improve the collaboration, simplify the diffusion and exchange of the information, and to decentralize the distribution of the knowledge.

Musser and O’Reilly (2005) distinguish eight core principles that describe the Web 2.0:

1. Harnessing Collective Intelligence. Benefits come from architecture of participation that simplifies user’s direct or indirect involvement into the processes of value adding and value creating.

2. Data is the Next “Intel inside”. Data and control of data become bigger value for applications than functions that they perform.

3. Innovation in Assembly. The Web becomes a platform with open standards that provides data and services, and that intends to replace desktop operating systems.

4. Rich User Experience. New applications, combining web-based and desktop-based experiences into seamless interactions between the user and applications, result in higher user satisfaction.

5. Software Above the Level of a Single Device. Developers design softwares and applications that integrate data and services across personal computers, tablets, smart phones and other electronic devices.

6. Perpetual Beta. Software development and delivery process evolve turning applications from being software artifacts into ongoing continuously developing services.

7. Leveraging the Long Tail. The Web gives many opportunities to capture niche markets that previously were not attractive or possible for the monetization.

8. Lightweight Models and Cost-effective Scalability. New scalable approaches should be taken in the Web 2.0 to reduce traditional costs and risks for businesses.

Following Musser and O’Reilly (2005), the Web 2.0 can be described through the prism of several competences. The Web 2.0 is:

- A set of tools that gives possibility to multilevel online interactions and free consumption and distribution of

information and knowledge, bypassing streamline media controlled by different institutions.

- A marketing approach of tracking and collecting data about users, their online patterns and behaviors.
- A philosophy of freedom and democracy online, decentralization of authority, way of self-expression and self-identification.
- A set of social softwares and applications that underpin the Web 2.0 and feature online participations in networking, online communication and collaboration, information creation, distribution and absorption.

However the Web 2.0 softwares and applications are not new to the Internet, modern online tendencies and perceptions transform them from being meant as technologies to services.

*"When devices and programs are connected to the Internet, applications are no longer software artifacts, they are ongoing services. This has significant impact on the entire software development and delivery process. Therefore, don't package up new features into monolithic releases, but instead add features on a regular basis as part of the normal user experience. Engage your users to be real-time testers, and structure the service to reveal how people use your product"* (Musser and O'Reilly, 2005: 39).

Web services provide for the sophisticated interaction between people, web-based social softwares and open web platforms. Tobin and Braziel (2008) group web services into various categories:

Publishing – allows users to create web contents. Publishing includes blogs, vlogs and podcasts. Blog is a web page with textual updates, like observations, opinions, personal diaries, experiences, or any other information. Vlog is similar to blogs, but instead it is a page of video based updates. Podcast is an audio recording of any kind of things that is posted and played via computer or web based applications.

Collaboration – allows users to create and edit files by the group of collaborators. The most popular collaboration tools are Wikis.

Micro-blogging – allows users to deliver short messages by publishing them online. Sites such as Twitter or Plurk are well known examples. Due to the vast popularity and huge audiences these sites are also used as search engines.



Photo sharing - allows users to store images online, categorizing and sharing images, commenting images by viewers, creating communities around common image ideas, etc. Photo sharing is a major principle of services such as Picasa, Flickr, Pinterest, etc.

Video sharing - shares same principles as photo sharing services, but instead involves video files. These are sites, such as Youtube, Viddler, Dailymotion, etc.

Social bookmarking and tagging – allows users to create classification systems, content bookmarking and tagging. The most known bookmarking sites are Del.icio.us, Digg and StumbleUpon.

Virtual world – allows users to imitate real lives online. Users create their online avatars and live virtual lives. Second Life is one of leading sites of that kind on the Internet.

Content monitoring - allows users to design and generate feeds of web content updates with help of RSS-readers (Really Simple Syndication). Content monitoring is provided by services as Google Reader and BazzMonitor, etc.

Social networking - allows users to create their own profiles and build lists of connections for further mutual communications and collaborations. Best known social networking sites are Facebook, LinkedIn, MySpace, Google+, V Kontakte, etc.

## 2. CONSUMER BEHAVIOR IN THE LOOP OF SNS

### 2.1 Social capital and online social networking

Online social networking is a social-cultural movement that changes sociability of people with help of new web technologies. Boyd (2008) suggests that the popularity of social networks explains the switching of the internet usage behavior from interest-driven practices to social-driven practices. There are two sources of social competitive advantage inherent in every person: human and social capitals (Shin, 2009). Human capital is a set of personal qualities, such as intelligence, attractiveness, charisma, unique skills, talent etc. Social capital describes quality relationships between a person and his/her contacts. It involves networks and norms that help people meeting common objectives by the effective collaboration (Putnam, 1995). Trust and cooperation are essential aspects of the social capital that depend on the richness of connections (Putnam, 1995). More network nodes generate bigger trust and more effective cooperation.

Social capital is a reason of social activity that generates support, ideas, reputation, and knowledge. Putnam (1995) divides social capital into two types: bonding and bridging capitals. Bonding capital consists of network members that know each other and have strong relationships, whereas bridging capital includes people that have never met before, but they can bridge social networks by getting to know each other. Similar to bonding and bridging capitals is a theory of strong and weak ties, suggested by the sociologist Granovetter (1973). Author defines social capital as an aggregation of strong and weak ties through which valuable information, opportunities and ideas spread around. For example, in the study of labor markets Granovetter (1995) found that weak ties are more helpful in finding information about job openings at a right time. Granovetter (1973) structures society on groups of close friends and bridges between the groups. Besides close friends that know and interact with each other, every group member has a group of acquaintances that are not in touch with each other, but they belong to groups of close friends on their own. Acquaintances are bridges, or weak ties, between several remote groups of close friends, and therefore they bond social system into consistency.

Since the invention of online newsgroups, chat-rooms, forums, weblogs, social networking sites the way people build and maintain social capitals has changed. Internet provides tools for better quality connections with others in a cost-efficient way (Wellman et al., 2001; Barlow, Birkets, Kelly, and Slouka, 1995). As an aggregation of various forms of communication technologies, the Internet modifies traditional forms of social communities. Internet communication and collaboration tools broaden people's capacities to stay in touch with much bigger social networks, reduce costs of transactions, give an access to information sources, and break the constraints of time and space.

Rainie, Horrigan, Wellman, and Boase (2006) report, that besides socializing online, people use the Internet for the information search and decision making. And, although Nie, Hillygus and Erbring (2002), and Putnam (2000) notice decrease in people's participations in local communities due to fast penetration of new media technologies into the society, on the contrary Wellman et al. (2001) state that the Internet enables people with no costs and limits in time and location to elaborate offline communities into virtual world, strengthen existing ties and initiate new ones.

Social networking sites, such as Facebook, MySpace, Orkut or LinkedIn represent services to build, enhance and support relationships

and, therefore, they are important in forming and maintaining social capitals (Ellison, Steinfield and Lampe, 2007). Online social networking relates to bridging and bonding capitals, allowing users, on one hand, to experience information advantages and other benefits from cooperating with heterogeneous networks of weak ties and, on another hand, to receive emotional pleasure from interactions with strong ties, friends and family.

By the definition social networking sites are:

*“Web-based services that allow individuals to construct a public or semi-public profile within a bounded system, articulate a list of other users with whom they share a connection, and view and traverse their list of connections and those made by others within the system”* (Boyd and Ellison, 2007: 211).

Social networking sites are web platforms that aggregate various communications and information technologies that serve to enable fragmented information flow, relationship maintenance, e-learning, and all types of content creation and spreading. Since their introduction SNSs have gained a great portion of people's attention. It took radio, TV and Internet 38, 13 and 4 years respectively in order to reach an audience of 50 mil people (“We the Peoples”, 2000). According to the blog post of the Facebook founder, Mark Zuckerberg (2008), in four years after its launch Facebook had already 100 mil user profiles. SNSs are among the most visited websites on the Internet. According to Alexa.com in 2011 Facebook, Youtube, Twitter, Blogger and LinkedIn were among the first fifteen most popular sites on the Internet.

Nowadays there are hundreds popular social networking sites. They may differ by many parameters, such as mission, services provided, interest orientation, targeted audience, access openness, information and communication technologies applied, etc., however, all of them share the core competence – networking.

The important aspect of SNSs is the possibility to create a personal profile with information about a user, and with a list of connections he/she maintains. Personal profile information can change user's sociability by lowering the degree of social remoteness and, therefore, initiating relationships with ease and trust. SNSs simplify creation of online communities, encouraging users to look for needed connections, generate relationships and interact with others.

Ellison et al. (2007) suggest that, for example, Facebook is a good platform for keeping and strengthening relationships that pre-existed offline. Such platforms are very effective in maintaining relationships with weak ties (Donath and Boyd, 2004). For most people

social networks are characterized by few strong connections and many weak ones. By reducing costs of interactions and relationships maintenance, SNSs help to increase user's network capacity to retain relationships that, otherwise, could be lost. "As a result, people can capture more of the full value of their cumulative lifetime social networks" (Shin, 2009: 47). Before the introduction of social networking sites people could not imagine having capacity to maintain relationships with such amount of people spread over big distances.

## 2.2 A new look on the brand-customer interaction

The phenomenon of social networking has become a hot topic in the business environment. Every day hundreds million users around the world engage in social networking, and every day the number of profiles on social networking sites grows. "Member Communities [Social networking and blogging] has overtaken personal email to become the world's fourth popular online sector after search, portals and PC software applications" ("Global Faces and", 2009: 1). Today's shopping, communication, information search and learning are way too different from what was just few years ago. Social networking sites become third major source of the information search right after search engines and the blogosphere (Halligan and Shan, 2010). Serving as a hub for different forms of user generated media, SNSs make for the convenient communication, entertaining, learning, self-expressing, and interacting with others. Networking changes people's behavior, and particularly their consumer behavior.

Online social networks are digital forms of social networks offline that provide bigger reach extent, advanced communications tools, applications to create and distribute contents, and have digital memory to reproduce past knowledge and experience. Such functions enable users to find needed information, and make for the quality, careful and wise decision making process. Social media appears to people as a trustful source of the collective wisdom, where everyone can evaluate decisions, read opinions and suggestions, and compare experiences of others, including experts and professionals. Mainstream media loses its power of persuasion pushing only one way selling messages. Most of consumer behavior models were developed far before the appearance of social, or consumer driven, media, and they need to be adjusted.

Kotler (2000) suggests that the sense of missing something comes to a consumer at unpredictable times. It may be induced by the natural state of needs recognition, or as a result of the exposure to the

enormous amount of ads every day. Traditional marketing remains a better choice for gaining attention and enhancing brand images, however, its potential to persuade deteriorates failing to provide truthful information. On today's market a trade between two parties happens when a buyer possess a certain level of information about the product in advance (Kiet and Kim, 2008). Every intention to purchase a product leads to an information search, deploying internal sources - previous experience and knowledge, and/or external sources - the marketplace (Engel, Blackwell and Miniard, 1995). The lack of personal knowledge fosters a buyer to use various external sources (Beatty and Smith, 1987). Among the most reliable external sources are those of non-commercial nature that include various product guides, reviews, rating sites, and customer's reference groups. These are social groups to which consumer belongs or intends to belong, and that influence consumer behavior and decision making through the social approval and recognition (Sheth, Newman and Gross, 1991). Reference groups include friends and family, acquaintances, and even total strangers, whose opinions customer appreciates. The advantage of social media is in its easy access to external information sources that carry no commercial intentions. Social media reduces the searching time and speeds up the buying process. The Internet allows to encounter product alternatives and put them all together for the simple comparison analysis. Yet a few years ago it was difficult and time consuming to generate a list of alternatives and have enough of related information for the smart decision making. Social media gives equal possibilities for company brands to appear in the customer's consideration list. During the evaluation of the product and its alternatives consumer acquires the knowledge, and creates beliefs and attitudes toward the product(s) that may influence and simplify next purchases (Kotler, 2000). Until consumer reaches the time for making a choice, social media can arm decision maker with needed information, proven and reliable, to make a wise decision. After the purchase consumer will also have a chance to contribute his/her positive or negative feedback on the product, depending on the level of the satisfaction with it. The crucial point is that marketers have restricted influence on the processes described above, and they need the full understanding of them to succeed.

Social media reveals open desires of customers to interact on social networking sites not only with other customers, but also with their favorite brands. People look positive to communicate with brands that they like, believing that they can do the difference. There are hundreds thousands of fan pages, brand groups and communities of interests,

company business accounts, etc. on social networking sites, created by businesses or customers themselves for the purposes of sharing information and interacting with each other. Savvy marketers harvest the intelligence from brand-customer interactions, listen and learn their customers, and develop the value that is to be delivered.

## 3. BUSINESS AND SOCIAL NETWORKING

### 3.1 Marketing and social media

The Internet has become one of the major components of the marketing strategy and operations of modern businesses (Kalaiganam, Kushwaha and Varadarajan, 2008). It provides companies with new and efficient in terms of time and costs means of communication and message delivery. The Internet as an environment for doing or enhancing the business may be used in two different, but not exclusive ways: as an information source, or as a marketing tool for facilitating online transactions (Garcés, Gorgemans, Sánchez, and Pérez, 2004). The Internet and Web 2.0 bring to the marketing a new philosophy that differs from the traditional.

Online marketing communication operates with three substantial capabilities of the Web: 1) Interactivity - the degree of interaction between customers, technologies and marketers; 2) Personalization - the ability to deliver the personalized message to a specific customer; and 3) Addressability - the ability to locate customers uniquely in time and space (Kalaiganam et al. 2008). Well adopted by the marketing communication, these capabilities create an environment for the perfect interaction with the customer. Social media qualifies for such an environment. "Marketing is becoming precise, personal and social" (Shin, 2009: 81). It compels companies to experience new kind of relationships with their customers, in which customers have more decision power than before, and companies must pay more attention to them than before. Social networking sites can be beneficial for both parties of the buyer-seller relations. From one point, SNSs enable users to accumulate the knowledge and create the power of choice. From another point, SNSs bring enormous amount of customers to single platforms, forming whole online markets.

Social media marketing helps to enhance product and idea promotions, informs about launching new products, conducts surveys, provides customer support, and most important, gains customer loyalty

through direct, open and interactive brand conversations. Instead of pushing selling messages to the general audience, SNSs allow to focus on personal needs and customize the value delivery. Customers are most likely to join brand conversations knowing that they will be heard by official brand representatives. Adapting to social media principles and communicating relevant messages to customers, marketers grasp their attention and achieve strategic goals. Intrusive tactics promise no positive results, since social networks are about connecting to and sharing with other people, creating the value for each other. In order to succeed marketer should join communities where customers are, socialize with them, deliver valuable information, help them to evaluate the benefits, and strive for the growth of the trust and the community itself. The marketing efforts must find a balance between the community goals and business objectives. It is imperative to comprehend the collective intelligence of the Web 2.0 and accept the new democracy of information flows. Companies should give customers possibility to co-create and cooperate, make them feel associated to the idea generation and push it viral.

The viral capability is one of the greatest benefits of networking. Content rich, easy to understand and appealing messages that evoke strong emotions tend to be quickly shared between peers. There is nothing easier than sharing information between users in the social network. Social technologies enable any media format, such as text, image, video, sound, or web application to be spread on the Internet. "This new online environment is conducive to a new form of marketing communication commonly referred to as viral marketing" (Ho and Dempsey, 2010: 1). The viral marketing involves a traditional effect of the "word-of-mouth", adapted to new internet technologies. It is a marketing strategy that encourages people to spread the message via the Internet, creating a great potential for the rich exposure and influence (Wilson, 2005). The remarkable message can be spread worldwide much faster than the rumor in a small village. It is based on the personal appeal and trust, since the message usually goes viral through connections of friends. By leveraging internet communication capacities and delivering a right message to right people, marketer can reach the audience of millions within a short time with minimum efforts and costs. But who are right people for the viral marketing? On SNSs customers create networks of friends and acquaintances, embracing an enormous amount of people through their weak ties. Sharing any information between friends, one can promote selling to many others with no costs for the company. This represents customer's network value, suggested

by Domingos and Richardson (2001). Authors identify few important factors for the evaluation of this value. First of all, customer must like the message that would create an intention to share it. Second of all, customer must have an influential power on friends in order to induce them to pay attention to the message. And the last of all, customer must be connected to some amount of people that would also be willing to share the message with their own networks. It is about quality of connections rather than their quantity. People like to share messages that imply compelling innovative ideas, because passing remarkable contents to others is another way of socializing, which is what social networking sites stand for.

Having clear understanding of strategic objectives and knowing how to harness the potential of social networking may help to generate sales and grow the business. Social media marketing should not be a temporary set of efforts. It must be an on-going commitment to the new type of the marketing communication through the new channel, but to the same people. It must be a part of a business strategy and have defined objectives. Therefore, in order to be effectively implemented, social media marketing requires thought-out strategy and business resources. Although, most of social media marketing tools are provided for free, or for the relatively cheap price, work and time commitment may require new hiring, staff education, and even structural changes in the marketing department (Tobin and Braziel, 2008).

Like any strategy planning, social media marketing strategy planning starts with environmental scanning of internal and external business components. Before engaging into online conversations, company needs to evaluate the stage of its maturity and readiness to meet every positive or negative side of the social media. The Internet is an open transparent environment in which the company has no or little control over the brand. The gap between the value promise and the value delivery makes difficult, if not impossible, to succeed in social media marketing. Important to remember that online company delivers messages to the same people as whom it targets offline. But unlike offline, social media empowers a customer with advanced tools to create the immediate feedback available to many others. Company must learn to cultivate positive experiences of customers and harvest from them, but also know how to face and accommodate negative feedbacks effectively. The worst case scenario is to do nothing.

Social media marketing is not an autonomous set of tactics that delivers messages and drives customers for actions. It is an integrated



part of a complex marketing system in the company. Each marketing channel must carry common philosophy and principles that all together seamlessly present one general mission. What is stated offline has to be supported online. Hundreds millions people use social media on a daily basis, creating and consuming contents. Many of users find social media a perfect place to discuss their employers, management, co-workers, clients, job activities, company products, quality, etc. Some topics of this kind may carry sensitive information or even yield damaging effects to companies where users work. Staff education that results in understanding company's mission and principles, knowing strategic objectives and marketing goals can help to avoid possible incongruous issues in branding. Besides having a product to sell, company also needs to have a content to share. Only through the delivery of remarkable contents, marketer can engage people into quality brand-customer interactions.

When company decides to integrate social media into the marketing strategy it needs to identify online targeting groups and web platforms through which these groups are most likely to be effectively reached. Various platforms, such as Facebook, LinkedIn or Twitter provide different degrees of interactivity via different sets of tools, affecting marketing actions. Before setting any goals, the competitive analysis should be performed. Online research helps to discover what channels of communication rivals use and what tools they deploy, evaluate customer's willingness to participate, and identify various implemented tactics.

There are no definite marketing strategies that can guarantee success in social media. SNSs are open technologically advances platforms with high degree of interactivity. As long as strategic goals are set, marketing communication success depends on creativity and ability to innovate.

"Social networks like Facebook, MySpace and Orkut allow us to determine who is acquainted with whom, how frequently they interact online, what interests they have in common" (Hartline, Mirrokni and Sundararajan, 2008: 189). They possess rich databases of users' personal information. On social networking sites people tend to express their unique personal identities revealing their detailed demographic and psychographic data. The access to this data might be restricted by the individual privacy settings, however, very often terms and conditions of SNSs allow to use any user data for company's own purposes. With its help SNSs offer precise hypertargeting and filtering that are vastly used in advertising within networks. Social ads are displayed on especially

dedicated lots in the network and they can be filtered by specific criteria, such as age, gender, location, education, occupation, social statuses, interests, hobbies, and many others. That creates great opportunities to communicate exact target audience that fits defined criteria. Possibility to manipulate these criteria helps advertising campaigns to become more efficient and measurable, for example, giving hints about what target segments are most likely to never click on the display ad.

For the higher degree of interactivity web developers engage users with various social media applications available in forms of games, polls, quizzes, virtual gifts, etc. Experiencing great popularity and allowing to “stuff” themselves with brands, these applications engage users in more joyful and interesting brand-customer interactions. It is called “app-vertising” in marketing.

Another powerful and most common social media marketing practice is a brand community engagement. One of the core functions of social networking is connecting with people that share common values and interests. Users tend to create or join communities that enhance their feelings of belongingness, associate them with others, with certain lifestyle and preferences, and where they can share experiences and leverage the collective wisdom of the crowd.

### 3.2 Brand communication online

Social networking turns every user into the contents consumer and publisher at the same time, creating an environment of democratic information flows. It adapts marketing for the open, multilateral, transparent, and uncontrolled communication. The lack of control over the information on the Web is of a big concern for businesses. Any user with no restrictions can freely distribute online any information about the product or the company. No matter, whether that information is positive or negative, true or sham, the company should track it and deal with it by entering into the brand-customer conversation. Traditional one way communication should transform into the transparent dialog. It is important for marketers to avoid controlling the online conversation, but instead to learn a customer and trail a path where the information flow is better to take place. “Values, attitudes and behaviors are of prime importance when trying to understand a social network” (Bjorkman and Kock, 1995: 521). Social media provides a great pool of reliable information, attracting web-friendly customers that search for the information help from peers and professionals. One of the main goals of

the marketer is to become that professional whose information will be appreciated by customers. Social media requires new kind of relationships between customers and brands, based on trust, respect, attention, and mutual participation. Trust is a cornerstone of any good relationships. Gaining trust of consumers is the core task for the marketing and the business in general. Only communicating the message that is aligned with the delivered value, marketing has a chance to build trust and provoke positive references. The satisfying experience with the product tends to be shared with others as much as dissatisfying, although, the information about bad experiences spread online quicker and has bigger influential power on opinions of others. Social media makes customers smarter in their choices.

Social media marketing starts from listening customers. The quality conversation, needed for the quality relationship, is only possible through the careful listening. Traditional marketing "listens" to customers through various forms of the market research, surveys, focus groups, ads testing, etc. Social media requires different approach, but stands for the same endeavor - better understanding of customers' needs. Social media provides listening to customers with help of two major tactics: brand monitoring and brand community engagement (Li and Bernoff, 2008). Brand monitoring allows to track what people think and say about the brand or company, whereas, brand community involves customers into conversations, revealing their attitudes, expectations, opinions, ideas, etc. People join brand communities with various intentions. They allow members to express personal identities, solve temporary needs and problems, be first to know about promotions, discounts and new releases, and grow by learning, etc. To understand what drives customers to the community at the particular time is the key to deliver them right content and catch their attention.

Social media is customer-driven, and, whether or not, the company has an online presence, there is always a possibility that customers lead online conversations about the company alone. The initial task is to find these people through the brand monitoring. It starts with defining keywords and phrases and then, using RSS readers, multiple keywords monitoring services as Technocracy or Social Mention, other available services, extract the the content that mentions defined keywords and phrases from the Web. That enables marketers to identify and understand the general perception of the company and company brands by the internet audience. Community listening performs within groups of people that share at least one interest - the brand. There are plenty of social networking sites on the Internet where

marketers could search for their existing customers and prospects. Regardless of the industry, company may find its targets on general global SNSs, such as Facebook, MySpace, Hi-5, Orkut, Google+, etc., or on specific niche networking sites, such as BlackPlanet (African Americans), MyChurch (Christian churches), Buzznet (pop music), Livemocha (language learning), Wakoopa (computer software), etc. All of these sites enable to communicate targets, group them together, create communities, engage in conversations, and pass marketing messages.

Listening to what customers say about a company or a brand brings understanding of customers' needs. At first it might appear overwhelming to track everything what is said, but in a long run becomes obvious that customers do not talk about everything. As usually, there are few specific issues which are important to them. These issues, if identified, are drivers of the online conversation (Tobin and Braziel, 2008). Joining the brand conversation, marketer adopts different approaches, depending on communication objectives, whether it is an enhancement of the brand awareness, new product promotion and testing, data collection, sales increase, or a customer support and education, etc. No matter what approach is taken, SNSs give equal opportunities to innovate, and create unique and effective strategies. The immutable is the sense of communication. Social media marketing involves listening and responding. It goes beyond channels, formats and messages, and has the manner. Brand-customer communication is personal, authentic and credible. It should strive to deliver relevant contents to the audience, aligning with basic principles of right timing, proper media format, effective engagement, and consistency. Whether creating a new issue or responding to an on-going talk, marketer should act quickly and feel the appropriate time in delivering contents. It is important to predict which media format (text, video, image, etc.) has better effect on recipients. Delivering the message to the audience, marketer should expect certain reaction from recipients. The message needs to be engaging and provoking. All this has to be continuously consistent, leading to the achievement of communication strategy objectives.

Meeting strategic objectives is the matter of making social media communication measurable. Depending on the industry and the company, and business objectives, marketer should track various quantitative and qualitative metrics, which are, however, difficult to analyze and make any inferences from regarding shifts in behaviors, attitudes, preferences, etc. Being a new phenomenon in business, the

social media metrics system still needs to be determined. Continuous customer engagement with the brand is one of the major goals of the social media marketing that also determines its success. Keeping customers engaged is a big challenge alongside the company's competitive advantage.

#### 4. CONCLUSION

All types of media converge on the Internet creating new interactive channels for the communication between customers and businesses, and their collaboration. Social media allows customers to co-create the value that they would want to acquire. It triggers companies for better understanding of customers' needs.

Modern businesses should realize that social networks and online communities are not simply bunches of nodes connected with each other by means of new media, instead they are moving alive units of the global society. Another point to realize is that, embracing the new media means to communicate people with their likes and dislikes, and not communicating platforms. What message marketer intends to deliver and what message customers want to hear may not always coincide, therefore careful ongoing listening to customers and prospects provides for better understanding of needs and expected values, and define the real brand positioning in minds of customers. Marketing approach should become socially oriented in order to build loyal relationships with their consumers. The new rule is to react quickly and respond smart.

Social networking alongside the social media marketing is a rapidly evolving phenomenon that evokes great interests among social and business practitioners. Little researches have been conducted in order to identify developing trends of social networking and reveal behavioral changes in people it causes. Savvy marketers endeavor to comprehend social networking for the purpose of monetizing its potential. This still needs to be investigated, and together with best practices to define the path that leads companies to draw fortunes.

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