THE IMPACT OF SOCIAL MEDIA ON MARKETING STRATEGY

Richard Fullerton

Dissertation submitted to Oxford Brookes University for the partial fulfilment of the requirement for the degree of MASTER OF SCIENCE IN E-MARKETING.

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DECLARATION

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RICHARD FULLERTON
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There are no secrets. The networked market knows more than companies do about their own products. And whether the news is good or bad, they tell everyone.

The Cluetrain Manifesto, Thesis 12.
The organisation has traditionally been in control of its brand and has been able to dictate to the consumer the terms of most transactions that occur. However, the growth of social media has empowered consumers, and they are now not only having conversations online with other consumers but are demanding to have conversations and interactions with the brand.

The aim of this study is to establish the impact that social media are having on organisational marketing strategy. A thorough examination of the extant literature shows that marketing is being challenged, experiencing difficulty in value creation, a loss of influence, media fragmentation, and commoditisation of the marketing mix. However, the literature also suggests that social media may assist in overcoming these challenges, facilitating the creation of the value and innovation needed for growth and competitive advantage.

The resulting conceptual framework formed the basis of primary research involving an exploratory and explanatory study of seven well-known consumer brands. Semi-structured interviews were held with key individuals in these firms. The key findings were that in some areas such as branding and customer engagement, practitioners are aligned with marketing theory. However, they reject the proposition that marketing is in decline or has lost its ‘seat at the table’. They see a role for social media but it is tactical at present, rather than the strategic role suggested by the literature.

The conclusion of the study is that scholars see social media as having a bigger impact on marketing strategy than marketers do. However, the Author suggests this impact is evolutionary rather than revolutionary and their mere adoption does not guarantee competitive advantage, which organisations must continue to seek by developing superior, core competencies.
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CHAPTER 1

INTRODUCTION TO ‘THE IMPACT OF SOCIAL MEDIA ON MARKETING STRATEGY’

1.1 BACKGROUND TO THE STUDY

1.1.1 Introduction
Social media present a big challenge to organisations that have up till recently been able to control their communications and marketing via traditional media channels (Strategic Direction, 2010; Gillin, 2009). The wide range of different online applications enable the “sharing of information, experiences, and perspectives throughout community-oriented websites” (Weinberg, 2009, p.1). They are growing in popularity due to the advantages they offer consumers such as transparency, referrals, and ease of communication, and the empowerment they bring (Urban, 2004). This constituency of internet-based social tools has revolutionised how consumers communicate by word-of-mouth (WOM) (Eikelmann, Hajj and Peterson, 2008), although they have merely restored people’s desires and ability to be social (Meadows-Klue, 2008). This has left marketers scratching their heads as to how to react (Mangold and Faulds, 2009). Since they represent a challenge for marketers, the Author decided that social media would be the area of interest for his study. The aim of this study is to explore the impact of social media on marketing strategy.

1.1.2 Importance of the Study
Social media’s impact: The a priori assumption is that social media’s unique characteristics have eroded the control that marketers have over information (Strategic Direction, 2010) and the power is now with the consumer (Constantinides and Fountain, 2008). Consumers are having conversations about brands in which the brands are not involved and this is forcing brands
to listen (Weinberg, 2009). With social media, a negative incident or experience of a consumer with a brand can be shared with millions of people very quickly via the internet as Domino’s Pizza found out (Beaubien, 2009). Some researchers even go so far as to suggest that as a result of social media, the consumer now defines the brand (Li and Bernoff, 2008).

**Challenges to Marketing Strategy:** The literature review reveals that marketing is in decline. Some authors have even described marketing itself as being in some sort of ‘crisis’ (Brown, S 1995; Wilson and Gilligan, 2005). Any investigation into social media’s impact must take into account the existing influences that are shaping marketing strategy as well. In the context of this study, the Author* assigns marketing strategy a broad meaning covering areas such as branding, consumer behaviour, the marketing mix, relationship marketing, value creation and organisational orientation. Each of these areas is shown to be facing challenges. These then are the reasons why the Author believes that this topic is important and bears investigation.

**1.1.3 Potential benefits of the Study**
These are exciting times for marketers and academics alike and this study will be of benefit to both parties. The practitioner marketer will gain a much greater understanding of both the current challenges that marketing strategy is under and the new challenges that social media are posing. What was clear from interviewing marketers in the course of this study is that many are not aware of the academic arguments concerning marketing and social media and this paper is a useful précis of this.

Academics will benefit from this study because although they will be familiar with both subject areas and the arguments therein, the Author suggests that this is a rare instance where marketing strategy and social media have been linked and examined together. The conceptual framework that has been

* The author of this paper is herein described as ‘the Author’ to avoid confusion with the use of the term ‘author(s)’ when referring to one/them in the third person in the text.
constructed via the critical literature review offers an exciting opportunity for further research. Is marketing in decline – some say ‘broken’ (Lovatt, 2010) – as the literature suggests, and can social media offer a solution to this? It is hoped that this study will be a useful academic contribution to this engaging topic.

1.2 RESEARCH PROBLEM, OBJECTIVES AND STRUCTURE

1.2.1 The Research Problem

Sekaran (2003) states that the research problem is a precise statement of the question that is to be investigated. She defines it as “any situation where a gap exists between the actual and desired ideal states” (p.69). Cooper and Schindler (2008) describe it as the “management question – a restatement of the manager’s dilemma(s) in question form” (p.85). Others call it the ‘research question’ (Jankowicz, 2005). Based on his earlier reading for the research proposal, the Author selected his research question as What is the impact of social media on marketing strategy?

1.2.2 Parameters of the Study

This study’s focus is on answering the research question by exploring marketing strategy and how it is affected by social media. However, the Author feels that he should make clear what the study is not about. It is not about social media strategy or about the characteristics and benefits of specific social media tools. The aim is not explore how organisations use social media – their tactical uses – but to study social media’s strategic importance and their influences. Additionally, this review is business-to-consumer (B2C) oriented – no attention is given to business-to-business (B2B) literature. This is intentional for three reasons: firstly, there is much more literature available on social media for B2C. Secondly, the concepts are easier to explore via the B2C environment. Lastly, to mix the two would complicate a research problem that is already very challenging.

* The research question is herein identified by ‘the Problem’ when the Author is referring to it.
1.2.3 Approach to the Study
Fisher (2007) states that “a dissertation should also be a thesis” (p.319), reasoning that a thesis is a proposition that is maintained by argument. This is echoed by Quinton and Smallbone (2006) who state that a dissertation should follow an argument that gradually builds up and “should tell a ‘story’ that has a beginning, a middle, and an end” (p.145). This is the approach adopted.

1.2.4 Research Objectives
The research objectives are designed to show exactly what the study seeks to achieve (Saunders et al., 2009; Kent, 2007). The research objectives are:

1. To explore the contemporary issues raised by the literature within strategic marketing.
2. To establish the gap between practitioner perspective and activity, and the published literature.
3. To analyse the impact of social media on marketing strategy.
4. To create a conceptual framework of social media’s influence on marketing strategy.

1.2.5 Companies featured in the Research
The following companies were interviewed as part of the research process: first direct (two interviews); Marks & Spencer; Birds’ Eye Iglo Group, Dell, Nokia, British Gas, and Moneysupermarket.com. A total of eight interviews were conducted with seven companies.

1.3 STRUCTURE OF THE DISSERTATION
Chapters 2, 3 and 4: These constitute the critical literature review. To gain a comprehensive view of the issues, some practitioner literature is included. In Chapter 2, marketing strategy and strategy are defined and explored and the choice of marketing paradigm justified. This is necessary because unless a full understanding of marketing and strategy is gained then the problem cannot not be solved. Chapter 3 explores the challenges to marketing
strategy and its constituents, as seen by academics and practitioners. Chapter 4 explores how social media could answer the set of challenges identified. Areas such as social media’s ability for engagement, brand-building, co-creation and influencing of buyer behaviour are explored. A conceptual framework is created which forms the basis of the research study.

**Chapter 5:** This contains the methodology for the study. This explains how the research objectives will be achieved and explains the theoretical and philosophical approach. It explains the choice of data collection method and analysis methods to be used.

**Chapter 6:** This chapter reveals the findings of the study.

**Chapter 7:** This discusses the findings by comparing them to the theories and ideas identified within the critical literature review.

**Chapter 8:** This chapter contains the conclusion to the study and includes the limitations and recommendations.

The Author recommends that those who are not familiar with social media could benefit by reading Appendix A prior to reading the literature review. It gives a useful background to the social web.

Plenty of ‘signposts’ have been inserted throughout the study (Quinton and Smallbone, 2006). These assist the reader in linking one section with another and maintain a thread throughout the whole argument.
2.1 INTRODUCTION TO THE LITERATURE REVIEW

2.1.1 Aim of this Literature Review
The aim of this literature review is to locate and critique relevant theory relating to the research problem, *What is the impact of social media on marketing strategy?*, and identify concepts and themes arising and put these variables together to form a theoretical framework (Ghauri and Grønhaug, 2005). This framework is then used as a basis for developing an approach to the primary research and acts as the “benchmark for comparing and evaluating the results of the research” (Kent, 2007).

2.1.2 Structure and Nature of the Literature Review
The review is divided into three chapters: Exploring Marketing and Strategy (Chapter 2), The Decline of Marketing (Chapter 3), and The Promise of Social Media (Chapter 4). The Author draws the reader to an important issue regarding sources of material. This and most Masters’ degrees require that critical literature reviews are *only* of academic, peer-reviewed literature. This peer-review process is a “guarantee of academic acceptability” (Quinton and Smallbone, 2006, p.83). However, because peer-reviewed material is often very dated on publication this means that its currency is poor. With social media being such fast-developing phenomena the Author felt it necessary to use certain practitioner sources to get the latest insights and expertise on Web 2.0.

2.2 EXPLORING MARKETING AND STRATEGY
Since this study seeks to identify the impact of social media on marketing strategy, this chapter begins by exploring strategy and examines the
importance of organisational effectiveness and efficiency. It then explores marketing strategy and the hierarchy of strategies in organisations, and ends with a choice of marketing paradigm. The purpose of all this is to set the scene for the next chapter – by showing its past and present, the challenges marketing faces can be understood better.

2.3 WHAT IS STRATEGY?

2.3.1 Organisational and Competitive Strategies

“Strategy is the route to achievement of specific objectives and describes how objectives will be reached”, (McDonald, 2007, p.298). Porter (1987) argues that a company has two levels of strategy: Organisational strategy and business unit strategy. The latter seeks to create a competitive advantage whilst the former’s roles are to define what business(es) the firm should compete in, and how the business units should be managed as a whole. Competitive strategy theory (Porter, 1980) broadly states that firms can follow a cost leadership strategy (low prices, standard product), or a differentiated strategy (added value, higher price).

In a further article entitled ‘What is Strategy?’, described as ‘seminal’ by various authors (Prasad, 2010; Collis and Rukstad, 2008), Porter (1996) set out a range of ideas which set a benchmark for the understanding of competitive strategy. Porter states that “strategy is the creation of a unique and valuable position” that is obtained by carrying out a set of activities that are different from the competition (Porter, 1996, p.68). Strategy is also about making trade-offs* when competing, and “creating fit among a company’s activities$” (p.75). Strategic fit creates competitive advantage. Piercy (2002) seems to agree:

strategy is about competitive advantage through differentiating against the customer’s alternatives, continuous innovation to sustain that advantage, and organizing to achieve ‘fit’ in maintaining the advantage (p.276).

* In Porter’s context, a ‘trade-off’ is a sacrifice of part of a service in order to enhance another one.

$‘Fit’ here refers to strategic fit – whether an activity contributes to overall performance.
Alternative views of Strategy: Prasad (2010) examines an alternative view of strategy given by Hamel (1996) who asserts that “strategy is revolution; everything else is tactics”, (p.70). Growth comes from a ‘stretch’ – a gap between strategic resources and ambitions, and trauma to the organisation is ‘good’. This is in contradiction to Porter where growth comes when there is a ‘fit’ between resources and ambitions. Trauma is ‘bad’. Further criticisms are that Porter does not answer the more basic question of how to describe a particular firm’s strategy (Collis and Rukstad, 2008). Kim and Mauborgne (2005) seem to follow this alternative strategy path and argue that firms should pursue a ‘blue-ocean strategy’ and seek uncontested market space instead of trying to compete head-on.

Piercy (2002) seems to contradict himself by agreeing with Hamel’s revolutionary approach, stating that “strategy is about breaking free” (p.283), free of restrictions such as industry dogma, ‘sameness’, and rules. Doyle (2008) describes strategy as “the business’s overall plan for deploying resources to create competitive advantage in its markets” (p.11). Brennan et al. (2008) suggest that ‘strategy’ is an overused word, implying that its overuse has muddled its true meaning. Indeed, “its frequent use suggests that the term ‘strategy’ is unambiguous and its meaning well understood. Unfortunately, it is not.” (de Kluyver, 2000, p.3, cited in Brennan et al., 2008).

2.3.2 Effectiveness and Efficiency

Wilson and Gilligan (2005) argue that in the UK those organisations that are inward-looking are adopting the wrong approach to strategy. By making themselves more efficient e.g. cutting costs, instead of more effective e.g. achieving strategic goals such as a competitive position, they threaten their own survival. Brennan et al. (2008) distinguish between effectiveness – “doing the right things” (p.13) – and efficiency – “doing things right” (p.14). They assert that organisations must seek to achieve both since an absence of
either can threaten long-term survival. For Porter (1996), operational effectiveness includes, but is not restricted to, efficiency and means “performing similar activities better that rivals” (p.62). For him, success is all about adopting a strategic position and either “performing different activities from rivals or performing similar activities in different ways” (p.62).

2.3.3 Impact of the Internet on Strategy – a model for Web 2.0?
The Author considered the impact of the internet on strategy and how it might inform as to Web 2.0’s likely impact. Porter (2001) states that many people thought that the internet would make strategy redundant, but argues that the reverse is true. He is critical of those who thought that the internet would provide first-mover advantage – it didn’t as switching costs were lower, not higher – and the promised benefit of network effects*, did not materialise at first. The latter has now been realised e.g. eBay (Kumar, 2004).

The web, the ‘third knowledge revolution’ after printing and broadcasting, has either eroded or nullified competitive advantage traditionally enjoyed by firms (Wilson and Gilligan, 2005), or any advantage that it might have offered is neutralised by its mass adoption by companies (Porter, 2001). Piercy (2002) suggests that “strategy is redundant” (p.206) because of the speed of change brought about by the internet. As a consequence of the web, we should “redefine strategy as the art of surviving rapid transition” (Evans and Wurster, 2000, cited in Piercy, 2002, p.206).

2.4 CHALLENGE TO THE HIERARCHY OF STRATEGIES
There are three hierarchical levels of strategy in an organisation – corporate, strategic business unit (SBU), and functional level (Hofer and Schendel, 1978; Webster, 1992; Varadarajan and Jayachandran, 1999). However, recent work by Chakravarthy and Henderson (2007) challenges the hierarchical nature of the relationship and suggests a heterarchical relationship (Figure 2.1).

* Network effects: the process by which a company’s products and services become more valuable as more people use them. Examples are email, instant messaging and of course, social networks.
They give two reasons: firstly, empirical studies have shown that the portfolio planning role of corporate strategy does not lead to better performance, and secondly, that “strategy formulation is not always top down” (p.647).

Varadarajan and Jayachandran (1999) state that corporate, business and marketing strategies interact to define the competitive advantage of SBUs in a company. It is the merging of these strategies that specify the degree to which a business can gain and sustain that advantage. Chakravarthy and Henderson (2007) argue that the challenge of this heterarchy is continuous renewal, not just of positioning the firm in a more attractive market space but of developing competencies to defend these positions. The Author wonders if social media could be one of these ‘competencies’ that could offer a competitive advantage, and if they could play a role in a ‘bottom-up’ strategy formulation. These issues are explored in Chapter 4.

2.5 WHAT IS MARKETING STRATEGY?

2.5.1 Defining Marketing Strategy

There are a wide range of definitions of marketing strategy which suggests little consensus amongst scholars. Dibb et al. (2006) state that it is:

> the selection of which marketing opportunities to pursue, analysis of target market(s), and the creation and maintenance of an appropriate marketing mix that will satisfy those people in the target market(s) (p.20).

In the Author’s view, although this definition aligns with the marketing concept, it seems to give marketing strategy a tactical emphasis.
That of Webster (1997) is similar but considers the environment as well:

Marketing (strategy) seeks to develop effective responses to changing market environments by defining market segments and developing and positioning product offerings for those target markets (Webster, 1997, cited in Hooley et al., 2008, p.8).

But neither of the above definitions mention value, suggesting something is missing because the essential idea of marketing is to create value (Sheth and Uslay, 2007; Doyle, 2008), a theme which features throughout this study. Doyle (2008) defines a value-based marketing strategy as “a set of coherent decisions about the firm’s approach to the market, which aims to maximise shareholder value” (p.189). He offers that “businesses not offering value to customers are seeing their market shares eroding at accelerating rates” (p.12). Cravens and Piercy (2009) include value for the customer, instead of shareholder value:

Marketing strategy seeks to deliver superior customer value by combining the customer-influencing strategies of the business into a coordinated set of market-driven actions (p.13).

In reality value is now jointly created between the customer and the producer (Prahalad and Ramaswamy, 2004a; Payne et al., 2008). However, Day et al. (1990) and Sudharshan (1995) conceive that the focus of marketing strategy is generating a competitive advantage for the organisation (cited in Varadarajan and Jayachandran, 1999). From these definitions it is clear that for some academics marketing strategy is a practical process that ensures the right products are served to the right markets, whilst others place it on a higher strategic plane and consider that it is about achieving value, even having a specific role of providing a competitive advantage.

2.6 VALUE MARKETING AS THE MARKETING PARADIGM

Numerous scholars assert that relationship marketing has been displaced as the current paradigm (e.g. Wilson and Gilligan, 2005; Piercy, 2002; Kotler, 2008). But there is no consensus amongst academics on the replacement marketing paradigm (Egan, 2008). But based on his reading (see Appendix
B), the Author chose Value marketing as the current paradigm. This is not controversial – value is a universal requirement and need, and as shown above, seeking it is the objective for marketing and marketing strategy, making it the logical choice. Additionally, there is strong support for it by many academics (see Appendix B). Value is also strongly associated with co-creation, innovation and engagement – key properties of social media. For practical support for this new paradigm, Coca Cola talks now about ‘value marketing’ and not ‘brand marketing’ (Piercy, 2002). However, issues exist in the concept of value – a consumer’s view can differ from a marketer’s – and its delivery, and this is raised Chapter 3 where the challenges to marketing are exposed.

2.7 CONCLUSION TO CHAPTER 2: MARKETING AND STRATEGY

This chapter explored business strategy because of its close relationship with marketing strategy. There is no consensus amongst academics on either a definition of business strategy or of marketing strategy. Organisations have two ways to compete – either they differentiate from the competition, or they pursue an ambitious strategy that challenges their resources or offers uncontested market space. For a company to compete successfully, it must be effective and efficient and it is clear that organisations must create value to compete so the goal of marketing strategy must be value creation. The internet offers no competitive advantage due to mass adoption. The relationship between the levels of strategy was examined. A new framework suggests a heterarchy of strategies that combine to create a competitive advantage. Strategy is not always developed ‘top down’ – it can come from the ‘bottom up’ as well. The next chapter is entitled the ‘Decline of Marketing’ and examines various challenges that marketing strategy is experiencing. The research problem requires that the current state of marketing is fully examined if social media’s impact is to be understood.
CHAPTER 3
THE DECLINE OF MARKETING

3.1 INTRODUCTION
The title of this chapter was chosen because the Author’s reading has revealed that numerous academics believe it to be true. In fact, there is not only a decline of marketing (Kumar, 2004; Parsons and Maclaren, 2009; Grönroos, 2009; Webster et al., 2005), but according to some, marketing is ‘in crisis’ (Grönroos, 2009), ‘dead in the water’ (Piercy, 2002), ‘in mid-life crisis’ (Wilson and Gilligan, 2005), ‘at saturation point’ (Poiesz and van Raaij, 2007), or even ‘broken’ (Lovatt, 2010). This chapter examines these controversial assertions by exploring areas within marketing that academics find wanting. These include marketing’s decreasing role within the organisation, problems with value creation and innovation, and difficulties with influencing consumer behaviour. The chapter also examines criticism of the marketing mix, highlights the limitations of relationship marketing, and explores the current issues facing branding. It ends with a look at marketing’s ‘mid-life’ crisis as seen by academics, and identifies challenges that marketing currently faces.

3.2 LOSS OF ASCENDANCY OF MARKETING

3.2.1 Marketing in the Organisation
Reduced role and influence: Doubts exist at the top of the organisation about marketing’s value (Kumar, 2004) and future role (Wilson and Gilligan, 2005), and it is an ambiguous concept with unclear responsibilities (Webster et al., 2005). In fact “many CEOs believe that marketing is failing at the strategic level because marketing efforts are not aligned with the strategic goals and overall strategy of the firm”, (Kumar, 2004, p.19). This resonates with Hooley et al. (2008) who state that “marketing strategy should be set in the context of overall corporate strategy” (p.31) because marketing must be aligned to ensure the overall direction of the organisation is followed. A study
showed that less than 10% of the board’s time is spent discussing marketing and customer-related issues (McGovern et al., 2004; Kumar, 2004). In summary, marketing has lost credibility (Sheth and Sisodia, 2005; Grönroos, 2009) and needs to “regain its seat at the table” (Webster, 2005a, p.124).

**Diminishing Corporate Marketing function:** The marketing function has all but disappeared at corporate level in large organisations (Webster, 1992, 2005a; Wilson and Gilligan, 2005; Wind, 1996). As a result, responsibility for marketing has been given to the SBUs (Kumar, 2004; Webster, 2005a). But this often fails because SBU managers lack marketing skills and are driven by short-termism (Webster, 2005b). Few CEOs have marketing experience (McGovern et al., 2004) and Chief Marketing Officers (CMOs) are appointed to fill the gap left by the corporate marketing function but often lack the necessary strategic and analytic skills (Webster, 2005b) and have no profit-and-loss (P&L) accountability (McGovern et al., 2004).

Poiesz and van Raaij (2007) talk about the ‘strategic lift’ occurring within organisations, namely the disappearance of boundaries between the marketing and other departments. Marketing is now a cross-functional process (Cravens and Piercy, 2009). The issue is not how to rebuild the marketing centre, but how to disperse marketing competence across the organisation (Webster et al., 2005). This diminishment of the marketing function is commented on by Day (1992):

> Paradoxically, the deeper marketing is embedded within an organization and becomes the defining theme for shaping competitive strategies, the more likely is the role of marketing as a distinct function to be diminished (p.323).

**Marketing under fire:** As well as dispersal of competence, the obsession with short-term financial metrics (quarterly figures) instils a ‘tyranny of P&L’ (Webster et al., 2005). Marketing is seen as a variable cost that can be cut (Sheth and Sisodia, 2005), especially since marketing productivity is hard to measure. It is also being marginalised by its resources being shifted to sales,
and sales taking over more responsibility for customer management (Webster et al., 2005). Moreover, McGovern et al. (2004) state that in too many organisations, there is a disconnect between the marketing and corporate strategies such that neither one is aligned with the other, leading to poor growth. They are withering in their criticism, saying that “the failure of marketing strategy is a crisis that requires attention at the highest levels of the organization – from the corporate board itself” (p.72).

3.3 THE CHALLENGE OF VALUE CREATION

3.3.1 Background
Marketing’s goal is to deliver value for the organisation (Sheth and Uslay, 2007; Holbrook, 1994; Grönroos, 2009). Although Grönroos states that this is not a new view, he argues that it has been stymied by the traditional marketing concept of satisfying need during the exchange of goods. This is expounded on by Maklan and Knox (1998):

Customer value creation is not captured by the traditional activities associated with brand building that is the USP, the augmented brand, and the 4Ps of product, price, promotion and place. Today’s marketing challenge is to bridge the widening gap between brand and customer value which is increasingly generated through supply chain leadership, networks of relationships, and individualised customer service (p.47).

3.3.2 Issues with Value Creation

Difficulties with the concept of value: The problem with value is that it means different things to different people, and ultimately it is defined by the customer (Piercy, 2002). The latter states that the concept is riven with paradoxes such as Ryanair – the low-frills, cheap airline – and Starbucks, which charges £3 for a cup of coffee (which customers are willing to pay for). What matters is perceived value – it is this that attracts a customer or lures him from a competitor (Rust and Oliver, 1994).

Difficulties in creating value: Since marketing is ‘dis-integrated’ or ‘centrifuged out’ to various parts of the organisation, it is without a ‘centre of excellence’ so companies find it hard to create value and deliver it to
customers (Webster et al., 2005). Poiesz and van Raaij (2007) assert that it is difficult for companies to create value in increasingly crowded markets, internationalised by the internet, and with increasingly sophisticated customer databases each ‘competing’ against the other. Brands can only now compete either on price or by consistently adding value. This is increasingly hard as brands exhaust ways of doing this e.g. 24hr delivery is no longer a competitive advantage. For them, “added value, as the core concept of marketing, is gradually but definitely becoming an illusion”, (p.8).

**Difficulties over how Value is created:** Traditionally, value creation occurred during the exchange of goods or services with the customer (Kotler, 1972; Hunt, 1976), based on the benefits received (Levitt, 1969; Lovelock, 1995). But scholars are now suggesting that this ‘value-in-exchange’ concept has been superseded by one of ‘value-in-use’ (Gummeson, 2002; Vandermerwe, 1996; Woodruff and Gardial, 1996), although Grönroos (2009) points out that this was championed over 50 years ago (Alderson, 1957). There is no ready-made value embedded in products – value is created in the use of the product by the customer (Grönroos, 2008; Payne et al., 2008).

Prahalad and Ramaswamy (2004b) see an ‘emerging disconnect’ between the new ways of value creation offered by the networked consumer, and the traditional market concept. The term ‘delivering value to customers’ is no longer accurate (Grönroos, 2009) and firms cannot continue to rely on extracting costs from value chain activities – efficiency savings – as their main source of value creation (Prahalad and Ramaswamy, 2004b). The proposal therefore is that the consumer is now the co-producer (co-creator) of value (Vargo and Lusch, 2004). Co-creation is explored in depth in the next chapter, since one of social media’s properties is to enable co-creation of value (Ramaswamy, 2008; Harris and Rae, 2009).
3.4 THE STRUGGLE FOR INNOVATION

3.4.1 The Need for Innovation
Several studies have revealed that product innovation is key to long-term profitability and a survey of top 100 global companies showed that two-thirds of them put innovation as a top priority (Webster et al., 2005). However, Piercy (2002) points out that long-term growth requires continual breakthroughs in all areas, not just product development. Makrides (2000) posits that the challenge is to put the innovation back into strategy, arguing that companies must search for new competitive positions continually. Successful innovation is a major business challenge and can be categorised by how novel it is, and the extent to which customer value is created (Cravens and Piercy, 2009).

3.4.2 The Stifling of Innovation
However, the actions of many organisations and environmental factors have actually stifled innovation. Instead of innovating, firms compete head-to-head for a greater market share but this is the road to long-term decline (Mauborgne and Kim, 1999). Organisational transformation agendas include “downsizing, overhead reduction… portfolio rationalisation” – anything but innovation (Hamel and Prahalad, 1994). Roberts and Alpert (2010) bemoan rapid innovation cycles caused by competitors copying and improving on new products immediately. Poiesz and van Raaij (2007) describe the ‘innovation spiral’, whereby a downward spiral exists because of the pressure to innovate, high innovation frequency and shorter innovation duration, and cite the laptop market as a classic example.

Piercy (2002) reminds us that innovation in the form of new products and new campaigns has always been intrinsic to marketing but real innovation that abandons the ‘rule-book’ is rare. According to Webster et al. (2005), CEOs partly blame marketers for this, wanting them to play a larger role in new
business growth instead of their narrow focus on new product development. Sasser (2008) mourns the lack of creativity in advertising and asks: “Have advertisers lost persuasive creative passion, or did they just surrender in frustration along the new media path?” (p.183).

Aaker (1996) sees a bias against innovation caused by an inherent complacency. Loewe and Dominiquini (2006) identify six obstacles to innovation including lack of resources, short-term focus and lack of a systematic innovation process. Executives reason that it is ‘risky’, that financial targets deter it, and that “we punish innovation failure but don’t reward innovation success” (p.24). They argue that an organisation must harness the creativity of all its people and that innovation is not just the preserve of Research and Development (R&D) but all departments.

### 3.5 RISE OF THE NEW CONSUMER

#### 3.5.1 Characteristics of the New Consumer

The ultimate aim of marketing is to change behaviour (Brennan et al., 2008). In recent times, marketers have found it harder and harder to do this (Poiesz and van Raaij, 2007; Wilson and Gilligan, 2005). Wilson and Gilligan (2005) see the emergence of a ‘new consumer’ who is “much more demanding and far more discriminating than consumers of the past”, is “much less brand loyal” and “much more willing to complain”, (p.172). Christopher (1989) describes the new consumer as existential and less responsive. Burnett and Hutton (2007) state that consumers strive for self-actualisation as they seek to close the gap between their real and ideal selves. These modern consumers are involved, independent, better informed and more critical (Capon and Hulbert 2000; Lewis and Bridger 2000). They are “smart” and demand “openness and transparency” (Piercy, 2002, p.58). Additionally, this consumer is time-starved (Lewis and Bridger, 2000; Kumar, 2004; Poiesz and van Raaij, 2007) and low on attention and trust (Lewis and Bridger, 2000). The media-,
advertising-, brand- and technology-literate consumer presents one of the biggest challenges facing marketers (Wilson and Gilligan, 2005).

**3.5.2 Problems with the Consumer Buying Decision-Making Process**

The dominant theory amongst academics for how and why consumers buy is a five-step process as revealed by Figure 3.1 below.

![Figure 3.1: The Consumer Buying Decision Process](source)

1. **Problem definition**
   - A stimulus from the internal or external environment causes a need to develop in the consumer.

2. **Information search**
   - Information is collected in order to satisfy the need.

3. **Evaluation of alternatives**
   - Process of problem-solving – criteria for comparing products is established.

4. **Purchase**
   - A product or service is selected.

5. **Post-purchase evaluation**
   - Consumption of product followed by evaluation to check if need has been met.


**FIGURE 3.1: THE CONSUMER BUYING DECISION PROCESS**

However a problem exists in stages 1-3 above. Poiesz and van Raaij, (2007) argue that a downward communications spiral exists (Figure 3.2) caused by competitive pressures between brands which force them to increase message frequency, thereby increasing clutter (Rotfeld, 2006; Keller, 2009). TV advertisement breaks are longer, but each commercial is shorter (so there are more ‘spots’). There is a “feeling of overwhelming mass media spam” (Rotfeld, 2006, p.181). Customers therefore experience information overload which forces them to be very selective, reducing the level of attention they can give to each message. Brands react by ramping up the frequency and ‘volume’ of their communications in an effort to counter this (Keller, 2009; Urban, 2004; Poiesz and van Raaij, 2007). The Author suggests that consumers are therefore victims of ‘over-marketing’.
Poiesz and van Raaij (2007) assert that the transparency of the market – that the internet promised to bring by enabling brands and products to be compared easily (Kapferer, 2001; Sinha, 2000) – is lost. Due to the overload, consumers cannot make rational choices. Many consumers feel these messages are invasive and actively ignore them (Petrecca, 2006 and Story, 2007, cited in Keller, 2009; Thomas, 2007). But this merely increases the spiral effect. The ensuing scenario is thus:

The market is like an enormous commercial gathering in a large reception hall which suffers from rich acoustics. In order to be heard and understood, everyone is starting to shout louder and louder. Conversation is reduced to an enormous sound wave of indiscriminate noise that appears to fill the entire space. The end result is that no one can understand anyone any more. (Poiesz and van Raaij, 2007, pp.39-40).

This, Poiesz and van Raaij (2007) argue, shows that “marketing has become its own competitor” (p.8).

Practitioner perspective: The Author prefers the marketing funnel metaphor of Li and Bernoff (2008) (Figure 3.3) to demonstrate the process shown in Figure 3.1. Advertising ‘drives’ consumers into the broad end and acts on them within the funnel. However, brands end up ‘shouting’ at them to gain their attention and engage in ‘interruption marketing’ (Godin, 1999). Weber (2009) sees a battle of wills occurring, with consumers trying to avoid commercials whilst marketers are continually thinking up ways of slipping past
consumer defences*. But as big a distraction are the conversations occurring between consumers via social media within the funnel (Li and Bernoff, 2008).

However, Haven et al. (2007) state that marketers persist with the funnel because they can still measure the effectiveness of their campaigns via trusted methods, even if other factors are at work influencing customers. But according to them, “the marketing funnel is a broken metaphor that overlooks the complexity social media introduces into the buying process” (p.1).

Impact of the Internet on Consumer Behaviour: The problems identified within the marketing funnel earlier are not eased by the internet. Poiesz and van Raaij (2007) state that it presents no solution to the problem of the communications spiral and cite the low click ratios for online banner ads as proof. Given that the internet has increased competition, (Porter, 2001), this is hardly surprising.

3.6 THE LIMITATIONS OF RELATIONSHIP MARKETING

3.6.1 Background

In the academic community, the terms ‘relationship marketing’ and ‘CRM’ are used interchangeably (Parvatiyar and Sheth, 2001). There are wide views on the definition of relationship marketing (Harwood et al. 2008; Harker and Egan, 2006) and a deep examination is not within the remit of the study, but Chaffey et al. (2009) give its benefits as no acquisition costs, limited need to

* For instance, targeting consumers where they are captive e.g. ads in cinemas, ads on rented DVDs, product placements on TV. Even the bathroom has no refuge – consider the Wizmark, an interactive urinal communicator ([www.wizmark.com](http://www.wizmark.com))
incentivise, less price-sensitivity of customers, more referrals and increased spend per relationship. But there have been high failure rates of CRM systems (Foss et al., 2008) and the dot.com crash in the early 2000s was caused largely by the failure of the firms to build relationships and thus gain repeat business, so the solution for many companies as they became e-businesses, was e-CRM (Chaffey et al., 2009).

3.6.2 The Challenge of Relationship Marketing
But questions still remain about its efficacy. For instance, in spite of CRM Brennan et al. (2008) state that typical customer churn* rates of 10%-30% remain. Additionally, although CRM involves sophisticated data storing and mining techniques, from the consumers’ perspective it is still a crude tool involving “aggressive email, phone and internet promotions. With or without their permission”, (Urban, 2004, p.79). Also, Kumar and Reinartz (2002) suggest that the relationship between loyalty and profit is much weaker than is realised and challenge existing claims about loyalty, one being that it costs less to serve a loyal customer. However, the above does not mean that brands do not want relationships with their customers since the role of relationship marketing is to help build a competitive advantage (Harker and Egan, 2006). The challenge is therefore how can organisations reconnect with their customers in a way that benefits both parties?

Practitioner perspective: Newell (2003) not only questions the return that companies get for investing in CRM but also whether it actually works. For him, it should not be CRM but CMR, the customer management of relationships, whereby the customer dictates the nature of the relationship. The Author suggests that this is at the core of the research problem and that the concept of ‘social CRM’, which seeks to evolve CRM’s traditional focus to include Web 2.0 technologies (Band and Petouhoff, 2010; Wang and Owyang, 2010) needs more investigation.

* Churn rate is the proportion of customers who cease to use a product or service over a given time period.
3.7 QUESTIONING OF THE MARKETING MIX

3.7.1 Introduction
There has been much written by many authors about the shortcomings of the marketing mix (or 4Ps) model, (McCarthy, 1960) which are neatly summarised by Constantinides (2006). From the vast range of literature, he identifies three areas that academics have objections or difficulties with regarding the mix’s relevance to consumer marketing.

3.7.2 Three Problematic areas of the Mix
The first area of difficulty identified is the marketing mix’s internal orientation which reveals its lack of customer orientation (Constantinides, 2006). The mix was originally developed as a concept for the era of mass marketing when brands did not have to accommodate the needs of the customer. But in today’s highly competitive and technology-driven environment, brands blindly using it will not be able to gain and maintain a competitive advantage. Secondly, Constantinides reveals that the mix lacks the ability for personalisation. Customers now demand a personalised product or service in the form of mass customisation or even mass individualisation (see Appendix B for this paradigm). Thirdly, the mix lacks a strategic content, rendering it deficient as a framework for marketing planning in an environment where strategic opportunities and threats are defined by uncontrollable and external factors. These factors include globalisation, enhanced competition, more demanding and less loyal customers, and technology (Wilson and Gilligan, 2005) as well as increasing commoditisation, rapid innovation cycles, and media fragmentation (Roberts and Alpert, 2010; Kumar, 2004).

3.7.3 Inability of the Marketing Mix to produce differentiation
As a result, the mix’s ability to give a brand the differentiation it requires to offer value to the consumer and competitive advantage is in doubt (Wilson and Gilligan, 2005; Poiesz and van Raaij, 2007). The latter see the 4Ps each operating as four, downward spirals creating a marketing spiral (Figure 3.4).
FIGURE 3.4: THE MARKETING SPIRAL

The spirals, they argue, drive each other, acting as catalysts on one another. Since each spiral is downward, the output of the mix is an increasingly undifferentiated, commoditised product or service (Roberts and Alpert, 2010), effectively ‘Walmartisation’ (Prahalad and Ramaswamy, 2004a). Poiesz and van Raaij (2007) argue that tactical marketing is subject to the spirals – what is required to escape the marketing spiral is strategic innovation: “There is an urgent need for a reconsideration of the marketing paradigm. Marketing needs a new strategy”, (p.40). Constantinides (2006) summarises that the mix should “not be considered as the foundation of Consumer Marketing management any longer”, (p.413). (Grönroos (2009) concurs – the model’s rigid decision making attributes have become a “straitjacket for the development of marketing theory and practice”, (p.352).

3.8 THE CHALLENGE FOR BRANDING

3.8.1 Background to Branding

As has been shown, the marketing mix’s ability to contribute to a competitive advantage has been diminished. Therefore many marketers have switched their attention to the brand because it is capable of creating and maintaining a differential advantage (Wilson and Gilligan, 2005). Brands enable a company
to retain a unique identity and enhance the ability to attract repeat business (Ibeh et al., 2005). Building a strong brand also enables enhanced marketing communications effectiveness (Keller, 2009). As such, branding is now a major priority for most companies (Aaker and Joachimsthaler 2000; Kapferer, 2005). However, at the same time, forces are working against the brand. This paradox presents a major challenge for marketers.

### 3.8.2 The Rising Importance of Brand Equity

Thomas and Kohl (2009) state that the power of a brand lies in its equity with consumers, and suggest that this equity is often the single most valuable asset for an organisation, citing Microsoft, Coca-cola and Disney as examples. Christodoulides and de Chernatony (2010) argue that brand equity, if measured, is a better way of providing an understanding of short and long-term performance than traditional financial methods. They add that consumer-based brand equity (CBBE), as opposed to firm-based brand equity (FBBE) which concerns financial metrics, is an intangible asset that can offer a sustainable advantage. This is supported by Falkenberg (1996) who states that brand equity is a key marketing asset and growing it is a key objective. Erdem and Swait (1998) talk about customer-based brand equity as “the value of a brand as a signal to consumers” (p.140). However, McGovern et al. (2004) argue that because brand equity “has never been more volatile” (p.73), there is a danger to the organisation because the marketing function remains responsible for brand equity and yet is distanced from top management.

### 3.8.3 Brands as Value Creators

Aaker (1992) discusses how brand equity creates value for the organisation in six ways. It enhances the efficiency and effectiveness of marketing, strengthens brand loyalty, and enables higher margins via premium pricing. It also provides a platform for brand extensions, offers leverage in the distribution channel and creates a barrier to stop customers switching. Brands
also offer value to consumers by assisting in identifying and interpreting products, help in the purchase decision, and offer a psychological comfort via brand association (Dibb et al., 2006; Cravens and Piercy, 2009; Aaker, 1992).

### 3.8.4 Branding and Strategy

Piercy (2002) insists that branding must be a key part of any marketing strategy because “branding is strategy” and “brands add value in the consumer’s eyes” (p.470). Additionally, “brands can transform markets, and change competitive structures” (p.471) because of their effect on consumer perceptions. Cravens and Piercy (2009) champion strategic brand management as a process because brands have a strategic role and can influence the corporate direction, indeed survival, of organisations, citing General Motors’ troubled Saab brand as a case in point. Christodoulides (2009) comments that branding strategies have been transformed to facilitate the “creation and sharing of user generated content” (p.142). Branding now occurs via consumer actions within social media and “post-internet branding is about facilitating conversations around the brand” (p.142).

### 3.8.5 Forces working against the Brand

**Weakening of brands:** Brand loyalty has seen a decline in some areas, notably retailing, as a result of discounting and promotion wars (Dibb et al. 2006). Competition is weakening brands (Thomas and Kohl, 2009; Piercy, 2002; Sinha, 2000). The ‘new’ consumers are less loyal and indulge in brand switching (Lodes and Buff, 2009) and the market environment is also weakening brands (Thomas and Kohl, 2009). A gap has arisen between brand value and customer value, and the latter is increasingly created by processes outside the auspices of brand managers (Maklan and Knox, 1997).

**Internal forces:** Thomas and Kohl (2009) state that incorrect managerial strategic and tactical actions are responsible for brand decline, for instance raising prices with no increase in benefits. Aaker (1996) also identifies certain
internal forces working against brands, such as short term pressures on distracting managers from brand management. Webster et al. (2005) see funds being taken away from brand equity-building initiatives in favour of those which offer immediate results, such as retail promotions.

**Erosion of trust:** Brands have been weakened by too many brand extensions (Loken and John, 1993; Gürhan-Canli and Maheswaran, 1998; John et al., 1998). Poiesz and van Raaij (2007) argue that “an overstretched brand will lose its consistency and credibility, which leads to a less favourable brand image” (p.30). Rotfeld (1998) lists actions that marketers take that undermine brand trust such as “audience manipulation, offensive products and cultural destruction (cited in Sasser, 2008, p.183). Strategic Direction (2010) quotes a CEO as saying that, “consumers do not implicitly trust brands and want more information about why they are good” (p.7). Distrust and disloyalty arise when favourite brands are shown to be charging premiums for undifferentiated products (Sinha, 2000).

**Loss of control:** Finally, marketers are ceding much control of brands to consumers (Sawhney et al., 2005; Muniz and O’Guinn, 2001). Brand communities and social networks now lay claim to ownership of brands and influence the brand choices of consumers as well as company decisions (Christodoulides, 2008). This is a key aspect of the research problem.

### 3.9 MARKETING’S MID-LIFE CRISIS

#### 3.9.1 The Marketing Concept under pressure

Evidence from academia that the whole concept of marketing was being questioned began to emerge in the 1990s. There was concern that “something is amiss, that the (marketing) concept is deeply, perhaps irredeemably, flawed… and… is… on the brink of serious intellectual crisis” (Brown, S 1995, p.42). According to Piercy (2002) “traditional marketing is dead in the water” (p.6). Specific evidence against the marketing concept
suggests that it lacks strategic intent (Varadarajan and Jayachandran, 1999; Wilson and Gilligan, 2005). Poiesz and van Raaij (2007) concur – the existence of the organisation requires the creation of added value and for this to happen marketing is required to become a “strategic activity rather than a supporting activity”, (p.47). Varadarajan and Jayachandran (1999) add that the concept is unclear as to how the organisation should compete, who the customer is and what his needs are, and how the company should align its capabilities to these needs. In its defence, Hooley and Saunders (1993) have suggested that the problem in the past has lain with marketing managers who have not understood marketing as a concept.

3.9.2 Lack of Market-orientation in Organisations
Webster (2005b) says that although customer orientation remains a theme within marketing, firms often just pay lip service to it. Poiesz and van Raaij (2007) suggest that as a result of not understanding consumer needs, many companies that position themselves as customer-oriented are in fact very product-oriented, what Piercy (2002) calls the “customer conundrum” (p.18). According to Doyle (2008) they can only find customers by slashing prices. Christodoulides (2008) suggests that instead of trying to influence customer behaviour, brand managers need to “go back to basics and seek to better align their marketing with people’s needs” (p.292).

Corporate marketing can help build capabilities to assist an increase in customer focus (Kumar, 2004) but the Author argues that with the disappearance of this function, large organisations are less able to do this. Doyle (1994) classifies organisations into left-handed and right-handed types. The left-handed ones are financially-driven and look to grow profits by cutting areas such as costs, or trimming the marketing mix, whilst the right-handed ones are market-driven whose main focus is satisfying the customer. He thus distinguishes between cultures which promote marketing efficiency and those
which promote marketing *effectiveness*. This is echoed by Brown who states that, “there are now two types of corporation: those with a marketing department and those with a marketing soul”. He points out that the latter are the top performing companies (Brown, A 1995, cited in Piercy, 2002, p.6).

### 3.9.3 Anecdotal evidence of a Marketing ‘mid-life crisis’

The final evidence of a marketing ‘mid-life crisis’ comes in the form a selection of anecdotes from scholars. Wilson and Gilligan (2005) quote a McKinsey report which said that “marketing was no longer delivering” (p.33) and has reached a “mid-life crisis” (p.22). Poiesz and van Raaij (2007) suggest that marketing is becoming less successful at its purpose – to synchronise supply and demand. Consumers buy products they do not need, or cannot use because they do not understand them, or do not buy products that should satisfy them. For them, “marketing no longer seems to make sense” (p.39).

The paradox is that “marketing is becoming more important, but less visible”, (p.48) and they mourn the current state of marketing:

> Originally, marketing was the answer to market saturation, but now marketing itself seems to be approaching a saturation point. Marketing is suffocating under its own weight (p.10).

As if in support of this, Lee (1997) complains: “There doesn’t seem to be any time for marketers these days to actually do any marketing”, (cited in Piercy, 2002, p.288). Kumar (2004) remarks how many CEOs of major companies are frustrated at marketing’s inability to produce measurable results and that “marketers must start driving overall strategic change” (p.2). Wind (1996) states that “marketing, as a management function, appears to be in decline” (p.6), but argues that as a philosophy and orientation, it is “critical to the success of any organisation” (p.6). According to Brady and Davis (1993):

> Brand marketing is in crisis. One brand icon after another has been shaken, if not permanently damaged. Senior management openly questions the value of their traditional marketing activities and marketing departments (cited in Maklan and Knox, 1997, p.120).
The view of Egan (2008) is that “marketing reached the new millennium battered and, perhaps, showing its age. It is difficult to establish in which precise direction it is going…” (p.12). He cites Holbrook and Hulbert (2002) who say marketing should be given "the dignified burial it deserves" (Egan, 2008, p.14). Sheth and Sisodia (2005) suggest that both marketing academics and practitioners are suffering from ‘marketer myopia’, whereby they fail to notice changes in the environment around them. They quote Rajiv Grover speaking at a symposium:

…marketers are being marginalized, in the sense that many strategically important aspects of marketing (e.g., pricing, ad budgeting, new product decisions) are being taken away by other functions in the organization (p.11).

At the same event, they quote Glen Urban remarking:

Marketing effectiveness is down. Marketing is intrusive. Productivity is down. People resent marketing. Marketing has no seat at the table at the board level and top management. Academics aren’t relevant. And we have an ethical and moral crisis. Other than that, I think we are in good shape (p.10).

On the question of creativity in advertising, Sasser (2008) asks, “how can marketing be re-invented; what can be done to recover the passion?” (p.184). She says that in trying to do this, marketers more often enrage rather than engage the consumer co-creator via “unwelcome ‘creative’ antics” (p.185), suggesting damage to the brand. But she also warns against those who believe that social media offers a panacea for marketing, by suggesting it is a cause of some of its problems:

Customer relationship marketing models involving such constructs of passion, commitment, intimacy, and trust have been bypassed to latch on to the latest cool media technology trends, leaving some consumers feeling abandoned, deceived, or tricked by the brand…. The cyber culprits of technology, social media and interactivity have spawned disconnections for brand marketers and creative executives (p.183).

Prahalad and Ramaswamy (2004b) point out perhaps marketing’s core problem: “Products and services are facing commoditisation as never before… if consumers do not see any differentiation they buy smart and cheap” (p.7). Even for those who do see a future for marketing, their admission of marketing’s decline and a reduced future importance is telling:
The fact that marketing does continue to play an influential role in corporate strategy in some companies suggests that there is both an opportunity and a viable approach for building marketing competence as a source of competitive advantage. It may not come about in “conventional” ways, such as in the form of a large corporate marketing group. Instead, it may call for a small “center of excellence” that can enable collaboration among an array of dispersed marketing elements (Webster et al., 2005, p.42).

Meadows-Klue (2008), offers a pithy indictment on the state of marketing, asking “customers evolved, but did marketing?” (p.245), and then continues:

Somewhere along the journey of marketing, the skill to listen has weakened and the art of engagement lost in favour of ever grander and louder messaging techniques, raising the bar for cut-through, but doing little to create true dialogue with the customers. The techniques worked for decades, but while hitting a target audience across ever more channels created a crescendo of voices, its side effects were the creation of an astute form of media literacy, and the potential for marketing scepticism among consumers (p.245-246).

**Practitioner perspective:** Practitioners are equally critical of the state of marketing. Weber (2009) quotes A.G. Lafley, CEO of Proctor & Gamble, telling his executives: “We need to reinvent the way we market to consumers. We need a new model”, (p.11). Haven et al. (2007) sum it up by saying: “Face it: marketers no longer dictate the path people take, nor do they lead the dialogue” (p.2). Lovatt (2010) is equally blunt: for him “marketing is broken” and “marketers are suffering from claustrophobia” in a world where there is “little room to manoeuvre”. The Author argues that the balance of evidence is compelling – marketing is in some kind of ‘mid-life crisis’ or decline.

**3.10 CONCLUSION TO CHAPTER 3: THE DECLINE OF MARKETING**

This chapter has argued that marketing is in decline. The Author has taken the analysis from this and chapter 2 and created a series of challenges that he believes marketing and the organisation faces in the current climate:

**Challenge 1:** There is no agreement on the current marketing paradigm. Until this is agreed, the Author suggests that marketing thinking will remain diverged, pulling thinkers and practitioners alike in different directions.

**Challenge 2:** There has been a loss of ascendancy of marketing in organisations and marketing as a corporate function has all but disappeared.
Since this is so, marketing competence must somehow be dispersed across the organisation in order for marketing to ‘regain its seat at the table’.

**Challenge 3:** Organisations should pursue value-driven marketing strategies but marketers are finding it extremely hard to create value for customers, when there is difficulty over the concept of value itself, and when there is no marketing ‘centre of excellence’ in many organisations.

**Challenge 4:** Innovation is key to creating and adding value but there is an innovation spiral, and if organisations are not geared to innovate, how can organisations create value, differentiate and compete?

**Challenge 5:** Traditional marketing techniques do not work well on the new consumer, compounded by conditions of the marketing funnel due to fragmented media, intense competition, and consumers having conversations with each other. Firms must regain the ability to influence the consumer.

**Challenge 6:** Questions exist about relationship marketing and its ability to deliver its promise. With consumers increasingly in charge of the relationship, how can firms re-connect with their customers?

**Challenge 7:** The marketing mix is captive to a marketing spiral which produces a commoditised offering, thereby frustrating the brand from creating value and differentiating. A new paradigm needs to be developed which enables the creation of competitive advantage.

**Challenge 8:** Branding, whilst experiencing some difficulties, offers marketers a way of creating a differentiated product and thus gain a competitive advantage. How can brand equity be built in this new era of marketing?

**Challenge 9:** Marketing is in a mid-life crisis. Academia is questioning the whole marketing concept. Many firms that claim to be customer-led are in fact product-led. Organisations must therefore re-align with the customer. The next chapter, ‘The Promise of Social Media’ is intended to show how social media might assist in meeting these challenges.
CHAPTER 4
THE PROMISE OF THE SOCIAL WEB

4.1 INTRODUCTION
This chapter is entitled ‘The Promise of the Social Web’ because the Author is making the a priori assumption that social media can address the challenges identified in Chapter 3. However, he acknowledges that their very nature means that they are a cause of some of the challenges experienced by marketing.

As a reminder, the Problem is What is the impact of social media on marketing strategy? This chapter therefore seeks to show to what extent social media impact on marketing strategy and thus answer the Problem.

Bearing in mind the above, the discussion relating to the nature of (marketing) strategy (Chapter 3), and the challenges identified for marketing (Chapter 4), the Author suggests that the following questions arise relating to social media:

A. Can social media enable brands to re-connect with their customers?
B. Can social media enable organisations to influence buyer behaviour once again?
C. Can social media bring about change in organisations and make them market-oriented?
D. Do social media enable organisations to create and deliver value for customers and organisations?
E. Can social media help organisations to innovate?
F. Can social media offer a competitive advantage to organisations?
G. Can social media restore trust in brands and build brand equity?
H. Can social media provide a fix to the marketing mix which, it is claimed, does not work anymore?
4.2 RESTORING THE LOST ART OF ENGAGEMENT

4.2.1 Understanding Customer Engagement

Increasingly, CEOs and CMOs recognise “that long-term, sustainable competitive advantage is tied to a firm’s ability to retain, sustain, and nurture its customer base” (Anderson et al., 2004; Gruca and Rego, 2005; Rego et al., 2009, all cited in Van Doorn et al., 2010. p.253). Tuten Ryan (2007) states that there is no accepted definition of customer engagement. For instance, Van Doorn et al. (2010) define it as a “customer’s behavioural manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers” (p.254), whilst Chaffey et al. (2009) refer to it as the “long-term ability of a brand to gain a customer’s attention on an ongoing basis” (p.340).

Engaged customers contribute to the brand reputation and recognition via online communities, and can be a crucial source of knowledge and thus co-creation (Van Doorn et al., 2010). High customer engagement is also essential for future growth whilst low engagement results in lost sales and negative WOM (EIU, 2007, cited in Kumar et al., 2010). Consumers have a greater propensity to communicate via both WOM and social media when they are engaged (Mangold and Faulds (2009). According to Kirby (2006) “engaged customers drive word-of-mouth marketing that is ten times more effective at resonating with a target audience than television or print advertising”, (cited in Roberts and Alpert, 2010, p.198). In addition:

…engaged customers are not just loyal they also buy additional product lines, and are the most credible, trustworthy and effective sales and communication channel available to marketers today (Roberts and Alpert, 2010, p.200).

Kumar et al. (2010) argue that customers may be valued wrongly when customer engagement is not taken into account. As a result, firms are increasingly pursuing strategies that promote non-transactional behaviour (Verhoef et al., 2010). Van Doorn et al. (2010) also talk about customer engagement behaviours (CEBs) which go beyond transactions.
4.2.2 Challenges for Engagement
Cravens and Piercy (2009) state that building a customer-engaged organisation is one of the biggest challenges facing marketers. External challenges include increased commoditisation, competition, increased cynicism of the consumer, and a scarcity of his time (Roberts and Alpert, 2010). Internal barriers include a separation within the organisation of responsibility for key elements of engagement, an unhealthy focus on satisfaction, and a lack of employee engagement. “Every communication and customer interaction should be fully leveraged, optimised and treated as an opportunity to create engaged customers” (Roberts and Alpert, 2010, p.200).

4.2.3 The Key to Creating Engaged Customers
Roberts and Alpert (2010) propose four elements that are needed to create engaged customers: customer value proposition, customer experience, brand, and internal culture. The most engaged companies manage to define and align these elements which are “embedded into the daily operation of the organisation” (p.201). Verhoef et al. (2010) state that social media such as blogs, user-generated content, forums, aggregators, communities, and social networks are tools by which consumers engage with organisations and vice-versa. Successful examples are Southwest Airlines’ ‘Nuts About Southwest’ blog, the 2009 Burger King ‘Whopper Sacrifice’ Facebook application whereby members were asked to ‘unfriend’ 10 Facebook friends in return for a free burger (Hoffman and Fodor, 2010), and the $30,000 GillettePhantom contest (Mangold and Faulds, 2009).

Practitioner perspective: According to Weber (2009), “engagement is all about content” (p.76). Content must be relevant that will provoke people into talking and responding and this is supported by Cammie Dunaway, chief marketing officer at Yahoo: “Content is no longer something you push out. Content is an invitation to engage with your brand”, (Elliott, 2006).
4.2.4 Measuring Engagement and ROI

The two biggest challenges for social media are ROI and measurement (IAB, 2010). Hoffman and Fodor (2010) suggest marketers approach measuring social media ROI the wrong way. Kumar et al. (2010) propose a series of metrics to measure the components of what they term Customer Engagement Value (CEV). Reichheld (2003) suggests that ultimately what is important is to know "what your customers tell their friends about you" (p.2). The Net Promoter Score (NPS) measures how ‘energised’ a consumer is e.g. how likely he will promote a product (Reichheld, 2006). However, Chaffey et al. (2009) comment that the NPS can be inaccurate (citing Kumar et al., 2007) and misleading (citing Keiningham et al., 2007).

Hoffman and Fodor (2010) state that measuring ‘customer investments’ (behaviours) can be measured by “the valence of blog comments and the number of Facebook updates and Twitter pages about the brand” (p.42), in other words ‘buzz’ and sentiment. Chaffey et al. (2009) list thirty-six different listening tools*. The ability to ‘listen’ via these tools lends Haven et al. (2007) to say that customer engagement is “marketing’s new key metric” (p.1). However, Saks (2006), states that there is no theoretical basis for measuring engagement, suggesting that it is management fad.

4.3 INFLUENCING BUYER BEHAVIOUR WITH SOCIAL MEDIA

4.3.1 Introduction

The previous chapter showed that the more marketing tries to reach consumers, the more extreme their evasive behaviour becomes (Poiesz and van Raaij, 2007). But the need to be able to target consumers on the basis of their behaviour is an ever-present objective for marketers since people who have similar views will respond in similar ways to any given marketing mix. It is therefore argued that a more psychological approach to marketing is required (Brennan et al., 2008; Poiesz and van Raaij, 2007).

* Weber (2009) calls them ‘snorkelling tools’.
4.3.2 How Social Media influence the Buying Process

The Buying Process in a Web 2.0 world: As a result of the consumer conversations, the existing buying process, already complicated by the existence of the web, is made more complex. Constantinides and Fountain (2008) therefore suggest a new framework to represent this (Figure 4.1), which builds on the earlier frameworks of traditional marketing (Kotler, 2003), and traditional and web marketing (Constantinides, 2004).

To the existing three influencer inputs acting on the consumer they add a new, uncontrollable input of social media (D). It is worth noting the cause and effect of social media. Ferguson (2008) states that the viral nature of conversations builds awareness and buzz – that is the cause. Positive WOM arising from good experiences being shared, which theoretically leads to trial and acquisition, is the effect. According to Strategic Direction (2010), social media play a “massive part in influencing consumer behaviour” (p.6). Hoyer and Macinnis (2001) suggest that this influence is either marketer-led or WOM from friends and family. Evans et al. (2009) refer to consumers as operating in ‘virtual groups’ which can exert influence and affect behaviour.
Constantinides and Fountain (2008) state that “in the Web 2.0 era customer preferences and decisions are increasingly based on inputs provided by parties beyond the control of online marketers” (p.239) and that customer reviews are more powerful than expert product reviews.

4.3.3 Segmenting the Social Web to find Brand Champions
The key is therefore finding those who can champion and influence the brand for the organisation. Roberts and Alpert (2010) suggest that five levels of engagement by customers exist, ranging from level 1 (purchaser) up to level 5 (customer is advocate and promotes the product actively to others). Harridge-March and Quinton (2009) explore the degree of engagement of consumers to define a hierarchy of social media users, and summarise various academic work on this. They suggest that the core concept of traditional relationship marketing can be applied to the social web – loyalty of consumers can be earned by organisations that engage with them correctly. So combining the work of Nonnecke and Preece (2001), Golder (2003), Kozinets (1998), Kozinets (2006), Pitta and Fowler (2005), and Lee et al. (2006), Harridge-March and Quinton propose a Social Network Contributor ladder (Figure 4.2).

![Figure 4.2: The Social Network Contributor Ladder](source)
This they compare with the loyalty ladder (Christopher *et al.*, 1991) of relationship marketing. At the lowest level of engagement is the ‘lurker’, who may be either a recent joiner to the network or merely uncommitted. The degree of engagement increases with each rung until the rank of ‘evangelist’ (advocate) is attained. Harridge-March and Quinton argue that, as for the traditional loyalty ladder, participants in social networks can be advanced up this ‘virtual ladder’ and used and harvested by marketers. These ‘evangelists’ are also called ‘superfans’ (Harris and Rae, 2009) or ‘webmavens’ (Davidson and Copulsky, 2006).

**Practitioner perspective:** According to Li and Bernoff (2008), in the groundswell a strategy that treats everyone alike will fail, the reason being that the social web is composed of different types of people, just as society is. They therefore segment the social web according to behaviour, resulting in a Social Technographics® Profile (STP) (see Appendix C). This too is shown in the form of a ladder and its segments (rungs) overlap but the largest (‘spectators’, 70%) broadly corresponds to the ‘lurker’ segment. The most proactive (‘creators’, 24%) correspond to the ‘evangelists’.

### 4.3.4 The Social Web and Relationship Marketing

Increased competition and the high cost of acquisition drives organisations to establish long-term relationships with customers (Casaló *et al.*, 2008). With relationship marketing on the wane, marketers see online brand communities as a way of helping them to understand consumer needs and to encourage brand loyalty and involvement (Casaló *et al.*, 2008; McAlexander, Schouten, and Koenig, 2002). These are discussed in section 4.6.4 below.

**Practitioner perspective – Social CRM:** According to Wang and Owyang (2010), social media are exposing existing CRM systems’ inability to help firms build relationships within these new channels. To offset this, the
organisation must adopt social CRM as a series of systems and processes across departmental boundaries (Wang and Owyang, 2010). Band and Petouhoff (2010) see social CRM as existing traditional organisational processes, such as market research and sales, being synchronised with their social media equivalents, in this case ‘listening’ and ‘energising’ (see Figure A1 in Appendix A). Whilst practitioners see social CRM as “a philosophy and a business strategy” (Greenberg, 2009), the Author found no academic literature relating to social CRM, suggesting that scholars remain to be convinced that it is “the next big thing” (Chapman, 2009).

4.4 SOCIAL MEDIA BRINGING CHANGE TO THE ORGANISATION

4.4.1 Introduction
A question that arose in the introduction to this chapter was whether social media can change the organisation and make it market-focused. The Author posits that social media is enabling, and in many cases forcing, companies to become customer-focused.

4.4.2 The Case for Market-orientation
Organisations which seek to implement the marketing concept are described as market-orientated (Deshpande et al., 1993; Narver and Slater, 1990; Kohli and Jaworski, 1990). The term is also described by marketers as ‘customer focus’ or ‘customer orientation’. Cravens and Piercy (2009) define “market orientation as a business perspective that makes the customer the focal point of a company’s total operations” (p.4). A market-led culture leads to increased marketing effectiveness (Žostautienė and Vaičiulėnaitė, 2010; Appiah-Adu and Singh, 1999), superior business performance (Deshpande et al., 1993; Cravens and Piercy, 2009), and an ability to provide superior customer value (Cravens and Piercy, 2009; Piercy, 2002; Slater and Narver, 1994). All this “effectively and efficiently produces a sustainable differential advantage” (Dibb et al., 2006, p.749).
4.4.3 Towards a Listening, Learning Organisation
Cravens and Piercy (2009) describe a market-oriented organisation as one which “continuously gathers information about customers, competitors, and markets” (p.4). It also “involves the use of superior organisational skills in understanding and satisfying customers” (p.4). By listening, companies not only measure engagement but become learning organisations, a desirable state advocated by leaders in management because “learning is the basis for developing superior strategies” (Piercy, 2002, p.405). This is supported by Harridge-March and Quinton (2009) who state that social media listening tools give the organisation “a silent ability to collect data” which can “inform the strategic marketing decision making” (p.177).

Practitioner perspective: Li and Bernoff (2008) suggest that “listening is perhaps the most essential neglected skill in business” (p.93) and champion brand monitoring as “an early warning system” (p.94). But they also list further benefits including understanding sentiment shifts, more economic and quicker research, identification of market influencers, and the generation of new product ideas. Furthermore, listening will also change the organisation because it will alter its ‘power structure’.

4.4.4 Changing the Organisation from within
Whilst listening provides intelligence, the organisation must re-align itself to face the customer as part of “the process of going to market” (Piercy, 2002, p.316). Wilson and Gilligan (2005) describe the development of marketing orientation in a company as a long-term process necessitating a number of steps to be taken which are expensive and time-consuming. Cravens and Piercy (2009) state that it “requires the involvement and support of the entire workforce” (p.4). Sawhney et al. (2005) see a role for co-creation:

We believe that true co-creation will require a fundamental redesign of marketing processes and the marketing organization to support continuous dialogue with customers, as well as to systematically share the knowledge generated through this dialogue within the firm in a way (p.15).
**Practitioner perspective:** Li and Bernoff (2008) suggest that organisations need to create their own ‘mini-groundswell’ internally in order to embrace the groundswell outside it. So the organisation “goes through a mental shift – you walk in step with your customers’ needs”, (p.199). Aziza (2010) argues that social media are changing organisations internally because employees are consumers and use social media at work.

### 4.4.5 Employee Empowerment

Dibb *et al.* (2006) state that the concept of employee empowerment is increasing in importance as firms try to be more customer-focused. They continue that empowerment “gives front-line employees the authority and responsibility to make marketing decisions without seeking the approval of their supervisors” (p.751). Roberts and Alpert (2010) posit that the main reason why organisations experience failures is not because of a poor business strategy, but because the strategy execution is flawed (Charan and Colvin, 1999, cited in Roberts and Alpert, 2010). “Engaged employees can either make or break the execution of an organisation’s strategy” (Roberts and Alpert, 2010, p.203). The latter authors propose that employees should be empowered to create engaged customers as this then produces better customer experiences. Burnett and Hutton (2007) suggest that reputation is built from the inside out by encouraging employees to be brand advocates.

**Practitioner perspective:** Aziza (2010) supports Roberts and Alpert’s assertion on flawed strategy execution. He claims that social media use within an organisation helps solve a persistent problem – 9 out of 10 companies experience poor strategy execution, of which symptoms include “employees disregarding the strategy and management ignoring employees’ input regarding their strategic decisions” (p.1). He argues that use of social media internally will address these “communication and engagement failures” (p.1).
However only 17% of organisations have processes that enable and encourage staff to use social media (cScape, 2010).

**Employee innovation:** But innovation can also result from empowerment. Orange’s ‘intrapreneurial’ engagement program, idClic, enables any Orange employee can generate an idea – such as a process improvement – and blog about it, and gain points as other employees comment and vote on it (Ramaswamy, 2010). Over 93,000 ideas have resulted in 7,500 projects being implemented (Orange, 2010). Thus “by promoting internal entrepreneurship, Orange has unleashed a flood of innovation that never surfaced in its traditional hierarchical and structural organisation”, (Ramaswamy, 2010, p.24).

### 4.5 CO-CREATION, INNOVATION & COMPETITIVE ADVANTAGE

#### 4.5.1 Introduction

The title of this section contains three separate topics which have all featured previously. However, the Author’s view is that in the context of the Problem, one cannot be examined meaningfully without the others and so they have been brought together into one section.

#### 4.5.2 Understanding Value creation

Value is no longer thought of as simply benefits minus cost. As a result of increased transparency, Prahalad and Ramaswamy (2004b) assert that value is now the “result of an implicit negotiation between the individual consumer and the firm” (p.7) and is created only when goods or services are consumed (Gummesson, 1998). According to Kumar *et al.* (2010), customer value is determined by the intensity of customer engagement – in other words the sum of the components of CEV. Prahalad and Krishnan (2008) propose that value is created not just via interactions but via the experiences generated that are of value to the consumer – “value is shifting from products to solutions to experience” (p.24). These experiences become “strategic capital of value to
firms” (Ramaswamy, 2008, p.14) and are a combination of physical and emotional elements that customers are exposed to when they interact with the brand (Roberts and Alpert, 2010).

4.5.3 The Value Co-creation Process

Prahalad and Ramaswamy (2004b) state that co-creation is a method of creating value “through personalized interactions based on how each individual wants to interact with the company” (p.10). For Lusch and Vargo (2006), it “involves the (customer) participation in the creation of the core offering itself. It can occur through shared inventiveness, co-design, or shared production of related goods” (p.284). But co-creation is not just about value but innovation too (O’Hern and Rindfleisch, 2009). Prahalad and Ramaswamy (2004b) propose that co-creation is a result of four interactions, namely Dialogue, Access, Risk-benefits, and Transparency (DART), see Figure 4.3.

![Diagram of DART Building Blocks of Interactions for Co-Creation of Value](image)

**FIGURE 4.3: DART BUILDING BLOCKS OF INTERACTIONS FOR CO-CREATION OF VALUE**

Dialogue is important because markets are now defined as conversations between the consumer and firm (Levine et al., 2001), although there are also conversations amongst consumers. But Prahalad and Ramaswamy (2004b) argue that dialogue is difficult without the granting of access to, and transparency of, information. The final building block, risk, refers to risk-benefit balance. By being too transparent, the firm risks revealing too much,
but too little and it could lose customers. But the rewards for both parties for sharing information can be high.

**Crowd-sourcing**: Crowd-sourcing describes the process by which the power of the many can be brought together on the internet to build and to innovate (Howe, 2008). Chakravorti (2010) describes this as “harnessing distributed intelligence” (p.98) and gives Dell’s IdeaStorm and Starbucks’ MyStarbucksIdea.com as examples of crowd-sourcing platforms, which were both introduced to turn around the fortunes of these companies. Increasingly, brands are testing crowd-sourcing, notably in advertising, largely as a riposte to agencies’ high fees (Sweeney, 2010).

**Co-creation in Action**: There are increasing examples of co-creation in the marketplace. LEGO Group has cultivated certain members of online brand communities and co-creation has not only delivered product innovations but also brand development and a change in LEGO’s organisational structure (Hatch and Schultz, 2010). Threadless.com, a T-shirt manufacturer that enables consumers to submit designs online, does not just limit co-creation to ideation and product development but includes marketing and post-launch activity (Hoyer *et al.*, 2010). Orange interacts with Facebook users and bloggers and discusses its latest product launches with them, and its Lab’Orange forums enable beta-testing of products in advance of launches, a fine-tuning via co-creation (Ramaswamy, 2010).

**4.5.4 The Path to Innovation**
The problem faced by many companies is not how to gain a competitive advantage – but how to sustain it (Wilson and Gilligan, 2005). According to Piercy (2002), the answer lies in continuous innovation. According to Rogers (1995), “an innovation is an idea, practice, or object that is perceived as new by an individual or other unit of adoption” (p.11). But Wind (1996) emphasises that the importance of innovation is not limited to NPD and that technology
offers an “increasing number of opportunities for innovation in distribution and marketing practices” (p.7), for which the Author reads ‘Web 2.0’. Rogers (1995) proposes that innovation is communicated through a social system via the process of diffusion, which he describes as a “kind of social change” (p.6). The Author suggests that social media are thus the perfect media for an innovation to be communicated because they are, by nature, social. As a cautionary note, Thomke and von Hippel (2002) assert that “tapping into customer innovation can certainly generate tremendous value, but capturing that value is hardly a simple or straightforward process” (p.74). They add that this re-defines the customer relationship, which can be risky.

**Value Innovation**: Poiesz and van Raaij (2007) suggest that value and innovation go hand-in-hand. An example of this is Kodak, which went against the grain and launched high cost printers for consumers but with low cost ink cartridges (Cravens and Piercy, 2009). Value innovation is defined as “creating new value propositions… that lead to increased customer satisfaction, loyalty and – ultimately – sustainable, profitable growth” (Mazur, 1999, cited in Piercy, 2002, p.76). Kim and Mauborgne (2005) define it as not “focusing on beating the competition” but “making the competition irrelevant by creating a leap in value for your buyers and your company” (p.12). For them, value without innovation does not make the brand stand out, whilst innovation without value tends to be too technology-driven or advanced, exceeding the needs of the customer. They cite Yellow Tail wines in the US and the US auto industry as examples of successful value innovation. Despite this, in a later paper, Kim and Mauborgne (2009) argue that what decides success or failure is not innovation, but strategy alignment.

**4.5.5 Social Media as a tool for Competitive Advantage**

Wilson and Gilligan (2005) are explicit that sustainable competitive advantage will increasingly depend on the core competencies of the organisation. But
according to Wind and Rangaswamy (2001), success used to depend on marketing power. Now, they argue, “success depends much more on finesse – ability to deploy effort into areas that generate higher customer value than the added cost of providing that value” (p.25). The Author suggests that one of these areas is social media – where value can be co-created which will help develop a competitive advantage. This is supported by Prahalad and Ramaswamy (2004b) who state that “high-quality interactions that enable an individual customer to co-create unique experiences with the company are the key to unlocking new sources of competitive advantage” (p.7).

For example, for the firm this value can result from efficiency savings via consumers viewing FAQs on a user forum (instead of using a toll-free phone number that costs the firm), or via mining customer comments on products in online forums (instead of costly market research) (Hoffman and Fodor, 2010). But by far the greatest value will be created by WOM because of the superior effectiveness of consumer-to-consumer communications and its superior ability to influence over traditional media (Brown et al., 2007). The fact that an Inc. magazine study found that 82% of the fastest-growing private companies use WOM techniques (Ferguson, 2008) is commercial evidence that social media are a great source of value and advantage.

However, Ferguson (2008) questions the durability of WOM:

> The unanswerable question, of course, is whether the WOM campaign will have staying power. Does a successful WOM event build brand loyalty that translates into increased customer lifetime value (CLV)? Or does it simply deliver a temporary boost on par with other one-off promotions? (p.181).

But the Author found no evidence that academia sees social media as directly giving the organisation a competitive advantage.

**Practitioner perspective:** McKinsey (2007) carried out an online discussion with CEOs and senior managers of UK and US corporations. Although not an empirical study, the report suggests that views differ as to whether social media offer a strategic competitive advantage. Some think Web 2.0 can offer
long-term advantage, others think it is fleeting until the ‘pack’ catches up with them. But, others think that Web 2.0 enables them to do business differently, internally and externally, and thus offer some sustainable advantage.

4.6 BRAND BUILDING VIA SOCIAL MEDIA

4.6.1 Introduction
In Chapter 3, it was revealed that branding is more important than ever since it facilitates differentiation and competitive advantage. It was also shown how branding and strategy are related and how vital is the need to build brand equity in the current environment. The chapter also revealed the challenges facing brands, including erosion of trust and loss of control. With the above in mind, this section explores how social media can build brands.

4.6.2 Brands and Branding in the Web 2.0 era
Academics have sought to define a role for brands in the age of Web 2.0. A brand should consistently communicate the firm’s value proposition (Roberts and Alpert, 2010). In the new era, it is now suggested that brands no longer merely act as signals or identifiers for consumers, but are equated with experiences (Pine and Gilmore, 1998; Schmitt, 1999, 2000; Christodoulides and de Chernatony, 2004). It is also recognised that brands are “social objects and socially constructed” and that “consumers are actively involved in that creation” (Muniz and O’Guinn, 2001, p.427). This shift in emphasis of the brand means a change in how marketers manage brands. Christodoulides (2009) says that marketers can no longer act like ‘control freaks’ and that:

...the brand manager who used to be custodian of the brand has now become a host whose main role is not to control (this is impossible) but to facilitate this sharing; (p.143).

Practitioner perspective: Weber (2009) argues instead that today’s brand is a “living, changing thing” (he cites Google as an example) that is “based on the dialogue you have with your customers and prospects – the stronger the
dialogue, the stronger the brand”, (p.36). Li and Bernoff (2008) state simply that, “your brand is what your customers say it is”, (p.78).

4.6.3 How to Build Brands via Social Media

Brand equity consists of five assets that contribute to the value of a brand: brand loyalty, brand awareness, perceived brand quality, brand associations, and other brand assets such as trademarks or patents (Aaker, 1992). It follows that increasing the value of an asset, such as awareness, increases the equity. Awareness can be created by “releasing information to the firms’ consumer community and via other social media tools resulting in ‘buzz’ about the product or service” (Hoyer et al., 2010, p.291).

An example of raising awareness is the Dove ‘Campaign for Real Beauty’ (Deighton, 2007; Mangold and Faulds, 2009). The ‘Evolution’ video told in just over a minute the story of how artificial a magazine cover girl’s image is, and in doing so “sparked millions of online conversations as the content flowed frictionlessly across YouTube and the blogosphere”, (Meadows-Klue, 2008, p.249). Christodoulides (2009) relates how co-creation can build brand equity quickly by facilitating the origination and sharing of user-generated content (UGC) on sites such as YouTube and Wikipedia.

Practitioner perspective: Li and Bernoff (2008) state that “word-of-mouth is a powerful amplifier of brand marketing, achieving results no media campaign can achieve”, (p.130). Via their ‘Talking’ strategy (see Appendix A), they suggest various four ways of brand building (and the problem they each address) – posting a viral video (awareness), engaging with consumers in social networks (lack of WOM), writing blogs (complexity), and creating specific online communities (accessibility). Perhaps the most well-known example of impactful brand building via viral video is Blendtec’s ‘Will it blend?’ campaign (Li and Bernoff, 2008; Weber, 2009; Hoffman and Fodor, 2010) which showcases videos of its premium kitchen blenders blending unusual
objects such as an iPhone, coke cans, a garden rake, and most recently, a vuvuzela. The on-going campaign has increased sales by 700% since November 2006 (Taylor, 2010), and built a strong dialogue with its customers. Another example is Ford’s Fiesta Movement, a pre-launch activity in 2009 for the car’s entry to the US market (Kiley, 2009). Ford gave a hundred Americans a Fiesta to drive, and the results of their blogging, uploads to YouTube, Facebook activity and ‘tweeting’ have raised awareness of the Fiesta – unknown in the US – amongst Generation Y to 37%. This is equivalent to hundreds of millions of dollars of traditional advertising spend (Kiley, 2009). According to Jim Farley, then the CMO, “you can’t just say it. You have to get the people to say it to each other” (Kiley, 2009).

4.6.4 The Impact of Online Brand Communities
According to Muñiz and O’Guinn (2001) “a brand community is a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand” (p.412). These communities are now able to exist online as ‘virtual’ brand communities, and these can exert tremendous influence on a brand by nature of the members within it (Casaló et al., 2008). A good example is the Lego Users Group Network (LUGNET), a global community of thousands of Lego enthusiasts created by Adult Fans of Lego (AFOL), which acts as a support forum (Hatch and Schultz, 2010; Li and Bernoff, 2008). Not only can brand communities assist in innovation via co-creation – Antorini (2007) describes 205 user-driven Lego innovations (cited in Hatch and Schultz, 2010) – but they enable brand engagement by encouraging dialogue, giving access to information and offer transparency (Prahalad and Ramaswamy, 2004b; Hatch and Schultz, 2010).

Practitioner perspective: Li and Bernoff (2008) cite P&G’s beinggirl.com – a community site about everything that young girls deal with – as a successful example of a brand community’s effectiveness. It attracts more than 2m
visitors a month worldwide and traffic in 2007 was up over 150%. According to P&G, the site is four times as effective as advertising in reaching its target consumers (Li and Bernoff, 2008).

**Challenges to the Brand from Communities:** Muniz and O’Guinn (2001) caution that a strong brand community can present a threat if it rejects marketing initiatives designed to change the brand. A similar cautionary note was made by Quinton and Harridge-March (2010) when they cite Neisser (2006) who talks of ‘brand democratisation’, whereby consumers can manipulate corporate messages. Davidson and Copulsky (2006) reveal the sway that webmavens have – just one or two giving negative feedback can impugn brand reputation. But it does not have to be a webmaven – two employees of Domino’s Pizza uploaded a video showing disgusting behaviour behind the counter and the brand image suffered and revenues declined (Beaubien, 2009, cited in Hennig-Thurau et al., 2010).

4.6.5 How the Social Web restores Trust in Brands

Wilson and Gilligan (2005) propose that in this age of transparency, brands must be trusted by consumers if they are to succeed. They support the idea of ‘trust brands’, in which customers have a deep-seated faith and which instill loyalty (Edwards, 1998). Evidence suggests that messages received via social media are more believable and trusted than those received via conventional media (Meadows-Klue, 2008; Constantinides and Fountain, 2008; Gillin, 2009). It is even suggested that a posting on a discussion forum can give legitimacy to a product (Mortensen and Walker, 2002, cited in Harridge-March and Quinton, 2009). As if in a nod toward ‘trust branding’, Casaló et al. (2008) state that “trust placed in a virtual community may increase the levels of participation in that community” (p.32).

**Practitioner perspective:** According to Li and Bernoff (2008), 83% of consumers they surveyed said they “trust recommendations from friends and
acquaintances, and more than half trusted online reviews from strangers”, (p.102). But to generate trust, the endorsement does not have to come from the fellow consumers – Li and Bernoff, (2008) reveal that Hewlett Packard has over 50 blogs which “generate trust because they are personal statements from executives”, (p.109). However, trust is not guaranteed. Although the young welcome brands’ presence on social networking sites “over half say they will stop using a network if it becomes too commercialised”, (Clifford-Marsh, 2009). Sometimes brands get it wrong too, with fake blogs in the case of Cillit Bang and Wal-Mart, and fake consumer comments in the case of Sony (Palmer and Koenig-Lewis, 2009), or abuse of Twitter in the case of Habitat (Datamonitor, 2009; Townsend, 2009).

4.7 CONCLUSION TO CHAPTER 4: THE PROMISE OF SOCIAL MEDIA

It is now recognised by organisations that a customer engagement strategy enables them to develop deeper, long-term relationships with committed customers that can lead to a competitive advantage. Social media enable organisations to re-connect with their customers because they provide the interaction that is so needed in developing engaged customers. Consumer behaviour in the groundswell has a hierarchy, indicating varying levels of consumer engagement, and social media enable firms to identify their most critical and influential customers. Organisations that harness social media and interact with its appropriate segments can turn the hitherto adverse conditions in the marketing funnel to their advantage using WOM to influence buyer behaviour. Companies must have market-orientation as a stated objective because it can lead to competitive advantage. Social media can play a very important part in this by enabling the organisation to listen to what consumers are saying amongst themselves, enabling the organisation to learn and develop improved marketing strategies. Employee empowerment is a crucial aspect of creating a market-oriented company and involves engaging
employees, turning all of them into marketers and brand advocates, and improving strategy execution. Social media play an important role in this because they provide the internal and external communication tools and encourage innovation within the ‘mini-groundswell’.

Social media can play a crucial role in value creation and innovation because they facilitate the close interactivity and collaboration necessary for both processes. Co-creation offers the unique experiences which provide value, and improves the organisation’s efficiency and effectiveness, all of which can lead to a sustainable competitive advantage. Value innovation provides new areas of innovation for the organisation, and social media such as blogs and virtual communities provide better and faster ways to innovate, offering a subtler way of gaining a competitive advantage than traditional activities. However, merely adopting social media does not guarantee competitive advantage – only the organisation’s competency in using them can provide this.

Brands are an important way that organisations can differentiate in an increasingly commoditised world. They do this by communicating the organisation’s value proposition and they are not just an identity for a brand but provide an experience as well. Social media are increasingly able to offer consumers brand experiences and a brand is what the consumer thinks it is, not what the brand manager says it is. The latter has lost control with the advent of Web 2.0 and is now a facilitator rather than controller of the brand. The transparency provided by the internet means that consumers increasingly buy or recommend brands that are seen as reliable and honest, but social media offer a way for brands to interact with consumers and gain or restore trust. However this means that brands can also suffer deliberate or inadvertent damage via consumer or organisational actions. Social media thus offer a way to build brand equity, with WOM being a very efficient and
effective method of raising awareness, especially when endorsed by consumers. In summary, social media do appear to offer positive answers to the questions raised at the beginning of the chapter regarding their ability to solve marketing’s challenges.

4.8 CONCLUSION TO THE CRITICAL LITERATURE REVIEW
The Author’s aim in this conclusion to the critical literature review is to make overall sense of the academic and practitioner material that has been uncovered in the course of reading, and introduce the conceptual framework.

4.8.1 The Conceptual Framework
As originally stated, one of the aims of the literature review is to develop a conceptual framework which can be explored via further research. The framework that has been developed is in two tiers (see Methodology, 5.3.2, Table I). The top tier is that marketing is in decline, and that social media can reverse this decline. The second level is a more detailed version of the top tier and is represented by the nine challenges for marketing identified in Chapter 3 (The Decline of Marketing) and the corresponding eight questions for social media constructed as a response in Chapter 4 (The Promise of Social Media). The Author posits that social media must satisfactorily answer the eight questions if marketing’s decline is to be halted or reversed, and if social media are to live up to the title given to Chapter 4. To what degree they address these questions will ultimately show the extent to which marketing strategy is impacted by social media, and thus answer the Problem, although the conclusion to Chapter 4 above gives a provisional but positive view.

4.8.2 Discussion
The Author has reflected on the literature review and has the following points to make. Firstly the title of this dissertation can be misleading and suggests that the study is all about social media. In fact, the reverse is true. This study is more about marketing strategy than it is about social media because it
explores their impact, not their properties, and it largely avoids examining the types of social media and their uses, as well as social media strategies. This study is thus very strategic in nature.

Also, in reading literature for Chapter 3, the Author was struck by the almost universal belief amongst academics that marketing is in decline and in a ‘mid-life crisis’, since as a marketing practitioner himself, he was distinctly unaware of this viewpoint. This is the overriding theme of the study and their anecdotal views make gloomy reading. However, he was buoyed by the optimism that the scholars seemed to have about social media and its ameliorating properties.

The lack of consensus amongst academics on a definition of both business strategy and marketing strategy, and on the choice of current marketing paradigm was also surprising. As Marketing Challenge 1 asks at the end of Chapter 3, if there is no agreement on major issues such as these, how can marketing thinking progress? The Author’s selection of value marketing as the paradigm is the only possible option if the many claims for social media are to be given any credence, although there were several other candidates (see Appendix B). With value marketing as the paradigm, the marketing strategy definitions of Cravens and Piercy (2009) and Doyle (2008), in which creation of value is central, make perfect sense and link perfectly with the concept of co-creation.

The loss of ascendancy of marketing was another dominant theme in the literature, although the Author wonders if this is as relevant to small-medium enterprises (SMEs). Surprisingly, it is no longer considered a ‘strategic activity’ (Poiesz and van Raaij, 2007). But the corresponding solution proposed, to disperse marketing competence across the organisation seems a perfect antidote, assisted by social media. Another crucial theme identified was the ‘core problem’ of commoditisation that Prahalad and Ramaswamy
(2004b) and others identified. With the marketing mix no longer providing differentiation, and a victim to the ‘spirals’ (Poiesz and van Raaij, 2007), the solution is value innovation, of the kind that Kim and Mauborgne (2005) talk about, which offers great leaps in value. Again, the literature suggests a role for social media in this via their ability to co-create experiences and generate innovative ideas (Prahalad and Krishnan, 2008).

Another key theme arising was the problems in the marketing funnel, with organisations ‘over-marketing’ and unable to influence the consumer in the way they used to. In the words of Li and Bernoff (2008), “marketers are used to shouting and looking for the echo” (p.125). The solution from the literature was again from the groundswell, which suggests using webmavens to influence fellow consumers (Harridge-March and Quinton, 2009; Li and Bernoff, 2008). A further theme concerns branding, which was shown to be rising in importance due to its ability to offer differentiation (Wilson and Gilligan, 2005), but is also under pressure from various forces. The literature showed that social media can help build brands e.g. Hoyer et al. (2010).

The above are the themes that aggregate to form the conceptual framework. But there are additional, strategic themes that need mentioning. The overriding strategic need to gain a competitive advantage is emphasised again and again, but there is no evidence that social media give an advantage per se, although the way they are used can. Another issue is the decreasing control of organisations and the corresponding rising power of the consumer. This demands that these organisations change structure and culture to better align themselves with the consumer (Piercy, 2002). Failures in strategy are revealed to result from a lack of strategy alignment (Kim and Mauborgne, 2009) or failure of employees to execute it (Aziza, 2010). For the latter, employee empowerment is proposed as a solution (Roberts and Alpert, 2010). Finally, a new phenomena in the form of experiences, are revealed to
be influential in co-creation activity, during customer engagement, and inherently part of the brand. The customer seeks out experiences, so “the next competitive battlefield lies in staging experiences” (Pine and Gilmore, 1998, p.98). This has no doubt led it to be a candidate for the new marketing paradigm (see Appendix B).

However, in the view of the Author, at the heart of the organisation’s activities and processes is customer engagement. With relationship marketing in question, a need for organisations to re-connect is required. The literature suggests that customer engagement will provide the interactions necessary to develop loyalty, build relationships and grow business. Social media offer the perfect way to assist this via their many tools that enable interaction between consumers and organisations (Verhoef et al., 2010). In this, the Author shares the view of Roberts and Alpert (2010), who summarise the situation thus:

Perhaps the main problem with all the bits and pieces of ideas that would promote customer engagement – branding to consumers, internal marketing within the company, and service delivery – is how to fit all these together (p.198).

It is this piecing together that the Author feels has not yet been done by any academic. From the evidence of the literature, he suggests that it may be social media that will act as the glue that sticks the pieces into one complete item again, restoring marketing to its rightful position at the table, able to create value for the organisation and assist it in gaining the competitive advantage it needs to survive and grow.
5.1 INTRODUCTION

5.1.1 Background
Research methodology is the theory of how research should be undertaken (Saunders et al., 2009), and is very philosophical in nature (Fisher, 2007), involving both the social and natural sciences (Bryman and Bell (2007). This is an inductive, phenomenological research study. For clarity, the term methods refer to techniques and procedures used to obtain data (Saunders et al., 2009). This chapter begins by justifying the approach to the study, then discusses the collection of secondary data and development of the conceptual framework. It then reveals the primary data collection approach and methods, and finishes by exploring data quality and the limitations.

5.2 APPROACH TO THE STUDY

5.2.1 Research Philosophy
The model in Figure 5.1 greatly aided the approach to this study because it enabled the Author to understand his research philosophy and what other factors would influence his business research.

![Figure 5.1: Influences on Business Research](image)


**FIGURE 5.1: INFLUENCES ON BUSINESS RESEARCH**

A philosophy is important because it “contains important assumptions about the way in which you view the world” (Saunders et al., 2009, p.108) and these assumptions can define the research strategy and its methods. The Author’s
reading led him to understand that his approach would be epistemological, interpretivist (phenomenological) and inductive in nature. Epistemology is what is acceptable knowledge in a subject or study (Bryman and Bell, 2007; Saunders et al., 2009; Jankowicz, 2005). Interpretivism (phenomenology) is derived from epistemology and the emphasis is on conducting research among humans rather than objects (Fisher, 2007; Blumberg et al., 2008). Since a conceptual framework needed to be constructed, an inductive approach (Saunders et al., 2009) was adopted. An additional factor, personal values (axiology) (see Figure 5.1), was also considered (Saunders et al., 2009; Jankowicz, 2005) because each of us has a “basic belief system or world view that guides the investigation” (Saunders et al., 2009, p.106). The final two factors to shape this study were the theory, as identified in the literature, and the practical considerations, such as how to obtain interviews.

**Justification of an Inductive approach:** In his original research proposal for this study, the Author quickly ruled out a deductive approach because there was no theory to test. This is supported latterly by his adopted philosophical approach – phenomenological – which seeks *understanding* rather than explanation of human behaviour. A deductive approach would have imposed a “rigid methodology that does not permit alternative explanations of what is going on” (Saunders et al., 2009, p.126) and which “purports to be conclusive” (Cooper and Schindler, 2008, p.72). True, the strength of inductive arguments is often weaker than those that are deductive (Fisher, 2007), so the Author accepts that the induction route must make a strong case in the findings. Fisher (2007) summarises the challenge succinctly: “Deductions are certainties but inductive conclusions are probabilities. The trick is to make sure that the balance of probabilities is favourable” (p.96).

**A Critical Approach:** By adopting a critical approach, the researcher is more open to alternative ways of thinking (Currie and Knights, 2003, cited in
Quinton and Smallbone, 2006). It is not just descriptive or critical of others’ work but asks questions about the significance of the material (Bryman and Bell, 2003). The researcher needs to approach the topic with a sceptical attitude but be able to reflect on the material and make reasoned judgements (Quinton and Smallbone, 2006). Thus the process is one of ‘appraisal’ rather than ‘critique’ in examining the arguments. The ability to think critically is important as it leads to improved creativity (Quinton and Smallbone, 2006).

5.2.2 The Research Path
The Author also adopted the research ‘onion’ model of Saunders et al. (2009). Its structure is a useful metaphor for the research process (Figure 5.2).

![Figure 5.2: The Research Onion](image)

Source: Saunders et al., 2009, p.108.

**FIGURE 5.2: THE RESEARCH ONION**

The model shows the research process, and the path taken by the Author in the research has been overlaid onto it. Each layer of the ‘onion’ is a stage in the process at which important decisions must be made.

**Construction of the Argument:** It was stated earlier that a dissertation should be a proposition held up by argument. Fisher (2007) proposes two ways of constructing an argument. The first, the dialectic, was not appropriate
here*. The second is a four-stage process of: Stating the Problem, Abduction (of an explanation for the cause of the Problem); Deduction (inferences made as a result that can be tested or explored); and Induction (primary research confirms inferences). This is broadly the approach for this whole study.

5.3 SECONDARY DATA COLLECTION – THE LITERATURE REVIEW

5.3.1 Background
The broader purpose of the literature review is to “remove the need to rediscover knowledge that has already been reported” (Fisher, 2007, p.78). Jankowicz (2005) concurs saying “there is little point in reinventing the wheel” (p.161). Ghauri and Grønhaug (2005) suggest three purposes: To frame the problem; to identify concepts and facts; and to position the study (so that it can add something new). Saunders et al. (2009) identify two main purposes, depending on the study approach. One assists in identifying theories to be tested (deductive), the other in exploring data to develop theories to be tested (inductive). These concepts are explored in the ‘Research Approach’ below.

Advantages and Disadvantages of Secondary data: Ghauri and Grønhaug (2005) state that the main advantage of secondary data is to save time and money for the researcher. They are also easy to access and provide a method of comparison to understand the primary data generated in new research. The disadvantages, according to Ghauri and Grønhaug, include the fact that the data have been collected for another study not the one in question, and so do not ‘fit’. Also the information derived might be inaccurate.

5.3.2 The Literature Review process
The Author developed his own process for his literature review based on two main texts (Saunders et al., 2009, p.69-75; Fisher, 2007, p.317-8).

Search for literature: The literature search process used for this study is shown in Appendix D. The Author was mindful of the requirement to have

* The dialectic is a type of argument. There are several forms of the dialectic and Fisher (2007) refers to that associated with Hegel, whereby a thesis (idea) is contradicted by an anti-thesis (another idea), from which a third idea (synthesis) emerges which is closer to the truth than its predecessors (Oxford, 1998).
authoritative i.e. peer-reviewed, academic literature (Quinton and Smallbone, 2006) to ensure validity (see below) of the research. However, this was difficult since journals are by nature very dated. Thus some practitioner literature was included when appropriate but because this was not peer-reviewed it was kept to a minimum. Over 300 sources were identified and examined. Most of these have been placed into a combined Reference list and Bibliography which appears at Appendix O. This uses the Harvard System of referencing.

**Evaluation of literature:** The Author used various means to evaluate literature (Saunders et al., 2009; Cooper and Schindler, 2008; Lancaster, 2005). Titles, abstracts, summaries and conclusions were all key in determining relevance. Enough material was judged to be gathered when searches repeatedly identified sources already read (Saunders et al., 2009).

**Sorting the data:** Both Saunders et al. (2009) and Quinton and Smallbone (2006) recommend researchers find their own systematic way of categorising secondary data. The Author used his own existing tabular system where specific details of articles were recorded – these formed the basis of the reference list at the back of the dissertation.

**Reading and extracting data:** Texts were initially read using the ‘skim and scan’ method. Passages of interest were read using a critical reading approach (Quinton and Smallbone, 2006). Fisher (2007) suggests adopting a ‘forensic critique’, which is “the process of testing academic ideas to assess their usefulness” (p.94). Quinton and Smallbone (2006) provide two frameworks for deconstructing journal articles, one for those based on primary data, and one for those based on theory. In reading, themes that became apparent were noted and arranged by importance and relevance. Data was then extracted, arranged and coded under these themes.
**Literature review structure:** Quinton and Smallbone (2006) suggest several, different structures for a literature review. The Author used their ‘linked themes’ method (p.151) whereby the themes and concepts that arose out of the literature review were linked together and framed within its three chapters. Critical reading had revealed two underlying themes – that marketing was facing challenges, and that social media might provide solutions.

**Conceptual Framework:** From the critical analysis of the literature, the Author constructed a conceptual framework (Fisher, 2007) – see Table I.

**TABLE I: THE CONCEPTUAL FRAMEWORK**

<table>
<thead>
<tr>
<th>Problem</th>
<th>Possible solution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TIER 1 CONCEPTUAL FRAMEWORK</strong></td>
<td></td>
</tr>
<tr>
<td>Marketing in decline.</td>
<td>Social media can reverse the decline.</td>
</tr>
<tr>
<td><strong>TIER 2 CONCEPTUAL FRAMEWORK</strong></td>
<td></td>
</tr>
<tr>
<td>1 No agreement on current marketing paradigm.</td>
<td>Value-based marketing.</td>
</tr>
<tr>
<td>2 Loss of ascendancy of marketing.</td>
<td>Disperse marketing competence across organisation - everyone can become a marketer for the firm via social media.</td>
</tr>
<tr>
<td>3 Value creation increasingly difficult.</td>
<td>Co-creation aided by social media.</td>
</tr>
<tr>
<td>4 Increasing difficulty to innovate.</td>
<td>Value innovation and co-creation of products, services, practices and ideas, aided by social media.</td>
</tr>
<tr>
<td>5 Traditional marketing techniques increasingly ineffective at influencing buyer behaviour.</td>
<td>Social media offer new way to influence consumer in the marketing funnel.</td>
</tr>
<tr>
<td>6 Relationship marketing no longer delivering - there's a need to reconnect with customers.</td>
<td>Customer engagement strategies in which social media play important role.</td>
</tr>
<tr>
<td>7 Marketing mix increasingly producing commoditised offering, hard to gain competitive advantage.</td>
<td>Social media can offer a new route to competitive advantage.</td>
</tr>
<tr>
<td>8 Need to build trust in brands, and brand equity in order to differentiate and gain competitive advantage.</td>
<td>Social media can help restore trust in brands and build brand equity.</td>
</tr>
<tr>
<td>9 Marketing in 'mid-life crisis'.</td>
<td>Increase market orientation by becoming listening organisation, and employee empowerment – using social media.</td>
</tr>
</tbody>
</table>
This is also known as a ‘theoretical framework’ (Sekaran, 2003), or ‘analytical framework’ (Jankowicz, 2005) and is a series of patterns of concepts and their interconnections (Fisher, 2007). It arose from the marketing challenges identified at the end of Chapter 3, and from the questions concerning social media’s abilities to address them that were posed at the beginning of Chapter 4. These questions are the research questions which are subordinate to the research problem but are key questions that the study addresses and are directly linked to the objectives (Saunders et al., 2009). They are not to be confused with the investigative questions (Cooper and Schindler, 2008).

5.4 PRIMARY RESEARCH DESIGN

5.4.1 Purpose of the Study
Sekaran (2003) argues for purposiveness in research, citing the need to solve a well-identified problem instead of “aimlessly looking for answers to vague questions” (p.422). Saunders et al. (2009) and Sekaran (2003) state the purpose can be exploratory, descriptive, or explanatory. Instead of ‘explanatory’, some authors use the term ‘causal’ (Blumberg et al., 2008; Cooper and Schindler, 2008; Ghauri and Grønhaug, 2005), whilst Sekaran (2003) uses the phrase ‘hypothesis testing’. Some studies can have more than one purpose (Saunders et al., 2009).

An Exploratory and Explanatory study: After reviewing the purpose of study options (see Appendix J), the Author decided that this study was both exploratory and explanatory. Firstly, much is not understood about social media’s effects on strategy and more information needs to be uncovered i.e. explored. Secondly, the Problem has two variables, marketing strategy and social media, suggesting that one has a causal relationship on the other.

5.4.2 Primary Research Strategy
Saunders et al. (2009) list seven strategies that can be employed in research, Jankowicz (2005) lists four ‘methods’, whilst Fisher (2007) refers to them as
‘designs’. Based on the above, the Author was able to rule out methods such as experiments, case study, action research, surveys, and ethnography (explicatory). A grounded theory strategy (Glaser and Strauss, 1967) is classic of the inductive approach (Saunders et al., 2009) and further support for this is the fact that data collection began before a theoretical framework had been developed (Saunders et al., 2009). This is reinforced by Bryman and Bell (2007) who state that induction involves theory-building via observation or findings (in this case via secondary research).

5.4.3 Primary Data Collection choices

Qualitative mono-method research: Bryman and Bell (2003) state that qualitative research is synonymous with collection of data involving words and is “inductivist, constructivist (subjective), and interpretivist” (p.731) and has an emphasis on understanding, is not controlled and is subjective (Ghauri and Grønhaug, 2005). Conversely, quantitative research is synonymous with collected data that is numerical and is “deductivist and objectivist” (Bryman and Bell, 2003, p.731). Hence the study involves qualitative research using a single (mono) data collection method. The Author saw no benefit from combining two different qualitative data gathering activities (multi) for a first study (Saunders et al., 2009).

Time horizon: A cross-sectional time horizon was selected instead of a longitudinal study because a ‘snapshot’ (Saunders et al., 2009) or ‘one-shot study’ (Sekaran, 2003) of the situation was all that was required.

5.5 PRIMARY DATA COLLECTION

5.5.1 Data collection method

Myers (2008) states that interviews offer an excellent ‘window’ into an organisation. The Author rejected group interviews and focus groups because he was not exploring a single theme or collective attitude (Lancaster, 2005). One-to-one interviews were selected as it offered the best way of achieving
the research objectives. They can be formal and structured or informal and unstructured, or they can be halfway between (Saunders et al., 2009; Ghauri and Grønhaug, 2005; Myers, 2008).

**Semi-structured interviews:** The semi-structured interview format was selected because it offered the best of both structured and unstructured interviews – a developed line of questioning but with scope for improvisation (Myers, 2008). Blumberg et al. (2005) describe the semi-structured interview:

…two main objectives: on the one hand, the researcher wants to know the informant's perspective on the issue but, on the other, they also want to know whether the informant can confirm insights and information the researcher already holds (p.378).

It offers flexibility for the interviewer, whilst the respondent has considerable leeway in how to reply (Bryman and Bell, 2003). New questions might emerge although there is consistency across interviews (Myers, 2008). The downside can be that sometimes respondents are not talkative (Myers, 2008).

### 5.5.2 Origination of Themes and Question design

**Designing the Interview Guide:** To aid question design, a table was produced in which the themes from the literature review were linked to academic sources (see Appendix H). The target questions which enable investigation to occur were developed as open-ended questions (Birn, 2000) – Cooper and Schindler (2008) term them ‘free-response questions’. They enable deeper insights to be gained (Lancaster, 2005). The ‘How?’, ‘Why’? and ‘What?’ style questions developed suited the research objectives. Probe questions were included (Saunders et al., 2009). The list of questions is available in Appendix E. Some closed questions were included to elicit definitive answers where required (Saunders et al., 2009).

**Pilot Testing:** The purpose of a pilot test is to refine the questions to check that respondents understand them, to check the questions’ validity and that reliable data will be collected (Saunders et al., 2009). Birn (2000) suggests that a pilot must be carried out on genuine target respondents and that most
failures in market research occur as a result of poor piloting. Following the pilot test, some adjustments were made to the interview questions e.g. Q5 was added to ask about the importance of gaining a competitive advantage with regards to strategy. These changes are detailed in Appendix F.

**Respondent Guide:** A respondent guide (see Appendix G) was sent to interviewees to prepare them for the interviews. This is recommended as it promotes credibility, validity and reliability (Saunders *et al.*, 2009).

### 5.5.3 Selection of Organisational and Individuals

**Sampling:** Non-probability sampling was used (Cooper and Schindler, 2008). Purposeful sampling was also employed, which Fisher (2007) defines as “identifying the people who have answers to the questions you want to ask” (p.168). Snowball sampling (Fisher, 2007; Blumberg *et al.*, 2008) was also used, which involved referrals to other individuals, again to the same criteria.

**Organisation and Interviewee selection process:** To identify organisations, the Author used a variety of sources including engagement reports (Engagementdb, 2009; cScape, 2010). There was no bias towards any industry or sector, and individuals were identified via Google or the marketing media and approached by telephone, email or LinkedIn. People in mid-senior level roles were preferred for the superior insight they might offer. The individuals, their titles and roles, and organisations are revealed in Appendix I.

### 5.5.4 Data collection

**Interviewing and transcription:** All interviewing was conducted via telephone calls. This method has various advantages e.g. speed, and disadvantages e.g. lack of ‘personal’ contact (Bryman and Bell, 2003; Saunders *et al.*, 2009). Digital audio recordings were made and copied to a PC. Care was taken to ensure all utterances were transcribed for accuracy and to generate trust in the content of the interviews (Bryman and Bell, 2003). Transcriptions were sent to respondents for checking, a process known as
data cleaning (Saunders et al., 2009), accompanied by the Findings to confirm accuracy. A full sample transcript is attached at Appendix L.

5.5.5 Research Ethics
Research ethics are defined as the application of moral principles in “planning, conducting, and reporting the results of research studies” (McNabb, 2002, cited in Myers, 2008). As such, researchers have a moral responsibility to undertake research honestly and accurately (Ghauri and Grønhaug, 2005). This was done by following the Oxford Brookes University’s Code of Practice (OBCoP, n.d.) and using the Business School ethics review checklist (Appendix N). Informed consent was obtained from the interviewees, and the benefits of the study and their rights were explained – see Appendix M, (Blumberg et al., 2005). Overall, the golden rule of research was observed: “Do unto others as you would have them do unto you” (Myers, 2008, p.46).

5.6 PROCESSING AND ANALYSIS OF THE PRIMARY DATA

5.6.1 Approach
Analysis is the process of converting data into information for decision making (Lancaster, 2005). Saunders et al. (2009) mention two analytic approaches, deductive or inductive. The latter is a difficult approach for inexperienced researchers because they omit examining emerging themes as they process the data (Yin, 2003). Although overall this study is an inductive one, in reality most analytical research uses both approaches (Saunders et al., 2009).

5.6.2 Qualitative Data Analysis Strategy
The Author reviewed many techniques (strategies) for qualitative analysis from different researchers (see Appendix K) and selected data display and analysis strategy. In the Author’s view there is some confusion over this term. Saunders et al. (2009) list it as a distinct strategy, like grounded theory. However, Fisher (2007) appears to describe it loosely as ‘case study analysis’ and Lancaster (2005) states that it is a three-step process that all qualitative
data analysis follows. The strategy is based on the work of Miles and Huberman (1994) who state the process consists of three components: Data reduction, Data display and Conclusion drawing and verification. This forms the basis of the unit of analysis for this study which is “the way that you choose to analyse your data” (Quinton and Smallbone, 2006, p.107).

5.6.3 The Unit of Analysis

Data reduction: The process used was open (descriptive) coding – the Author assigned codes to sections of transcribed interview text which represented or belonged to the themes from the conceptual framework (Ghauri and Grønhaug, 2005; Myers, 2008). However, the danger of coding is losing the context of what is said, and fragmentation (Bryman and Bell, 2003).

Data display: Krueger and Casey (2009) suggest a classic, manual approach to data reduction and display via cutting up of printed transcript sections and arranging them in categories on a long table. However, the Author’s approach was mainly electronic using a method akin to the template analysis method (Saunders et al., 2009). Using the conceptual framework as a ‘skeleton’, ‘flesh’ was gradually put onto the bones, with each data item being coded with letters and a number, until a hierarchical structure (Fisher, 2007) was created (see Figure 5.3). This completed the categorisation begun in data reduction.

- Importance of branding for organisations.
  - What brand represents
  - Customer service PS3, PS4, PS23
  - Conversations PS27
  - Brand objectives PS5
    - Move away from ‘functional advertising’ CC3
    - Building an intimacy, emotional engagement to cue the brand CC6
    - Example of functional advertising CC5
    - Being able to cue the brand CC7, CC8
  - Brand values PS6, PS13, PS14, PS28, PS29
    - No communicating brand value DC37
    - Trust SV14
    - Sense of ownership SV14
  - Brand benefit PS7
  - Brand experience PS12

FIGURE 5.3: EXTRACT FROM THE DATA DISPLAY DOCUMENT
Conclusion drawing and verification: Ghauri and Grønhaug (2005) describe this phase as the interpretation. Some conclusions had already emerged naturally during the process of data reduction and display (Lancaster, 2005). In fact, Birn (2000) states that the analysis process is ongoing throughout the research. The hierarchical structure of the data display template enabled a precedence of responses to be established, further aiding conclusion. Verification was carried out, whereby the ideas expressed in the conceptual framework were reconciled with the categorised data (Lancaster, 2005).

5.7 DATA QUALITY

Data is ‘raw material’ but this data must be processed into information to aid problem-solving (Lancaster, 2005). It follows that poor data provides bad information. So during research, reducing the possibility of getting the ‘wrong’ answer – essentially ensuring credibility – is a concern for the researcher (Saunders et al., 2009). So the Author considered the issue of data quality, specifically its reliability, validity, generalisability and potential for bias.

5.7.1 Reliability

Reliability in qualitative research is to do with consistency – whether other researchers would yield the same findings (Quinton and Smallbone, 2006; Easterby-Smith et al., 2008). Some researchers acknowledge the possibility that the secondary data they use might have reliability issues (Quinton and Smallbone, 2006; Ghauri and Grønhaug, 2005). The Author also considered interviewer bias (Saunders et al., 2009) where the comments or behaviour of the interviewer causes bias in the way respondents reply or in the way the researcher interprets information. The Author attempted to avoid this in interviews by adhering to the interview guide and adopting a critical approach to the analysis. Also, by going through an exhaustive process above for choosing the method of analysis, it is hoped that reliability was improved.
Quinton and Smallbone (2006) give five ways of improving reliability of research (p.130). The Author concentrated on two of them – the need to use different data sources, and to use different data collection tools. A very wide variety of data sources were used in the literature review, as evidenced by the reference list. To improve data reliability and validity, triangulation was used (Saunders et al., 2009). Triangulation is the collection of data via “different methods” (Ghauri and Grønhaug, 2005, p.221) or via “two or more methods” (Lancaster, 2005, p.6). Figure 5.4 below shows how this was achieved.

![Figure 5.4: Triangulation as used for this study](image)

One method of primary data collection was used in this study and by using academic (‘peer-reviewed’) literature and practitioner sources, three sources have contributed to the findings of the study.

5.7.2 Validity
Validity concerns whether findings are really about what they seem to be about (Saunders et al., 2009), or whether the full knowledge and meanings of respondents have been gained (Easterby-Smith et al., 2008). Many dimensions of validity are described in research literature (Cooper and Schindler, 2008; Lancaster, 2005). Quinton and Smallbone (2006) point out that the types of validity relevant are determined by the philosophical approach. The Author argues that only internal validity is relevant here.

**Internal validity:** This is the extent to which a research method measures what is supposed to be measured, or “was what was found a response to the
questions originally asked?” (Quinton and Smallbone, 2006, p.127). The Author suggests that for this study the internal validity is average. Most respondents addressed questions directly, however some did not.

5.7.3 Generalisability
For the purposes of this research, generalisability and external validity are one and the same (Quinton and Smallbone, 2006; Lancaster, 2005). Both refer to the degree to whether research findings can be applied to other situations or contexts (Quinton and Smallbone, 2006; Ghauri and Grønhaug, 2005). The generalisability issue of this study is whether the findings from the interviews are representative of other companies. Sekaran (2003) argues that because qualitative studies involve small samples, the generalisability is very restricted. However, Quinton and Smallbone (2006) argue that it is the quality of theoretical deductions that ensures that qualitative research is generalisable. The Author’s view is that due to the good choice of companies and individuals as a result of the purposeful and judgemental sampling methods, and because a good framework was created to evaluate respondents’ opinions, a good degree of generalisation has been obtained.

5.7.4 Bias and Currency
In secondary research, Quinton and Smallbone (2006) highlight the possibility of bias occurring when forming opinions from academic texts of a certain geographic, cultural origin or setting. The Author points out that much material was US-centric. In the primary research, the Author minimised bias via careful sampling, and omitting as few questions in interview as possible (Ghauri and Grønhaug, 2005). Interviewer and respondent bias was limited by careful planning and implementation of the interviews (Saunders et al., 2009; Fisher, 2007). The Author followed the suggestion of Kent (2007) that researchers must take statements at ‘face value’ and not over-interpret them. The Author considered his own potential for introducing bias, because “we all hold certain
beliefs, preconceptions and values that can influence our research” (Quinton and Smallbone, 2006, p.156). The latter highlight the need for currency of secondary sources in a fast-moving business environment. The Author argues that by using practitioner sources, a good currency was maintained.

**5.8 LIMITATIONS ON METHODS**

The limitations of this study centre round the collection of primary data. Firstly, difficulties were experienced in securing interviewees. Only eight interviews (instead of ten) were achieved. But although it was not the intention of the study to be generalisable, owing to the characteristics of the interviewees in each company, the likelihood of generalisability has been enhanced. Second, the aim of interviewing two individuals in each company was not achieved (it only happened for first direct) so the reliability was reduced. The strategy to interview a social media person and a marketing strategy person in each company was sound in principle, but in practice the Author found that the social media people, generally speaking, were less able to offer insights on marketing strategy, and thus present a ‘big picture’ of the company. Similarly, some interviewees were in less senior positions than others so did not have as big a ‘picture’ of the organisation or issues as would have been preferred. Also, only large, well known C2C organisations were interviewed so some findings might not apply to SMEs or B2B companies.

Another issue is the interview questions. These were finalised before the literature review had been completed – Saunders *et al.* (2009) state that the literature review is something that will be continuously revised right up until completion of the dissertation. If some of the knowledge the Author obtained latterly had been available at interview, the quality of the data might have been improved. Additionally, his lack of experience in interviewing people probably affected how answers were obtained. An example is not exploring the interviewees’ thoughts on the limitations of relationship marketing.
Section IV: Findings, Discussion, Conclusion

CHAPTER 6

RESEARCH FINDINGS

6.1 INTRODUCTION

This chapter presents the findings of interviews held. It reports on the facts that the research has discovered (Saunders et al. (2009). Interviewee names are in brackets but a list of interviewees, their titles and their companies is at Appendix I. The structure of the Findings chapter is based on the themes from the questionnaire, derived from the literature review, and these results are discussed in the next chapter.

6.2 FINDINGS ON STRATEGY AND MARKETING STRATEGY

6.2.1 Strategy hierarchy and the development process

The range of strategy hierarchies were evident. A ‘top-down, bottom-up’ strategy exists at first direct, British Gas, and Nokia, but the latter organisation is “flat… in terms of sharing ideas” (Squires). Birds’ Eye claimed no hierarchy although when considering strategy a brand should “look through a consumer lens” (Calverley*). Unilever has a ‘bottom up’ strategy – “marketing strategy comes from the Brand Managers, not from the Marketing Director” (Calverley). Whilst no one was familiar with the concept of ‘heterarchy’ structure of strategies (see section 3.5), Moneysupermarket.com sets its marketing strategy via a partnership between the business unit and marketing department (Cohen). With the shift to online, boundaries between departments have blurred, widening responsibilities (Braun). At M&S, a “key group of interested parties” meets on campaign strategies (Veit).

6.2.2 Lack of consensus on Marketing Strategy

First direct’s, British Gas’, and Moneysupermarket.com’s strategies were defined as customer-driven. Unilever’s strategy is brand-led e.g. the Persil Dirt is good campaign. Birds’ Eye strategy is benefit-led, whilst Nokia has a

* Cheryl Calverley of Birds’ Eye also comments on Unilever, a very recent employer before Birds’ Eye.
value-led strategy but Squires was sceptical of many people’s claims to a value-based strategy.

6.2.3 Social Media’s influence on Marketing Strategy
Not all respondents commented on this. The “old model of advertising” is no longer valid. “The strategy now is… primarily reaching out into the social statuses” (Cohen). M&S listens to what customers say about campaigns and feeds it back into strategy (Veit). The massive consumer interest in Marmite online heavily influenced Unilever’s strategy for the brand (Calverley).

6.3 FINDINGS ON VALUE CREATION
6.3.1 How Organisations create Value
Interviewees were more united over how they create value. First direct and Moneysupermarket.com create value via the marketing mix via price deals but first direct also creates “value through the experiences that customers get” (Say). But the mix is “the day job… make it 1% better” (Calverley). For her “the step change is the value-creating NPD”. “If you create value for the consumer then you will create value for the company” (Calverley). This view is shared by British Gas e.g. enabling customers to control the energy at home.

Co-creation: At first direct, co-creation is attractive because customers are “willing to help us shape things” (Say). Co-creation is something being considered and is seen as offering an advantage if the appropriate consumers get involved (Cohen). M&S consults customers via social media on resuscitating old products, as well as adjustment of product lines. Co-creation provides more and better ideas but also gives a “better ability to sell ideas into the business because [they] come from consumers” (Calverley). Nokia ‘un-boxes’ new products in front of select groups of influencers (webmavens) who Tweet out to followers who feed back, sometimes causing changes to products. British Gas gets input via consumer emails e.g. iPhone app (Braun).
**Crowd-sourcing:** There is concern this might not fit with the brand, and even damage it (Say) but it offers value if the creativity can be contained to the core message (Cohen). At Unilever, a Peperami ad was crowd-sourced to get access to thousands of creative minds, and a more cost effective advert. Nokia held a ‘hackathon’ by putting independent developers in a room. The result was an app that uses facial recognition to unlock a phone.

6.3.2 How Social Media offer Value

The ‘real time nature’ of social enables Dell and M&S to identify problems with new products early. Social media give first direct’s press releases a lot more reach and customers answer each others’ questions on the brand’s online forum. Online conversations with the brand offer customers value because “that’s how they want to talk” (Grimley). Value is created for Moneysupermarket.com firstly via improving SEO, and secondly by enhancing the reputation of the company by via positive conversations. Thus “conversation itself has a value” (Cohen). British Gas used YouTube to show consumers how to de-ice their boilers’ condensation tubes in cold weather, thus not only providing value to consumers but also to the brand in terms of positive reputation and saving unnecessary call outs (Braun).

6.4 FINDINGS ON INNOVATION

6.4.1 Innovation and Social Media

Unilever is “constantly innovating in every single area” (Calverley). She cited a Birds’ Eye project involving 2,500 hours of shopper research offering insights on category layout for retailers as very innovative. But innovation is risky and if got wrong is “a real drain on the business”. She saw it likely that Birds’ Eye would use social media for NPD, probably a closed community (Calverley). At Nokia, innovation is all about employees and letting them comment, a culture that has existed for years (Squires). Moneysupermarket.com tries to innovate in everything it does, but other
brands do not - “advertising is the price paid by companies for the lack of innovation” (Cohen). An example of innovation was SEO and social driving the acquisition of a new pet insurance product. First direct has a track record of innovation e.g. telephone banking, and the launch of Talking Point – its online forum – is a recent innovation (Say). Innovations planned are iPhone and smart phone apps and “social media-type tools” – all for the trend in managing money on the move. But some other banks “just adopt the latest technology and it’s just got no relevance at all to the customer” (Say). The Live campaign was groundbreaking by aggregating positive and negative customer comments (Grimley). However, innovation can be restricted due to the regulatory nature of the banking sector. Innovation is one of M&S’ core company values and occurs in all areas and social media will improve innovation (Veit). British Gas even has an ‘Innovation manager’ (Braun). “Dell is an innovator in efficiency” (Bridge) but efficiencies are also not just in the supply chain but also in making the product and buying process more efficient for customers. The shortened product development lifecycle offered by IdeaStorm produced the Latitude laptop fingerprint reader and backlit keyboard. British Gas’ new online-only product EnergySmart offers is a clear innovation (Braun). It also has a customer panel which has contributed hundreds of ideas, many being implemented (Braun).

6.5 FINDINGS ON COMPETITIVE ADVANTAGE

6.5.1 Obtaining a Competitive Advantage

Obtaining a competitive advantage is “absolutely critical” (Say). First direct does not actively seek an advantage, but obtains one by serving customers as they want to be served (Grimley). It is “very much on the forefront of everyone’s mind” (Cohen). But gaining competitive advantage is incidental to the carrying out of activities that meet the “needs of the business”, such as building awareness or driving acquisition (Veit). M&S’s “unbelievable level of
trust and sense of ownership by our customers” is its competitive advantage.
Nokia creates an advantage by building up value propositions in its offering.
Birds’ Eye tries to gain an advantage via the product and communications mixes (Calverley). Brands should identify their unique competitive area and
grow it via innovation drawn from customer insight (Braun).

6.5.2 Social Media’s ability to offer Competitive Advantage
Social media can offer a competitive advantage (Say; Cohen). The link-
building abilities of social which improves SEO give competitive advantage
(Cohen). The invaluable customer insight offers competitive advantage,
enabling Dell to be ‘in tune’ with the customer. The groundswell enables
Nokia to “address our consumers’ needs in a way that provides a competitive
advantage... I don’t think there is a single business since the dawn of time
that hasn’t gained an advantage by actually talking to its customers”
(Squires). Social offers an advantage because it builds brands (Calverley).

6.6 FINDINGS ON BRANDING
6.6.1 The Challenges of Brand Building
First direct is “the UK’s best-kept secret in the banking sector” so the task is
building awareness, and branding can get the bank into the consideration set
(Say). The old brand-building model “doesn’t and shouldn’t work anymore”
(Calverley). Emotional advertising enables true brand equity to be built so
“you can just cue the brand” like McDonald’s merely by the logo so “you
basically don’t have to shout as loud” (Calverley). Managers no longer own
the brand but the old battle of sales promotion vs. brand-building remains.
At Moneysupermarket.com brand recognition and recall are low so the current
objective is brand building (Cohen). M&S’ big campaigns are firstly brand
building, and secondly about product. The challenge is to maintain existing
values (Veit). British Gas will concentrate on brand-driven campaigns rather
than product or service ones because branding offers differentiation (Braun).
**Definition of the Brand:** The notion that the ‘brand is what your customers say it is’ received a mixed reception: It is “broadly true” (Say); there is some truth in it (Bridge); but the “customers always did though” – people talked about your brand in the pub, just not on social media (Calverley); customers influence the brand, rather than define it (Squires); the customer does not define the brand as no engagement has occurred yet (Cohen); customers do not define the brand – but they reinforce the core values (Veit).

6.6.2 Social Media and Branding
At first direct, online PR via Twitter is the only deliberate brand-building activity in social media, and there is no Facebook presence. Merely by “being there” in the social space, listening and responding, the brand is built subliminally (Veit). Social media represent a massive opportunity for the brand because they amplify campaigns so much but you cannot have a boring brand and expect social media to build it (Calverley). You need an interest, a story, like ‘Will it blend?’ or Marmite on Facebook. Brands cannot be built just by Twitter broadcasts – “you need content... you need something to say” (Calverley). British Gas has not yet used social to build the brand, whilst at Nokia brand-building approach are integrated. Social media are “a big accelerator for trust and brand awareness” (Grimley). A ‘beachhead’ has been set up by Moneysupermarket.com on Facebook to start brand-building.

6.7 FINDINGS ON MARKETING’S MID-LIFE CRISIS
There was little recognition of marketing being in a ‘mid-life crisis’. All the best brands and businesses are customer-centric organisations with “marketing at the heart of their philosophy” (Say). People who complain about the marketing budget being cut ignore the fact that other department budgets are also cut (Say). Moneysupermarket.com is a very marketing-led brand and its marketing director is on the PLC board (Cohen). Marketing is not in crisis – that is “marketing psycho babble”. The problem lies with organisations that
cannot adapt to change quickly enough (Squires). There is no ‘mid-life crisis’ – Unilever is still an example of marketing excellence (Calverley). Talk of marketing in crisis is too strong – it has been handed new channels and challenges to overcome but “it’s not a rebirth, either” (Braun). “Marketing is in a state of flux” (Veit), but she added that this is nothing new since the time people started selling to each other.

However, some respondents agreed that the discipline is in some kind of quandary. Calverley cited the fragmentation of media and marketers chasing figures and getting excited about new tools such as social media, when in fact they should be asking ‘what do customers want? How can I deliver it to them?’. Squires agreed – “to actually get marketing cut-through in the traditional space you have to spend more and more money to get less and less coverage”.

6.8 FINDINGS ON SOCIAL MEDIA USAGE

Various reasons were given for brands’ use of social media: Customers want to have a conversation (first direct); “it’s where our customers are” and it’s the “most powerful tool to aggregate the voice of a customer” (M&S); to “see what’s in their [the consumers’] minds and…react to it” (Birds’ Eye); because consumers expect Dell to answer questions and social enriches customer relationships (Dell); or because “every business… needs to listen to their customers” (British Gas).

**Tactical vs. Strategic use:** Dell and First direct use social media in both tactical and strategic roles (Bridge and Grimley). Moneysupermarket.com’s use has been very passive and tactical – “we’re just starting on this journey”. It is part of a “school set that can be used to meet a given need” (Cohen). Social media are “just another channel” not a game-changer. All that has happened is that technology has outpaced knowledge and ability – but the latter will catch up (Squires). But social media is so important for large
companies because the bigger they get, the further they move away from their customers (Squires). However whilst its use has been tactical up to now at M&S, it is starting to become more strategic and will eventually be fully integrated (Veit). British Gas’ use of social media has been tactical but will become a “strategic pillar in what we do online” (Braun). But “social media is becoming the Emperor’s New Clothes” to some people, but it is really “just a part of how you communicate your brand” (Calverley).

**Challenges of Social Media:** However, social media are “a double-edged sword… it gives you feedback but also raises expectations” (Squires). Two to three years of honesty and transparency can be undone by two bad tweets by an employee. Social media are like an orchid farm – all the conditions have to be right – and that is why “so many companies get it wrong” (Squires). Cohen and Veit agreed that justifying social media in terms of ROI is difficult.

**6.9 FINDINGS ON THE ORGANISATION**

**6.9.1 Marketing Orientation and Social Media**

**Listening and Measuring:** Dell listens to customers to help it design solutions. But it does not just solely use its co-creation platform, IdeaStorm, to listen, but also a customer advisory panel, traditional market research and ‘buzz’ monitoring tools such as Radian 6 and Cymfony to listen. British Gas employed an external agency which used its own set of listening tools. Moneysupermarket.com has a “classic insights department” (Cohen) which uses agencies focus groups and listening tools e.g. CoTweet. At first direct, “we are listening all the time” (Say). It is “the biggest laboratory” which is “as good as any focus group… because it is so… instant, it’s live” (Say). At Birds’ Eye, very little listening is done (Calverley). M&S gathers insights from customers via Q&As in Facebook, and online surveys. Nokia was using Nielsen Buzzmetrics, and later Radian 6 but has now moved on to its own
tools. With the exception of Birds’ Eye and Unilever, all the brands used Net Promoter Score (NPS) to measure propensity to recommend the brand.

**Culture and Social Media:** Social has not changed first direct, it was always customer-centric. All that has changed is the method of engagement (Say). Unilever, already very transparent, has become more so but Birds’ Eye is “grappling with the transparency that social media brings” (Calverley). At Dell, the culture was ‘informal’ and transparent, but “social media makes it easier to be transparent… there’s really nowhere to hide anymore” (Bridge). As a consequence of social media, M&S is now more open and responsive but it has always been customer-focused. Additionally, marketing has had to become “less siloed” and that “responsibility for [it] is becoming more part of people’s daily jobs” (Veit). Social media have not changed British Gas – the need to be transparent and trusted was already accepted.

**Structure and Social Media:** Restructuring at Dell and first direct is unlikely since social media are being integrated into people’s roles. First direct does not have a social media manager, neither do Unilever or Birds’ Eye. At Unilever, brand managers have taken over the social media role. At British Gas, control of social media rests with one person for consistency. Social media have not influenced internal decision making yet but have caused departments to work closer. Nokia is having its third restructure as a result of staff input. This has been “bottom up, not top down” (Squires). At Moneysupermarket.com, “the situation dictates the company structure” (Cohen).

**6.9.2 Employee Empowerment**

**Via internal Social Media:** Social media are not yet used internally at M&S, Moneysupermarket.com or Birds’ Eye although “everyone has an opinion” and this must be accounted for (Calverley). Social media can “drive very positive organisational change” such as the “empowerment of employees, the creation of new departments” (Cohen) so Moneysupermarket.com is
considering how to empower staff to talk to customers, knowing that trust has a very positive impact. At British Gas, managers use a “grass-root social media” – Blackberry Instant Messaging – to communicate within and outside teams. Dell uses Yammer, an internal micro-blogging tool, which breaks down barriers and makes information sharing much easier and it also has EmployeeStorm, an employee idea platform. Nokia empowers via Blog-Hub, an internal blog aggregation site, and Video-Hub, an internal version of YouTube. There is also Intrapedia, acting as an internal dictionary and directory, and SocialCast, an internal messaging system. All this “gives people a safe playground to practice before they go external” (Squires). He is proud of its culture: “people don’t just stick around for the pay packet” - people have a sense of being and purpose which “all builds back value” (Squires).

**Via external Social Media:** At M&S, customer-facing employees who engage with social media have gained a “new form of literacy” (Veit). Employees now have “an awareness of impact and brand” and understand the objectives of the organisation (Veit). “How your employees interact with your customers is as much marketing as your TV is” (Veit). At first direct, customer support staff are now engaging in conversations with customers via public forums, not just on the phone. This means they are developing new digital skills but the conversations are still the same. Dell wants to train employees in social media to engage with consumers in a totally transparent way (Bridge).

### 6.10 FINDINGS ON BUYING BEHAVIOUR

#### 6.10.1 Social Media and Buying Behaviour

Functional advertising is unsustainable – the old model “doesn’t and shouldn’t work anymore” (Calverley). Birds’ Eye is working hard to provide “compelling reasons to try and buy” (Calverley) but understanding FMCG buyer behaviour has always been hard because the middle men – the supermarkets – actually make the sale. This is why building brand equity is so important (Calverley).
At Moneysupermarket.com, attempts to influence buyer behaviour via social media have not occurred yet (Cohen) but here is excitement about the information that the social web can provide. Dell does not influence consumers but ‘delights’ them – sales come from “building relationships”. The success of Dell Outlet on Twitter in is a clear example of social media influencing consumer purchases (Bridge). British Gas is not yet using social to influence, consumers are still at the ‘listening’ and ‘talking’ phase (Braun).

**Social Media and Segmentation:** Segmentation has not changed (Say). Nokia did a massive, global segmentation exercise recently so there has not been a need to carry out further segmentation. Moneysupermarket.com has not changed its segmentation yet but is awaiting a “bonanza of information” (Cohen). M&S does have plans to revise the segmentation, with interest in the valuable 10% of people who actively participate in social media (Veit). Social has enabled consumers to band together more effectively than before (Calverley). At Unilever, key influencers were identified e.g. Marmite bloggers and its Facebook group were engaged. For Birds’ Eye, there are plans to work with bloggers such as on Mumsnet because they are opinion formers.

### 6.11 FINDINGS ON CUSTOMER ENGAGEMENT

#### 6.11.1 Engagement and Social Media

Social media are a “massive accelerator for engagement” (Cohen). At Moneysupermarket.com, there has been an “uplift in... a user’s willingness to engage” (Cohen). The recent TV ad with Nigel Mansel and comedian Omid Djalili has built trust and enabled the brand to leverage blogs, websites and networks. Technology has been a big enabler. For M&S, straight evidence of engagement is the instant comments and ‘likes’ it gets on posts on Facebook. But M&S engages with consumers who give poor product reviews, and the ‘Busts for Justice’ campaign by women on Facebook is another example. Consumers no longer use email to contact M&S – they use social instead
(Veit). Social media enables better engagement for brands (Calverley). The new Birds’ Eye brand icon from TV, Clarence the Bear, provides an emotional, content engagement tool. Engagement is also occurring via “seeded messages” in the social space and via blogs. Social media has increased the customer loyalty or replaced traditional means of gaining it. But discounting is as strong as communication at engaging and “drives direct, literally physical interaction with your brand” (Calverley).

At Nokia, engagement has increased loyalty e.g. a conversation blog has over 1m unique views a month. Social media enables customers to ‘walk the halls of Dell’ because of the closer relationships and the transparency offered. Dell has teams that ‘outreach’ to consumers if a problem is noticed in the social space and engages influencers online in the same way it does analysts or journalists. British Gas turned a lady who ranted against British Gas on Twitter into an ambassador by engaging her online, whilst the MD had an online chat with Mumsnet. However, social media engagement with consumers has not increased loyalty to British Gas yet and managers also engage via emails sent in by customers (Braun). First direct’s main online engagement tool is its Talking Point online forum (Grimley) but its most important tool is still the phone (Say). Conversations are occurring all the time online and on the phone, creating a “magical rapport” (Say).

**Social CRM:** This is just a corporate buzzword (Braun). It is unlikely to feature in Birds’ Eye’s plans for some time (Calverley). When social media are used in concert with CRM, they “provide much more intelligent views of trigger points in people’s lives” so that Moneysupermarket.com can get its proposition put forward at the right time (Cohen). From Dell’s perspective, social media is about building customer relationships, but increasingly the company is discussing and adopting ‘social commerce’ which involves using social networks to boost e-commerce (Bridge).
CHAPTER 7  
DISCUSSION

7.1 INTRODUCTION

This aim of the Discussion chapter is to interpret the results from the Findings chapter and relate them to the theories from the literature (Saunders et al., 2009; Quinton and Smallbone, 2006). Its structure is based on the conceptual framework (see Table I at 5.3.2, p.63) that was created as a result of the critical literature review. This chapter has ten areas of commentary, corresponding to the nine of the framework and an additional one concerning social media’s general use. For each topic area, the relevant theory is recalled under a sub-head of ‘Literature’ and how the results of the research compare with it are discussed under ‘Findings’. The chapter ends by discussing the implications of this research, notably its strengths and weaknesses, and its limitations.

7.2 ON THE NEED FOR CONSENSUS ON A MARKETING PARADIGM

Literature: At the end of Chapter 3, the need for consensus on the current marketing paradigm was identified as a marketing challenge, with the justification that if there is no agreement then marketing thinking will remain fractured, with obvious fallout for academics and practitioners.

Findings: The findings from the primary research show that there is the same lack of consensus amongst practitioners as exists amongst academics (Egan, 2008). The interviewees variably suggested that marketing strategy is customer-led, brand-led, benefit-, value-led, or experience-led. The implications of this are perhaps less serious than for academia because practitioners do not have to agree. The Author suggests that each brand is different and even if there was a universal consensus on a marketing paradigm, such as value-based marketing, it might still not make sense for a
brand to apply that in its marketing strategy. Expediency is king in marketing practice. Evidence for this is first direct bank – customers do not choose banks for value, but for service and the associated experiences (hence ‘experience’ marketing). Likewise it is understandable that FMCG brands such as Unilever/Persil and Birds’ Eye advocate a brand-led strategy, as this builds brand equity.

7.3 ON MARKETING’S LOSS OF ASCENDANCY

**Literature:** Academic theory suggests that there has been a loss of ascendancy of marketing (McGovern *et al.*, 2004; Sheth and Sisodia, 2005; Grönroos, 2009), citing questions over its value (Kumar, 2004), reduced role and influence (Wilson and Gilligan, 2005), a diminished and marginalised marketing function under pressure from a ‘tyranny of P&L’ (Webster *et al.*, 2005), and marketing strategy disconnected from corporate strategy (McGovern *et al.*, 2004).

**Findings:** However, the respondents contradicted the literature and did not accept that marketing has reduced influence. There are probably two reasons for this: firstly, a lack of awareness of the strength and depth of academic arguments. Secondly, a feeling of pride might be intruding as no practitioner easily admits to having reduced influence. On the issue of a reduced marketing function, some interviewees did admit to a ‘blurring of boundaries’ of marketing responsibility (Poiesz and van Raaij, 2007), which outwardly suggests that marketing is losing some independence of thought and actions. However, this was painted as positive by the interviewees, not negative. That no interviewee recognised the heterarchy structure of strategies (Chakravarthy and Henderson, 2007) is not surprising as it is a fairly recent theory and not widely discussed outside scholarly circles.

**Literature:** Concerning problems with marketing strategy, the literature suggests that social media can assist in improving its execution by
empowering employees (Roberts and Alpert, 2010; Aziza, 2010) to engage and innovate (Ramaswamy, 2010), and that by becoming a listening organisation, the information collected can improve strategy (Piercy, 2002; Harridge-March and Quinton, 2009).

**Findings:** But, with only one interviewee explicitly stating that customer input via social is fed back into strategy, it might be thought that the primary research did not validate the literature. However, the Author argues that social media’s influence on strategy is greater than the respondents stated because its passive role is revealed via the social media listening tool activities most of them use. The data gleaned has to feed back into strategy which is how the ‘listening, learning organisation’ works (Piercy, 2002).

By statement or by implication, many respondents realised the benefits of empowerment offered by use of social media internally. However, it was not clear if they were aware of the literature claim that the main cause of organisational failures is poor strategy execution, or that empowerment assists in execution, so this theory was not validated (but M&S claimed that staff understand company objectives). Nor was it clear if the respondents realised the potential for innovation offered by employee engagement.

### 7.4 ON VALUE CREATION

**Literature:** The literature showed that firms find it hard to create value (Webster *et al.*, 2005) via traditional ways such as the marketing mix (Wilson and Gilligan, 2005; Poiesz and van Raaij, 2007), and that co-creation facilitated by social media can create value via their ability to foster close interaction and collaboration and provision of unique experiences (Prahalad and Krishnan, 2008). Crowd-sourcing (Chakravorti, 2010) is a separate co-creation activity often used for innovation.

**Findings:** The respondents were not as gloomy about marketing’s ability to create value. The majority of interviewees were able to talk about value
creation with ease and those that volunteered less were noticeably not from marketing roles. It was interesting to note that some interviewees talked about creating value via the traditional way of the marketing mix e.g. price deals, but also they recognised that experiences (first direct) and NPD (Birds’ Eye) are value providers. Perhaps only the Nokia ‘unboxing’ and resultant buzz is what the Author considers as true co-creation, as defined by Prahalad and Ramasworthy (2004b), and Lusch and Vargo (2006), because experiences were created as a result. British Gas using email to gather product ideas is more a crowd-sourcing activity (Howe, 2008). The interviewees were quite conversant on the crowd-sourcing process, probably due to its strong currency with today’s advertising.

In summary, the respondents were clear how social media can create value but the Author’s impression is that much value is still being created by better efficiency such as value chain improvements, rather than improved effectiveness (new ways of doing things) (Porter, 1996; Brennan, 2008). The implication is that brands have yet to discover how social media can make them more effective.

7.5 ON INNOVATION

Literature: The literature suggested that firms find it increasingly difficult to innovate (Poiesz and van Raaij, 2007; Roberts and Alpert, 2010; Loewe and Dominiquini, 2006; Aaker, 1996). Value creation and innovation go together (Poiesz and van Raaij, 2007; Kim and Mauborgne, 2005) and a solution identified was social media’s ability to deliver via its online communities (Hatch and Schultz, 2010).

Findings: It was notable that not one interviewee mentioned value innovation – the ‘leap in value’ that makes the competition irrelevant which Kim and Mauborgne (2005) proposed. However it is clear that some companies
interviewed are value innovating – first direct and British Gas’ EnergySmart being examples. However other examples given seem to the Author to be the incremental rather than radical innovation. It is the same efficiency vs. effectiveness dilemma. Dell’s IdeaStorm, for example, may offer excellent innovations but the example as given by the respondent are just new features to an existing product (a laptop in this case, which as Poiesz and van Raaij (2007) revealed, has a very short innovation lifecycle). The Author argues that an example of true value innovation in this area is Apple’s iPad, a tablet.

It was stimulating to note that the interviewees did feel that social media offer a route to innovation but they offered no examples (other than IdeaStorm, and the ideation of Moneysupermarket.com’s new pet insurance product). The Author suggests that it is early days yet for practitioners. But although several talk about ‘innovating in all areas’, presently, the Author suggests most only see social media as a route to NPD and perhaps have yet to see that they can provide innovation in practices and processes as well, as suggested by Wind (1996).

7.6 ON BUYER BEHAVIOUR

**Literature:** Ineffectiveness at influencing buyer behaviour in the marketing funnel was a key finding from the literature (Li and Bernoff, 2008; Poiesz and van Raaij, 2007; Rotfeld, 2006; Haven et al., 2007). The ability granted by social media to segment markets, identify evangelists and influencers who are willing and able to influence fellow consumers in the brands’ favour was also revealed (Roberts and Alpert, 2010; Harridge-March and Quinton, 2009; Li and Bernoff, 2008).

**Findings:** The interviewees recognised that traditional advertising does not work but there was a tacit recognition of the opportunities that the social web brings, for example a better understanding of customers and the ability to leverage emotionally-led advertising to deliver social media content that can
influence. With the exception of the success of Dell’s Outlet and Marmite, interviewees were not able to volunteer examples of social media influencing buyer behaviour in their firms, showing this is not yet commonplace. However, several respondents stated that segmentation and targeting has changed, or will change, to allow for social media, suggesting that they are aware of the segmentation opportunities and theory.

7.7 ON RE-CONNECTING WITH THE CONSUMER

Literature: The literature review discussed the limitations of relationship marketing and questions over its efficacy (Brennan et al., 2008; Kumar and Reinartz, 2002; Urban, 2004). Practitioner literature proposes social CRM as solution (Band and Petouhoff, 2010; Wang and Owyang, 2010; Greenberg, 2009). Online communities are also seen by some academics as a means to build relationships with customers (Casaló et al., 2008). It was also revealed how brands are now seeking to interact with customers on an ongoing basis, a process called customer engagement (Van Doorn et al., 2010; Chaffey et al., 2009), that it is one of marketing’s biggest challenges (Cravens and Piercy, 2009), and that tools such as blogs, UGC, forums and social networks can assist in engagement.

Findings: The interviews revealed a deep awareness of the need for, and benefits of, engagement, as well as evidence that the brands are engaging in the social space when and where they can, and effectively so. The interviewees argued that content is key to engagement as provided by, for instance, memorable TV adverts and icons. Roberts and Alpert (2010) describe value proposition, customer experience, brand, and internal culture as the key to engagement. The Author argues that these four elements, and content (Weber, 2009; Elliott, 2006, are one and the same. That Birds’ Eye still sees discounting as a way to engage must surely be a legacy of the ‘old’ model and at odds with the new interaction model.
Use of Net Promoter Score (NPS) (Reichheld, 2006) to measure engagement is near universal and most interviewees also use various buzz and sentiment measurement tools. The Author suggests that this shows an acute awareness of the importance of engagement and how seriously brands take it, as well as an understanding of the value of an engaged customer and in this they are in step with the scholars. Some interviewees did claim that engagement via social media has improved customer loyalty but this was not elaborated on or probed by the Author. There was some recognition of the term social CRM, but apart from a notable exception the impression given was that they see it as hype or a vague practice that is too novel to comment on. It might be that they, like academics, have a healthy scepticism of new wine in old bottles.

7.8 ON GAINING A COMPETITIVE ADVANTAGE

**Literature:** It was an underlying theme within the literature review that organisations must seek strategies that offer a competitive advantage. The literature also proposed that the marketing mix no longer offers differentiation and thus can no longer provide a competitive advantage (Wilson and Gilligan, 2005; Poiesz and van Raaij, 2007). It also suggested that social media provide routes to advantage not just by co-creating value and innovation in products and practices, and by efficiency savings, but by the superior effectiveness of consumer-to-consumer communications – WOM – over traditional, failing media (Brown *et al.*, 2007).

**Findings:** When questioned, the interviewees were all clearly aware of the need to gain competitive advantage but some claimed not to actively seek it, as if in homage to Kim and Mauborgne’s phrase of ‘making the competition irrelevant’ (Kim and Mauborgne, 2005) by their activities. Perhaps unsurprisingly, the FMCG brand Birds’ Eye still seeks an advantage via the marketing mix but the Author wonders if, when its social media strategy matures, that it might seek an advantage via creating unique experiences
Prahalad and Ramaswamy (2004b). Using the mix to gain an advantage is clearly hard work. But the Author senses that the respondents seek a tactical rather than a strategic competitive advantage via social media. It therefore mirrors the literature e.g. Ferguson (2008), who questions the durability of WOM, and the CEOs who cast doubt on Web 2.0 offering a strategic competitive advantage (McKinsey, 2007).

7.9 ON BRANDING

**Literature:** The literature showed a paradox in branding, with it being weakened by various forces (Dibb *et al.*, 2006; Piercy, 2002; Sinha, 2000; Thomas and Kohl, 2009; Aaker, 1996; Loken and John, 1993; Gürhan-Canli and Maheswaran, 1998; John *et al.*, 1998) but at the same time increasingly necessary and valuable for marketers because it leads to a competitive advantage (Wilson and Gilligan, 2005). The latest literature, both academic and practitioner, points to brands as social constructs and the sum of the customers’ views (Muniz and O’Guinn, 2001), and that brands can be built via social media (Hoyer *et al.*, 2010; Li and Bernoff, 2008). Finally, the literature says that managers no longer control the brand (Christodoulides, 2009; Sawhney *et al.*, 2005; Muniz and O’Guinn, 2001).

**Findings:** The interviewees recognised the need to build brand equity clearly because it enables differentiation, even if they did not all use these terms, and that this gives them an advantage. There was some agreement that ‘the customer defines the brand’ (Li and Bernoff, 2008). The Author’s take out is that the strong brands with strong brand marketers were closest to the literature on branding. The interviewees were very aware of the opportunities available to them in terms of branding via social media but the Author suggests that this is dependent on their ‘brandscape’ and industry type. They seemed to be in sync with the sentiment in the literature that attempts to seek ‘superficial social success’ (Creston, 2010) are self-defeating if they do not
match the brand personality. The ability of Web 2.0 to raise awareness just by ‘being there’ (Hoyer et al., 2010; Mortensen and Walker, 2002), was known and the power of Twitter’s PR is acknowledged by the interviewees that have cause to use it. The need for content to make social media work for brands was understood, and most were aware of how successful Blendtec (Li and Bernoff, 2008) and Dove (Deighton, 2007; Mangold and Faulds, 2009) had been in this respect. There was thus considerable synergy with the literature.

7.10 ON USE OF SOCIAL MEDIA

To gain further insight the interviewees were asked why their brands used social media, and about its place in the promotional mix.

The respondents gave various reasons for why they used social media but a good generic reason is that it is ‘where the customer is’. It would be a fair statement to say that the majority see social media as ‘just another communications tool’. However, the literature suggests that social media are also a listening tool (Harridge-March and Quinton, 2009; Li and Bernoff, 2008), a culture-changing and empowerment tool (Sawhney et al., 2005; Ramaswamy, 2010), an influencing tool (Strategic Direction, 2010), and a co-creation tool (Hatch and Schultz, 2010). These aggregate to a strategic role which only two respondents recognised for social media. A final point in need of comment is the difficulty in proving ROI that some interviewees raised, a major challenge identified by the literature (Hoffman and Fodor, 2010; IAB, 2010). But this is an age-old problem for marketing generally and one that may be addressed with newer and better measurement tools.

7.11 ON MARKETING’S MID-LIFE CRISIS

Literature: It was suggested that marketing is in ‘mid-life crisis’ (Wilson and Gilligan, 2005), with a questioning of the marketing concept (Brown, S 1995), many firms just paying lip service to marketing orientation (Webser, 2005b), and much anecdotal evidence.
**Findings:** The interviewees strongly rejected the notion of a crisis in marketing, although some admitted it faces challenges such as media fragmentation and marketing cut-through. The Author suggests a partial reason for this rejection is personal – to admit as such could be akin to heresy for some. All the interviewees claimed that their organisations were customer-centric. However, the comment by Mark Squires of Nokia, that the real problem is not any ‘crisis’ but organisations not adapting to change fast enough, resonates with the comments unearthed in the literature that strategy is the ‘art of surviving rapid transition’ (Evans and Wurster, 2000), and that practitioners suffer from ‘marketer myopia’ (Sheth and Sisodia, 2005). Another comment, by Cheryl Calverley of Birds’ Eye, that marketers have forgotten what marketing is for, resonates with the literature on companies’ lack of market orientation. Despite this, this wholesale rejection of what academics believe shows a yawning gap between scholars and practitioners. The research evidence that the groundswell is not only encouraging but enhancing a customer-focused culture, such as customer-support staff engaging directly with consumer via forums, and increased organisational transparency, is an endorsement of academic theory (e.g. Burnett and Hutton, 2007; Li & Bernoff, 2008). The adoption of social media for internal use by some of the organisations interviewed (Dell, Nokia, British Gas) has brought people and departments closer together and eased information flow. This supports the theory of the internal re-alignment of the organisation as part of the ‘process of going to market’ (Piercy, 2002).
CHAPTER 8
CONCLUSION AND RECOMMENDATIONS

8.1 OUTCOME OF THE RESEARCH

8.1.1 Introduction

It was stated in the Introduction that this dissertation is a proposition that is maintained by argument and should ‘tell a story’. The Author suggests that this study has done this but the process of research is circular (Quinton and Smallbone, 2006) and this conclusion will complete the circle and finish the story. The conclusion starts by revisiting the original research objectives to see if they have been addressed. It then returns to the research question to see to what extent it has been answered. There is then a discussion of the results before ending with the research limitations and its recommendations.

8.2 REVIEW OF THE RESEARCH OBJECTIVES

8.2.1 Have the Research Objectives been achieved?

The research objectives were introduced in Chapter 1 and are:

1. To explore the contemporary issues raised by the literature within strategic marketing.
2. To establish the gap between practitioner perspective and activity, and the published literature.
3. To analyse the impact of social media on marketing strategy.
4. To create a conceptual framework of social media’s influence on marketing strategy.

The Author argues that all four of the original research objectives have been achieved. The comprehensive literature review contained the full range of areas subordinate to marketing strategy. Indeed, it explored areas above it such as organisational and business strategy in order to provide a full understanding of marketing strategy’s place and role in the organisation. Gaps between practitioner thinking and academic thinking have been identified and explored, such as on marketing’s mid-life crisis. The impact of
social media on marketing strategy has been explored, analysed and discussed, and this was assisted by the creation of a highly-original conceptual framework setting out the status of the components of marketing strategy whilst simultaneously suggesting how social media impact on each. These impacts on each component aggregate to the overall impact on marketing strategy.

8.3 A RETURN TO THE RESEARCH QUESTION

As a result of the above, it is possible to revisit the Problem which is, What is the impact of social media on marketing strategy? The short answer is ‘considerable’ if looking from the academic perspective, and ‘moderate’ if taken from the practitioner point of view. For a longer answer (if one describes this paper as the ‘extended’ answer), the Author refers back to 2.3.3 where he suggested that the impact of the internet on marketing strategy might offer a precedent. Porter (2001) dismissed the view of many people that the internet would make strategy redundant and argued the opposite. The Author suggests the same is true for social media and marketing strategy. It has clearly impacted marketing strategy, as long as one accepts the scope of the meaning of marketing strategy as outlined in this study.

Where the similarity ends is over first-mover advantage. Porter argues that the internet did not provide first-mover advantage because of the low switching costs – any organisation could adopt it relatively easily and reap the cost benefits. For social media however, the Author argues that the skill set required to adopt and use them has to be bought or learned, providing a barrier to adoption. It is true that any organisation can set up a page on Facebook or an account on Twitter but the metaphor of the orchid farm for social media as suggested by Mark Squires of Nokia ‘rings’ true – all the conditions have to be right for them to work. The research has shown that brands are cautious in their adoption process because they are aware of
these pitfalls. Thus whilst the conceptual framework suggests the impact will be revolutionary, the Author’s view is that the impact of social media on marketing strategy will be evolutionary.

The concept of obtaining a sustainable competitive advantage has been embedded throughout this paper – it is after all what all organisations seek. The Author returns to Porter’s (2001) views on the internet – that its mass adoption would neutralise any competitive advantage. The same logic will apply to social media. Sustainable competitive advantage will only be gained via the core competencies of the organisation (Wilson and Gilligan, 2005), which may or may not include Web 2.0. Doing things more efficiently and effectively provides a competitive advantage, rather than any one tool.

**8.4 DISCUSSION OF THE RESULTS OF THE RESEARCH**

The primary research has some synergy with the academic literature. Where there is consensus, for instance on branding and engagement, the alignment is very close. The major discrepancy occurs on the issues of ‘marketing in crisis’ and of marketing’s loss of ascendancy – practitioners just do not accept these. One can surmise the reasons for this, such as pride in their discipline, a lack of awareness of the strength of academic argument, or an inability to see the ‘big picture’. Or, of course, the academic case could be flawed and marketing is not in crisis. However, based on the weight and logic of evidence, the Author suggests that the scholars’ case is strong.

The ‘middle ground’ appears to be over social media and its uses and impact. Most of the respondents see Web 2.0 at present as ‘just another communications tool’, whilst academics believe they are strategic tools for listening, talking, energising, supporting and embracing (Li and Bernoff, 2008). It might be that the issue is one of perspective and job function – academics are excited by this new phenomenon and so are exploring every use of it, have time to do this, and therefore see beyond the horizon.
Marketers, meanwhile, are grounded and will just use tools that they believe help them achieve their immediate aims and objectives. The Author further suggests that in marketing terms, practitioners see the glass half-full, whilst academics see it half-empty. Marketers cannot be pessimistic about their raison d’être, and tend to solve problems rather than vex over them. A ‘game-changing’ phenomenon like Web 2.0 is seen by the academic as a potential destroyer of marketing’s temple, whilst the marketer sees it as an opportunity, even if it means that marketing is thrown open not just to all employees in other departments, but to the consumer as well.

8.5 LIMITATIONS OF THE RESEARCH

It is normal to discuss the strengths, weaknesses and limitations of the research study Saunders et al. (2009). The limitations on the methods have been outlined in Chapter 5 but the general limitations are discussed here.

8.5.1 Strengths

The Author is proud of the thorough and comprehensive literature review which he believes shows the wide reading necessarily undertaken to cover the huge topics of marketing strategy and social media. As an aggregate of the many sources of research on the subjects, it enabled the construction of a highly original conceptual framework which formed the bedrock of the argument and primary research. The Author was privileged to be able to interview eight highly-conversant and knowledgeable individuals in seven extremely well known organisations. This gives the primary research and the whole paper much credibility.

8.5.2 Weaknesses

The breadth of the Problem meant that a huge amount of reading was required over many different areas. The volume of material for the literature review was vast and this had to be reduced to fit the requirements of the Examiner. Inevitably, some useful material has had to be omitted due to lack
of space which could have provided further insight and imparted more knowledge.

8.6 RECOMMENDATIONS

Dissertations often end with actionable recommendations for organisations (Fisher, 2007; Quinton and Smallbone, 2006; Saunders et al., 2009). The Author has the following recommendation to make for organisations.

Firstly, if they have not already done so, organisations should adopt the use of social media. They should consider listening as the first step to this adoption and employ some social media listening tools as described in this study. If they are not already also doing so, then the Net Promoter Score (NPS) tool for measuring engagement should also be used. If they are already using these listening tools and are not yet talking, then this second stage should be adopted, and so on up the scale of social media activity. But there must be a strategy for this, merely blasting tweets or having a Facebook page can do more harm than good.

Secondly, this study has shown overwhelmingly that the brand is a vital instrument for the organisation in enabling differentiation which can lead to a competitive advantage. In an increasingly commoditised world, brand equity must be built and so organisations must develop a strategy to achieve this. This strategy should include social media since this study has shown how effective they are at brand-building.

Finally, the Author recommends that organisations develop an engagement strategy and seek to interact with their customers and prospects thereby building customer engagement. This study has shown that this is the path to greater growth, customer loyalty and value and should be at the centre of all activity. Naturally, social media will play a huge part in this.
A.1 WHAT ARE SOCIAL MEDIA?

A.1.1 Introduction
This appendix gives useful background on social media that will facilitate understanding of chapter 5 which critically evaluates literature on social media. It begins with various academic and practitioner definitions of social media and then charts their rise in importance and power.

A.1.2 Definitions of Social Media
Social Media synonyms: The terms social media and Web 2.0 are often used interchangeably (Constantinides and Fountain, 2008). But there are several other words that offer a similar meaning for what is understood by social media. These synonyms include the ‘social web’ (Weber, 2009; Weinberg, 2009), the ‘groundswell’ (Li and Bernoff, 2008), ‘consumer-generated media’ (Constantinides and Fountain, 2008), ‘social computing’ (Charron et al. 2006), and, just simply, ‘social’ (anon.).

Definitions: Weber (2009) states that the social web is “the online place where people with a common interest can gather to share thoughts, comments, and opinions” (p.4). Li and Bernoff (2008) describe the groundswell as “a social trend in which people use technologies to get the things they need from each other, instead of from companies” (p.9). Web 2.0 was a term proposed by O’Reilly (2005) and is defined as “a collection of open-source, interactive and user-controlled online applications expanding the experiences, knowledge and market power of the users as participants in business and social processes” (Constantinides and Fountain, 2008, p.232). Van Zyl (2009) states it can “loosely be defined as the perceived second generation of Web-based platforms” (p.908). Consumer-generated media (CGM) are defined as “a variety of new sources of online information that are
created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues” (Blackshaw and Nazzaro, 2004, p.2).

These are but a few definitions, however there is no “definition of Web 2.0 enjoying general academic acceptance” (Constantinides and Fountain, 2008, p.234). The author argues that this does not matter – as long as it is known what tools or types of social media people are talking about.

A.1.3 Web 2.0 categories – what are Social Media?

To reconcile the various opinions of categories of social media, the author has constructed a table containing a ‘consensus’ of Web 2.0 tools (Table A1):

<table>
<thead>
<tr>
<th>Social media</th>
<th>Description</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blogs</td>
<td>Individuals’ or companies’ online journals. Readers can often leave comments.</td>
<td>John Battele’s FM Signal blog</td>
</tr>
<tr>
<td>Microblogs</td>
<td>A form of blogging that allows a user to publish short text updates.</td>
<td>Twitter</td>
</tr>
<tr>
<td>Social network</td>
<td>Applications allowing users to build personal web sites accessible to other users for exchange of personal content and communication.</td>
<td>Facebook; LinkedIn; MySpace</td>
</tr>
<tr>
<td>Content communities</td>
<td>User-generated content web sites.</td>
<td>YouTube; Flickr</td>
</tr>
<tr>
<td>Virtual brand communities</td>
<td>Brand-specific websites where people with a common interest can interact.</td>
<td>Lego’s LUGNET P&amp;G’s Beinggirl</td>
</tr>
<tr>
<td>Forums/Bulletin boards</td>
<td>Sites for exchanging ideas and information usually around special interests.</td>
<td>Numerous, all unique.</td>
</tr>
<tr>
<td>Content aggregators</td>
<td>Applications allowing users to customise the web content they wish to access.</td>
<td>Technorati; Stumbleupon</td>
</tr>
<tr>
<td>Collaborative websites (Wikis)</td>
<td>A wiki is a web site that allows online collaboration by allowing multiple users to add, remove or edit and change content.</td>
<td>Wikipedia</td>
</tr>
<tr>
<td>Social bookmarking sites</td>
<td>Users can recommend and share interesting and relevant content with one another.</td>
<td>Digg; del.icio.us, Newsvine; Reddit</td>
</tr>
</tbody>
</table>

Sources: Constantinides and Fountain, 2008; van Zyl, 2009; Mangold and Faulds, 2009; Stokes, 2009).
As can be seen, the range of applications is wide. Although not central to the study, their relevance is discussed in Chapter 4 with regards to how they can perform organisational functions that are currently done by ‘traditional’ tools.

A.2 RISE OF THE SOCIAL WEB

A.2.1 Why Consumers use Social Media

Meadows-Klue (2008) states that way before the internet achieved notable adoption, social analysts had noticed that people had begun to switch their trust from organisations to their friends, and this gave clues as to how marketing could be leveraged more effectively than via traditional media. According to Strategic Direction (2010), “many consumers now see social media as a more trustworthy source of information about products and services than communications which arrive by the corporate route” (p.7). For Meadows-Klue (2008), social media “simply unlocked an existing human need” (p.249). Weber (2009) agrees with this and says that “non-virtual social networks have existed for centuries” (p.195). Palmer and Koenig-Lewis (2009) discuss the motivations of online community members to share thoughts with others whom they don’t know, suggesting that “Darwinian models” of “socio-biology” (p.169) involving altruism are at work, and they continue:

In a social network environment, the contribution of individuals to anonymous individuals may be seen as a process of acquiring a reputation which will give the contributor a feeling of power and influence when their comments are taken seriously by others (p.169).

They also suggest that the same motives involved in charitable acts of giving are at work in social media exchanges, rationalising that these acts reinforce self-identity and are a rewarding experience.

Constantinides and Fountain (2008) explain the social web’s popularity in terms of the advantages it offers – transparency, referrals and contact with others. Other reasons are revealed from a study into Facebook user experiences which found that most motives were curiosity, enjoyment, fun,
excitement, and pleasure (Hart et al., 2008, cited in Palmer and Koenig-Lewis, 2009). Yet another study suggests that positive emotions arising from being connected with friends and the related exchanges drive usage (Sas et al., 2009, cited in Palmer and Koenig-Lewis, 2009). The addictive nature of social media are also a factor – according to another study, a third of women aged 18-34yrs check Facebook when they wake up before they have even gone to the bathroom (Parr, 2010).

A.2.2 Why Organisations are adopting the Social Web
For organisations, the reasons for involvement in social media are much less philosophical. Fisher (2009) firstly suggests that companies get involved in social media because that is where “actual and potential customers are interacting, and it shapes how they think” (p.190). She cites a report that reveals “34% post opinions about products and brands on their blog and 36% think more positively about companies that have blogs” (Universal McCann, 2008, cited in Fisher, 2009, p.190). Another report shows that 70% of consumers have visited social media sites to get information and 49% of these made a purchase decision based on the information they found there (DEI Worldwide, 2008, cited in Fisher, 2009, p.190).

The other argument Fisher gives for companies to adopt Web 2.0 is that the competition are already doing it, citing a report showing that in 2007 a quarter of the Inc. 500 companies viewed social media as important to their business or marketing strategy. By 2008, the figure was 44% (Uhrmacher, 2008, cited in Fisher, 2009). Whilst there is not yet evidence that online ‘buzz’ leads directly to sales in every industry, some social media monitoring firms and academics are gradually finding more proof that online WOM is a leading indicator for sales (Li and Bernoff, 2008).

Van Zyl (2009) emphasises the knowledge-sharing benefits for business that Web 2.0 offers and talks of a “collaborate learning environment, in which
problems encountered are collectively solved and solutions are shared among peers” (p.911). Organisations that are divided geographically or have hierarchical structures particularly benefit. Productivity and workflow efficiency, disrupted by phone calls, emails and meetings, can be enhanced (Van Zyl, 2009), and considerable cost-savings are offered as expensive support phone-in centres are gradually replaced by support forums and wikis created and run for, and by, customers (Hoffman and Fodor, 2010; Li and Bernoff, 2008).

Van Zyl also suggests that retaining staff morale and job satisfaction whilst keeping productivity are some of management’s biggest challenges. She cites Tapscott and Williams (2006) who state that Web 2.0’s open platforms facilitate collaboration, and increase job satisfaction and productivity.

For Li and Bernoff (2008), the rise of social media comes from the “collision of three forces: people, technology, and economics” (p.10). Economics is the main driver, and as evidence they state that online advertising value reached $14.6bn in the US and €7.5bn in Europe in 2007. They argue that this is proof of where consumers are spending their time – online* – and so firms must follow their customers. The groundswell is “not a flash in the pan. This is an important, irreversible, completely different way for people to relate to companies and to each other”, (p.10). Recent figures support this – Facebook’s advertising sales could reach $1.4bn in 2010, up from around $800m in 2009 (Keane, 2010), 94 of AdAge’s 100 top advertisers have executed YouTube campaigns (Hird, 2010), and of the world’s top 100 companies 65% now have a Twitter account, 54% a Facebook account, 50% a YouTube account, and 33% have blogs (Hepburn, 2010). Clearly, there are strong reasons for organisations to get involved in social media.

* In 2006 this was 73% of Americans and 64% of Europeans (Li and Bernoff, 2008, p.10).
Slow adoption by some businesses: However, research amongst 250 UK Marketing professionals shows that 60% of them do not currently have a social media strategy for their business (Creston, 2010), and according to the Internet Advertising Bureau (IAB), only 22% of brands have social media as a core part of their communications strategy (Kimberley, 2010). This is supported by research which shows that 74% of brands do not have a presence on Twitter (McEleny and Joseph, 2009). However, 79% of marketing professionals believe that in the future, engaging with Web 2.0 will help increase customers (Creston, 2010).

A.2.3 The Power of Social Media
Social media are an extremely powerful force in marketing because they amplify “consumer-to-consumer conversations in the marketplace” (Mangold and Faulds, 2009, p.361). Eikelmann, Hajj and Peterson (2008) state that they have “turbocharged the whole notion of ‘word-of-mouth’” (p.293) thereby “achieving results no media campaign can achieve” (Li and Bernoff, 2008, p.130). This is supported by Ferguson (2008) who reminds us that word-of-mouth (WOM) existed before the printing press and as a result of the broadband internet, blogs and social networking, WOM “now spreads at the speed of thought” (p.180). Its power is emphasised by Gillin:

Conventional marketing wisdom has long held that a dissatisfied customer tells ten people. But that is out of date. In the new age of social media, he or she has the tools to tell 10 million, (Gillin, 2009, p.4).

Various high profile cases of consumer power harnessing the groundswell exist: the digg.com episode of the secret, new high definition DVD format encryption key being continually re-posted by members (Li and Bernoff, 2008), and the ‘Dell Hell’ episode, when the blog rants of a dissatisfied customer were ignored, caused lasting damage to the brand (Jarvis, 2005). More recently, the ‘United breaks guitars’ story did the same to United Airlines (Ayres, 2009; Hennig-Thurau et al., 2010) and Thomson Holidays suffered
reputation damage when Andy Sharman blogged about his ‘Tunisia trip hell’ which has received over 10,000 hits to date (Creston, 2010).

**Positive power:** But when harnessed, the power can be positive. Reichheld (2006) reveals that 25% of Dell’s new customers come via referrals. By estimating the value of each Dell customer at $210 each, he calculates the value of each “positive promoter’s word-of-mouth is worth $42” (p.52). Li and Bernoff (2008) reveal the power of ratings and reviews at eBags.com, where endorsements of travel bags by business travellers gives a 30% growth rate, and the film *Snakes on a Plane* was successfully hijacked by blogger fans when in development who objected to the proposal to change its title and demanded changes to scripts (Li and Bernoff, 2008; IAB, 2006). Harridge-March and Quinton (2009) have reviewed literature concerning ‘referral markets’ (WOM markets) and cite evidence that they are effective as marketing tools (Wilson, 1994), relationship builders (Christopher *et al.*, 1996) and offer financial advantages (Helm, 2003). They distinguish between ‘word-of-mouse’ and word-of-mouth, one being face-to-face, the other remote communication. Li and Bernoff (2008) suggest that WOM succeeds because it is believable, is ‘self-reinforcing’ (i.e. you hear it from lots of people and it has to be true), and because it is viral in nature.

A.3 THE STRATEGIC NATURE OF SOCIAL MEDIA

A.3.1 Social Media – Strategic or Tactical?

An issue that is often raised within discussion is whether social media are strategic, or merely tactical. Hoffman and Fodor (2010) warn marketers against thinking they are ‘just another’ traditional marketing communications tool. The notion of social media being a *strategic* activity is supported by a report which describes US marketers going through three phases – trial, transition and strategic. However, so far only about a quarter of marketers have made their social media efforts a strategic activity (MarketingSherpa,
108, cited in eMarketer, 2009a). Support for social media as a strategic function also comes from Andy Lark, VP of Dell Global Marketing:

I would say that the social media stuff for us is probably the most important thing we do today from the marketing standpoint. I think a lot of the other elements of the marketing mix are becoming more and more transactional and more and more tactical in nature. Social media stuff for us is much more strategic… How do you actually use social media to power fundamentals of the business? That’s what we’re focused on (Lark, 2008).

More evidence of the strategic nature comes from the success of social in raising awareness of the Fiesta car in the US. Ford now spends 25% of its marketing budget on digital and social media, twice the industry average (Kiley, 2009).

Li and Bernoff (2008) suggest that that there are five objectives that companies can pursue in Web 2.0 and compare them with existing business functions within organisations – see Figure A1.

---

**TABLE A1: COMPARING ORGANISATIONAL FUNCTIONS WITH SOCIAL MEDIA OBJECTIVES**

<table>
<thead>
<tr>
<th>You already have this business function</th>
<th>Now you can pursue this groundswell objective</th>
<th>How things are different in the groundswell</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>Listening</td>
<td>Ongoing monitoring of your customers’ conversations with each other, instead of occasional surveys and focus groups</td>
</tr>
<tr>
<td>Marketing</td>
<td>Talking</td>
<td>Participating in and stimulating two-way conversations your customers have with each other, not just outbound communications to your customers</td>
</tr>
<tr>
<td>Sales</td>
<td>Energizing</td>
<td>Making it possible for your enthusiastic customers to help sell each other</td>
</tr>
<tr>
<td>Support</td>
<td>Supporting</td>
<td>Enabling your customers to support each other</td>
</tr>
<tr>
<td>Development</td>
<td>Embracing</td>
<td>Helping your customers work with each other to come up with ideas to improve your products and services</td>
</tr>
</tbody>
</table>

From Groundswell: Winning in a World Transformed by Social Technologies by Charlene Li and Josh Bernoff, p.69. Copyright 2009 Forrester Research, Inc.

The Author suggests that since the five groundswell objectives – listening, talking, energising, supporting and embracing – mirror the organisational functions, this is evidence that social media are strategic in nature.
However, Li and Bernoff (2008) state that the difference between the groundswell objectives and the company business functions is that the former are “far more engaged with customers and include more communication”, (p.69). These objectives/strategies are discussed further in Chapter 4 on the subjects of engagement and buyer behaviour.

A.4 CONCLUSION TO BACKGROUND TO THE SOCIAL WEB

Social media are a strategic activity but not all brands are yet using them in this way. They draw strength from the inner need of people to connect with others, something that was not possible until Web 2.0 developed. Sound reasons exist for organisations to develop social media strategies, and the power of social media is undeniable. Not only must organisations engage via social media but they must do it correctly or suffer at the hands of empowered consumers.
APPENDIX B

MARKETING PARADIGM CANDIDATES

A full examination of marketing paradigms is outside the scope of this study, but an appreciation of current academic thinking that informed the Author is summarised in the table below. It shows seven paradigmatic areas that the Author identified in the course of his reading and which were considered as a replacement for the relationship marketing paradigm.

**TABLE B1**

<table>
<thead>
<tr>
<th>Paradigmatic area</th>
<th>Proponents and details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic marketing</td>
<td>Wilson and Gilligan (2005). Consumers are more demanding and less loyal, and want to have 24hr access to information, and a dialogue with the brand.</td>
</tr>
<tr>
<td>Customisation marketing (Author’s own term)</td>
<td>Mass customisation (Pine, 1993), mass individualisation (Van Asseldonk, 1998), Customerisation (Wind and Rangaswamy, 2001), one-to-one marketing Poiesz and van Raaij (2007). Adapting products and services to customer needs and desires.</td>
</tr>
<tr>
<td>Service-dominant logic</td>
<td>Vargo and Lusch, (2004). Marketing has evolved from a previous goods-dominant (G-D) logic based on the exchange of goods, to a new service-dominant (S-D) logic based on the exchange of services.</td>
</tr>
<tr>
<td>Collaboration marketing (Author’s own term)</td>
<td>Hoffman and Novak (1997), Kotler (2008). The passive, captive consumer is no more, and the focus is collaboration rather than competition.</td>
</tr>
<tr>
<td>Advocacy marketing</td>
<td>Urban (2004, 2006). If a company advocates for its customers, they will reciprocate with their loyalty, trust and purchases.</td>
</tr>
</tbody>
</table>

Source: Author’s own.

The Author argues that only by understanding how marketing has evolved can social media’s impact on marketing strategy be fully understood fully. By implication, this study could not proceed without a marketing paradigm to guide it. It would be akin to setting off on a long journey without directions. But
as with marketing strategy definitions, there is no consensus amongst academics on the current marketing paradigm (Egan, 2008).

It is generally accepted that since the 1990s we have experienced a ‘paradigm shift’ by moving from an era of transactional marketing to one of relationship marketing (Grönroos, 1994; Gummesson, 1995; Sheth and Parvatiyar, 2000; Vargo and Lusch, 2004, all cited in Möller, 2006). However, the Author’s reading has revealed that many academics believe relationship marketing is no longer the current paradigm (e.g. Wilson and Gilligan, 2005; Piercy, 2002; Kotler, 2008). Based on the evidence, the Author selected Value marketing as his paradigm of choice.
Li and Bernoff (2008) developed the Social Technographics® Profile (STP) in order to understand how people participate in the groundswell. Six segments of behaviour were identified and a seventh was added later by Bernoff (2010) – the ‘Conversationalists’ – in order to account for the rapid conversations that take place in tweets and social network status updates. Li and Bernoff (2008) cite the Adult Fans of Lego group (AFOL) as how brands can segment their customers by the degree of engagement. AFOLs are important, being responsible for 5-10% of Lego sales (£50m). The most influential segment are ‘Creators’ who act as ambassadors for Lego and carry out much marketing for Lego via the social web, saving the company an enormous sum.
APPENDIX D
THE LITERATURE SEARCH PROCESS

The table below shows the Author’s process for searching for literature that would form part of the critical literature review. The search parameters are the boundaries that guided the search for the literature. The term ‘search string’ refers to the word(s) that were input into search engines which were designed to return search results containing links to, or directions to, literature.

TABLE D1
THE LITERATURE SEARCH PROCESS

<table>
<thead>
<tr>
<th>Item</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search parameters</td>
<td>English language, global geography, in the subject areas of strategy, marketing strategy &amp; social media.</td>
</tr>
<tr>
<td>Literature type</td>
<td>Academic text books; peer-reviewed journals, conference papers; dissertations. Practitioner books on social media were included because no academic ones were found. Research reports available via the web and practitioner websites e.g. marketing ones were used to reinforce points.</td>
</tr>
<tr>
<td>Period of literature</td>
<td>Marketing strategy books and journals were search from the period 1990-present. Books and journals on social media had to be much more current due to its continuous and rapid evolution, thus the period 2007-present was selected.</td>
</tr>
<tr>
<td>Search tools</td>
<td>Searching was done via tertiary literature sources (Saunders et al., 2009) such as the university online catalogue, electronic databases such as EBSCO and Emerald, horizontal search engines e.g. Google, vertical search engines e.g. Amazon and marketing specific websites such as BrandRepublic.com. Twitter was also very useful – by ‘following’ experts in social media much current thinking was obtained.</td>
</tr>
<tr>
<td>Search string terms and search methods</td>
<td>Search words and strings used included: ‘strategy’; ‘marketing strategy’, ‘strategy’, ‘social media’, ‘social media strategy’, ‘social networking’, ‘web 2.0’, or a combination. These were added to as key articles and authors revealed new terms not previously identified e.g. ‘co-creation’. Reference lists in books and journal articles provided additional sources that were investigated. Searches by author were done when they were identified from reading as experts on a subject e.g. branding. Relevancy was key – search returns sometimes contained too many search results so the quantity was reduced by refining the search term mix, its recency, and using Boolean logic.</td>
</tr>
</tbody>
</table>

Source: Author’s own.
APPENDIX E
INTERVIEW GUIDE (LIST OF QUESTIONS)

Section 1: Marketing strategy

Q1: How has your organisation’s marketing strategy changed over the past 1-5 years?

_Probe: So what has been the driver for this change?

Q2: How would you define your marketing strategy in philosophical terms? For instance, as benefit-based such as Value-driven, or would it be in terms of media such as Internet-based, or would it be in terms of customer focus such as One-to-one/ Relationship marketing, or in some other way?

Strategic development

Q3: Where do the influences on your marketing strategy come from? Is strategy formulation always top-down or does it also come from below such as from customer-facing levels of the business?

_Probe: Have social media had any influence on it and if so, how? Can you give some examples?

_Probe: Do social media managers get involved in marketing strategy development?

Q4: Is there a hierarchical structure of strategies in your organisation or as some academics assert is there a heterarchy structure of strategies between corporate, business and marketing levels?

Q5: How important is obtaining a competitive advantage in your organisation’s strategy and to what extent is this reflected in your marketing objectives and strategy development? Do you describe your current marketing strategy in this way or in some other way?

_Probe: Do you see social media as potentially offering your organisation a competitive advantage in some way?

Section 2: Creating Value and Innovation

Q6: Many organisations find it increasingly hard to create value for their customers in an increasingly competitive environment. How does your company define value and how does it create value for the customer?

_(If they query this then RF to mention that academics and practitioners alike recognise that value can be created for the customer either by offering desirable products or services at low prices, such as Ryan Air, or by differentiating and offering a product or service combination that offers some sort of competitive advantage, that customers are prepared to pay a premium for because it offers value in some way e.g. Converse trainers or a £3 cup of Starbucks coffee, then repeat). So considering your brand, can you give me_
examples of how you create value for your customers? (RF to research some likely answers for each organisation interviewed).

Probe: What about creating value for your organisation? How do you do that? Can social media create value for the company and if so, how?

Q7: How important is innovation to your organisation? How do you innovate and if so, in which areas? (e.g. product/service development, advertising/promotion, customer service).

Probe: To what extent do you use co-creation with your customers via social media to innovate? What are your views on social media’s ability to help you innovate and in which areas is this done or planned?

Probe: What about crowd-sourcing? Do you ever use this and is it likely to become used regularly when devising campaigns? What value do you think it offers?

Section 3: Branding

Q8: Building brand equity is seen by many marketers as key to creating value for organisations and customers alike – what challenges has your company found in attempting to build the brand in today’s marketplace?

Probe: How much of your marketing campaigns are concerned with building the brand and how much are focused on sales? Which of the two is most important for you?

Probe: What are your views on discounting to increase sales? Do you ever come under pressure from other parts of the organisation to do price promotions and how do you respond? Are price promotions something you try and avoid?

Probe: Do you ever feel that customer trust in your brand is ever eroded e.g. by external factors such as competitor activity or environmental stimuli, or by internal factors such as new product extensions or controversial advertising campaigns, and if so is it something that you try and address and how?

Q9: To what extent do you use social media to build your brand, and how? (cite example of BlendTec if necessary to jog them).

Probe: Some practitioners and academics go so far as to say that customers now define the brand. Do you think this applies in your company’s case?

Section 4: On the Marketing concept

Q10: Some academics claim that marketing has been in some sort of mid-life crisis in recent years. They cite challenges such as the high failure rates of some CRM systems, high churn rates, low loyalty, organisational resources being shifted from marketing to other departments, the cutting of marketing budgets, the commoditisation of the marketing mix, few marketing directors at board level – all indicate that perhaps marketing is in some kind of quandary
or saturation point. To what extent do you agree with this with regards to your organisation and from your own personal perspective of marketing in general?

 Probe: (If they agree then ask) In what ways are you and your company working to address this? What new ways or approach of marketing are you adopting? (Hopefully they will say social media adoption).

 Probe: (If they don’t agree, then ask why) Why? Can you tell me how your marketing manages to avoid the above challenges or why you don’t agree with the assertion above?

 **Section 5: Social media strategies and social media’s place in the Promotional Mix**

 Q11: Why does your organisation use social media?

 Probe: Is your use of social media strategic or is it tactical? What do you use social media for in your organisation?

 Probe: Are they used passively or actively? Do you use them to listening, to communicate or to engage? What about customer support? What about co-creation? (all as per Groundswell’s Listening, Talking, Energising, Supporting, Embracing).

 Q12: When developing your social media strategy, do you use any particular framework? In essence, how do you choose which social media to use?

 Probe: (If they ask what does RF mean then mention the POST framework from Groundswell as an example).

 Q13: Which social media do you use and how successful have social media in general been for you?

 **Social media’s place in the Promotional Mix**

 Q14: In terms of communicating messages to customers and prospects, how important are social media in relation to other tools such as advertising, direct mail and email marketing? Is there a hierarchy?

 Q15: What % of your marketing budget do you spend on social media? (excluding advertising on social media sites such as Facebook).

 Probe: Can you break this down further such as allocation as a % across the various different social media e.g. 30% on social networks, 15% on user-generated sites etc etc?
Section 6: Market-orientation and organisational culture and structure

Marketing orientation

Q16: On a scale of 1-10, with 10 being ‘very’, and 1 being ‘not at all’ how market-oriented would you say that your company is?

Probe: (Based on reply, ask what is being done to make it more market-oriented, customer-focused?).

Q17: Earlier, we discussed the influences of parts of the organisation on marketing strategy. But how large an influence does marketing have on the organisation’s strategy?

Q18: Would you say that your marketing at a strategic level is about increasing sales or overall performance of the organisation?

Q19: How do you go about gaining customer insights?

Probe: To what extent is your company a ‘listening’ organisation? Do you use social media to listen? If so, how? (e.g. do they use tools such as Nielsen BuzzMetrics or Cymfony?).

Organisational culture

Q20: Do you use social media internally and if so, how?

Q21: What effect is your use of social media having on the organisation itself?

Probe: Can you give me examples of these effects? (Jog: External: improved relationships with customers, savings on customer support budget, better customer insight. Internal: improving internal communications, sharing of knowledge and insights, improving productivity, improving strategy execution).

Q22: Has the culture of the organisation changed with use of social media? Are you more customer-focused or transparent as a result?

Structure

Q23: How have you organised yourselves to use social media?

Probe: Has the marketing department been increased or have other areas such as PR or IT taken up responsibility for social media? How has this been managed?

Probe: Has the adoption of social media caused a re-structuring within the organisation, such as recruiting Community managers?

Section 7: Customer behaviour and Engagement

Customer behaviour

Q24: How are social media affecting your customers’ behaviour?

Probe: What are customers doing or saying that is different? Are customer expectations higher? Are they ‘banding together’ online to create demands or changes?
Q25: How do you influence customer behaviour via social media?

*Probe: (RF looking for terms such as ‘energise’ here or perhaps a mention of finding influencers to influence others).*

Q26: Has your use of social media increased loyalty of customers? Has your relationship strategy changed with the onset of social media? (RF interested to know if interviewee mentions social CRM).

Q27: Have your segmentation and targeting methods changed as a result and if so, how?

*Probe: (traditional methods are socio-demographics etc). Have you segmented your customer base in social media terms? (e.g. via STP ladder or social contributor ladder).*

**Engagement**

Q28: Marketers increasingly talk about the need for greater customer engagement (interaction). What do you understand by this term? Is it something your organisation is seeking to address?

*Probe: What role is social media playing in this? Which are your engagement tools?*

*Probe: Is this a one-sided view or are you finding that customers want to be more engaged with you? If so, how are they telling you and in what way do they want to be engaged?*

Q29: How do you measure engagement?

*Probe: Buzz and sentiment – do you track these? (they might have mentioned use of BuzzMetrics or equivalent before but could be explored further in engagement terms). What about the Net Promoter Score, do you use this and how successfully?*

**Section 8: The future**

Q30: What are your plans for social media in the future and how do you think this is going to affect your organisation and customers?

*Probe: What about marketing strategy? How is it likely to change in the future do you think?*

Q31: How would you describe social media’s impact on your company’s marketing strategy?
APPENDIX F

CHANGES TO INTERVIEW QUESTIONS AFTER TESTING IN THE PILOT INTERVIEW

The changes made to the interview questions as a result of the Pilot interview were as follows:

- In the ‘Marketing Strategy’ section, a probe question was added after Q1 which asked what the driver for changes to strategy was.
- Q3 was added because it clarified an existing probe question pertaining to how marketing strategy is influenced.
- A probe question under Q3 concerning hierarchy of structures was given its own question number (Q4) because it was felt it was unrelated to Q3.
- Q5 was added because it asked about the importance of gaining a competitive advantage with regards to strategy, an earlier omission, and a probe question asking if social media could enable a competitive advantage was added since this is a consideration.
- In the ‘Creating Value and Innovation’ section, an additional question was added to a probe question which asked if social media could create value for the organisation.
- In the ‘Market orientation’ section, Q15 was changed to refer to ‘gaining customer insights’ rather than ‘listening’ in order to not be less suggestive.
- A couple of probe questions were deleted in sections 5 and 6 to reduce length.
- The biggest change was made by merging Section 8 (Engagement and Measurement) with Section 7 (Customer Behaviour) since the latter section contained questions on loyalty and relationship marketing and they are linked to engagement.
- Q21 was changed to include the direct question “How have you organised yourselves to use social media?” and the original question concerning re-structuring was relegated to a probe question underneath.
APPENDIX G

INTERVIEWEE (RESPONDENT) GUIDE:
A PRE-INTERVIEW BRIEF

Note for Reader: The themes correspond to the sections in the Interview guide (list of questions).

This is a short ‘advance warning’ for interviewees who have agreed to be interviewed as part of Richard Fullerton’s research project which forms part of his Masters degree at Oxford Brookes University. There are 9 themes each of which has a handful of questions which you will be asked. The questions could be bracketed in two areas – those which deal with marketing strategy and those concerning social media. Richard is, for the most part, interviewing 2 people in each of 4-5 companies. One person has responsibility for, or works in, the area of marketing strategy, whilst the other works in social media, or has a lot of responsibility for it, within the company.

The questions are the same for both types of people – this way it is hoped to get a better perspective of marketing strategy and social media in a company than if only one person were to be interviewed.

This guide has been developed to enable, you, the interviewee, to prepare yourself mentally for the questions, ensuring you are comfortable about answering questions. There are no ‘trick’ questions. Most questions are open-ended – this is a ‘semi-structured’ interview – and you are invited to give as long responses as you wish and will be invited to expound on your answers with follow up questions. You do not have to answer any question – it is purely up to you and will not be expected to divulge corporate secrets. There might be some questions which you feel you are not able to respond – this is perfectly understandable, although unlikely.

At commencement, you will be requested to sign a consent form (this is Oxford Brookes University policy) and the interview will be recorded for validity and scripting purposes. Copies of the audio and/or typed scripts can be provided on request. You will of course receive an e-copy of the completed dissertation once it is finalised. Your help in this project is much appreciated.

Dissertation title
The Impact of Social Media on Marketing Strategy.

Research problem
What is the Impact of Social Media on Marketing Strategy?
Theme 1: Marketing strategy

In this area, you might want to consider how your marketing strategy has changed in recent years (or not as the case may be), and how it relates to organisational and other strategies. Think about your organisation’s current marketing strategy and how you would informally describe or define it, and perhaps mentally prepare some examples of its implementation e.g. products, campaigns, processes. Social media has only arrived on the scene relatively recently so think about this in relation to strategy.

Theme 2: Creating value and innovation

Creating value for the organisation and customers is considered by many managers as vital for growth. Consider how you define value. Think about it in your organisation and perhaps some examples. Consider, if applicable, how social media feature in this area. The links below might offer some prompts for your own thinking:

http://www.socialmediatoday.com/SMC/105103

http://www.utalkmarketing.com/Pages/Article.aspx?ArticleID=18904&Title=How_Disney_is_building_the_business_with_innovation

Theme 3: Branding

Consider the brandscape in relation to your organisation. Think about how your organisation builds brand equity. Consider your marketing campaigns in relation to this. Consider existing challenges to your brand and how you are countering them. Consider social media and your brand.

Theme 4: On the Marketing concept

The marketing concept is a philosophy that marketers work to – that an organisation should try to satisfy customer needs via activities that enables the organisation to achieve its objectives. Think about to what extent your organisation does this. Consider the state of marketing from your own perspective, your ‘world view’ - and that of your organisation.

Theme 5: Social media strategies and social media’s place in the Promotional Mix

Think about your organisation’s use of social media in strategic or tactical terms. Consider its uses and how successful it has been to date. Consider social media strategy development and its place in the promotional mix with regards to your company.

Theme 6: Market-orientation and organisational culture and structure

Consider your organisation and its market-orientation. Consider marketing’s role, and its precedence, in your company? Think about market sensing (listening). Consider your use of social media in this aspect and consider your organisational structure and culture. What changes, if any, have occurred?
Theme 7: Customer behaviour and Relationship marketing

Consider social media and customer behaviour. Consider conversations that are occurring and their degree of influence. Think about the impact that social media are having on behaviour and relationship marketing with regards to your organisation.

Theme 8: Engagement and measurement

Consider engagement and its measurement. It’s much talked about but what do you do? Where does social media come in?

Theme 9: The future

Think about your organisation’s plans with regard to social media and its likely impact. Think also about your future marketing strategy. Consider the research problem and how you would answer the question.
APPENDIX H
RELATING KEY CONCEPTS FROM THE LITERATURE REVIEW WITH QUESTIONS FROM THE INTERVIEWS

Table H1 below shows the key concepts arising from the literature review, with their chief associated authors, and relates them to the interview questions. These concepts are much more granular than those of the conceptual framework i.e. are a subset of them.

Table H1
RELATING KEY CONCEPTS WITH INTERVIEW QUESTIONS

<table>
<thead>
<tr>
<th>Concept/theme</th>
<th>Main associated author(s)</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decline of marketing inc. mid-life crisis and problems with the marketing concept</td>
<td>Kumar (2004); Parsons and Maclaren (2009); Grönroos (2009); Webster et al. (2005); Wilson and Gilligan (2005); Piercy (2002); Poiesz and van Raaij (2007). Varadarajan and Jayachandran (1999); Hooley and Saunders (1993); Wind (1996); Brady and Davis (1993); Egan (2008); Sheth and Sisodia (2005); Sasser (2008); Prahalad and Ramaswamy (2004b); Webster et al., 2005; Meadows-Klue (2008); Weber (2009); Haven et al. (2007); Lovatt (2010).</td>
<td>Q10</td>
</tr>
<tr>
<td>Marketing paradigms</td>
<td>Egan (2008); See also Table B1.</td>
<td>Q2</td>
</tr>
<tr>
<td>Understanding Strategy and Marketing strategy including hierarchy of strategies.</td>
<td>Porter (1987, 1996, 2001); Prasad (2010); Piercy (2002); Kim and Mauborgne (2005); Hamel (1996); Brennan (2008); Wilson and Gilligan (2005); Varadarajan and Jayachandran (1999); Chakravarthy and Henderson (2007); Doyle (2008); Brennan et al. (2008); de Kuyver (2000); McGovern et al. (2004)</td>
<td>Q1, Q2, Q3, Q4, Q17, Q18</td>
</tr>
<tr>
<td>Competitive advantage</td>
<td>Porter (1980); Piercy (2002); Day et al. (1990); Sudharshan (1995); Wind and Rangaswamy (2001)</td>
<td>Q5</td>
</tr>
<tr>
<td>Social media and competitive advantage</td>
<td>Prahalad and Ramaswamy (2004b); Hoffman and Fodor (2010); Brown et al. (2007); Ferguson (2008); McKinsey (2007)</td>
<td>Q5</td>
</tr>
<tr>
<td>Effectiveness and efficiency</td>
<td>Wilson and Gilligan (2005); Brennan et al. (2008); Porter (1996); Žostautienė and Vaičiūlienė (2010); Appiah-Adu and Singh (1999)</td>
<td>Not asked directly</td>
</tr>
<tr>
<td>Impact of internet on strategy</td>
<td>Porter (2001); Kumar (2004); Wilson and Gilligan (2005); Piercy (2002)</td>
<td>Not asked directly</td>
</tr>
<tr>
<td>Topic</td>
<td>References</td>
<td>Section</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Reduced role/influence of marketing</td>
<td>Kumar (2004); Wilson and Gilligan (2005); Poiesz and van Raaij (2007).</td>
<td>Q10</td>
</tr>
<tr>
<td>Diminishing corporate marketing function</td>
<td>Webster (1992, 2005a); Wilson and Gilligan (2005); Wind (1996); Poiesz and van Raaij (2007).</td>
<td>Q10</td>
</tr>
<tr>
<td>Criticisms of marketing and marketing strategy</td>
<td>McGovern et al. (2004); Day (1992); Webster et al. (2005).</td>
<td>Q10</td>
</tr>
<tr>
<td>Issues with value creation</td>
<td>Piercy (2002); Webster et al. (2005); Poiesz and van Raaij (2007)</td>
<td>Q6</td>
</tr>
<tr>
<td>Social media and value creation</td>
<td>Ramaswamy (2008), Harris and Rae (2009). Brown et al. (2007); Ferguson (2008).</td>
<td>Q6</td>
</tr>
<tr>
<td>Crowd-sourcing</td>
<td>Howe (2008); Chakravorti (2010)</td>
<td>Q7</td>
</tr>
<tr>
<td>Innovation inc. need for.</td>
<td>Webster et al. (2005); Piercy (2002); Cravens and Piercy (2009); O’Hern and Rindfleisch (2009); Rogers (1995); Wind (1996)</td>
<td>Q7</td>
</tr>
<tr>
<td>Problems with innovation</td>
<td>Mauborgne and Kim (1999); Roberts and Alpert (2010); Poiesz and van Raaij (2007); Aaker (1996); Loewe and Dominiquini (2006)</td>
<td>Q7</td>
</tr>
<tr>
<td>Value innovation</td>
<td>Thomke and von Hippel (2002); Poiesz and van Raaij (2007); Cravens and Piercy, 2009); Kim and Mauborgne (2005)</td>
<td>Q7</td>
</tr>
<tr>
<td>Rise of the new consumer</td>
<td>Christopher (1989); Burnett and Hutton (2007); Wilson and Gilligan (2005); Capon and Hulbert (2000); Lewis and Bridger (2000); Piercy (2002); Kumar (2004); Poiesz and van Raaij (2007);</td>
<td></td>
</tr>
<tr>
<td>Problems influencing consumers</td>
<td>Rotfeld (2006); Keller (2009). Poiesz and van Raaij (2007); Thomas (2007); Li and Bernoff (2008); Weber (2009); Haven et al. (2007)</td>
<td></td>
</tr>
<tr>
<td>Limitations on relationship marketing</td>
<td>Brennan et al. (2008); Urban (2004); Kumar and Reinartz (2002); Newell (2003);</td>
<td>Q10</td>
</tr>
<tr>
<td>Social media, relationship marketing and Social CRM</td>
<td>Casaló et al. (2008); McA Alexander, Schouten, and Koenig (2002); Band and Petouhoff (2010); Wang and Owyang, (2010); Greenberg (2009)</td>
<td>Q11</td>
</tr>
<tr>
<td>Segmentation and social media influencing buyer behaviour</td>
<td>Brennan et al. (2008); Poiesz and van Raaij (2007); Constantinides and Fountain (2008); Ferguson (2008); Strategic Direction (2010); Hoyer and Macinnes (2001); Evans et al. (2009); Roberts and Alpert (2010); Harridge-March and Quinton (2009)</td>
<td>Q11</td>
</tr>
<tr>
<td>Problems with the marketing mix</td>
<td>Constantinides, 2006; Poiesz and van Raaij (2007); Wilson and Gilligan (2005); Roberts and Alpert, 2010; Prahalad and Ramaswamy, 2004a; Prahalad and Ramaswamy (2004b);</td>
<td>Q10</td>
</tr>
<tr>
<td>Importance of brand equity</td>
<td>Thomas and Kohl (2009); Christodoulides and de Chernatony (2010); Falkenberg (1996); Aaker (1992).</td>
<td>Q8</td>
</tr>
<tr>
<td>Brands creating value</td>
<td>Aaker (1992); Dibb et al. (2006); Cravens and Piercy (2009)</td>
<td>Q8</td>
</tr>
<tr>
<td>Forces working against the brand</td>
<td>Thomas and Kohl (2009); Piercy (2002); Sinha (2000); Dibb et al. (2006); Lodes and Buff (2009); Aaker (1996); Webster et al. (2005); Loken and John (1993); Gürhan-Canli and Maheswaran (1998); John et al., (1998); Rotfeld (1998); Sinha (2000); Christodoulides (2008).</td>
<td>Q8</td>
</tr>
<tr>
<td>Brands in Web 2.0 inc. building brands</td>
<td>Roberts and Alpert (2010). Pine and Gilmore (1998); Schmitt (1999, 2000); Christodoulides and de Chernatony (2004); Christodoulides (2009); Muniz and O’Guinn, (2001); Weber (2009); Li and Bernoff (2008); Hoyer et al. (2010), Deighton (2007); Mangold and Faulds (2009); Christodoulides (2009); Li and Bernoff (2008); Kiley (2009); eMarketer (2010b); Creston (2010); Muñiz and O’Guinn (2001).</td>
<td>Q9</td>
</tr>
<tr>
<td>Brand communities in Web 2.0</td>
<td>Casaló et al., 2008); Muñiz and O’Guinn (2001); Hatch and Schultz (2010); Li and Bernoff (2008); Antorini (2007); Prahalad and Ramaswamy (2004b); Davidson and Copulsky (2006); Quinton and Harridge-March (2010).</td>
<td>(Q9)</td>
</tr>
<tr>
<td>Brands, trust and social media</td>
<td>Wilson and Gilligan (2005); Edwards, (1998); Meadows-Klue (2008); Constantinides and Fountain (2008); Gillin, (2009); Mortensen and Walker (2002); Casaló et al. (2008); Li and Bernoff (2008); Clifford-Marsh (2009); (Palmer and Koenig-Lewis (2009).</td>
<td>Q8, Q9</td>
</tr>
<tr>
<td>Marketing orientation in organisations as a culture inc. benefits of.</td>
<td>Deshpande et al. (1993); Narver and Slater, (1990); Kohli and Jaworski (1990); Cravens and Piercy (2009); Žostautienė and Vaičiulėnaitė (2010); Appiah-Adu and Singh (1999), Piercy (2002); Slater and Narver, (1994) Dibb et al. (2006).</td>
<td>Q16</td>
</tr>
<tr>
<td>Problems with market-orientation and organisational culture and structure</td>
<td>Webster (2005b); Poiesz and van Raaij (2007)*; Piercy (2002); Doyle (2008); Christodoulides (2008); Doyle (1994); Brown, A (1995).</td>
<td>Q16</td>
</tr>
<tr>
<td>Listening organisations</td>
<td>Cravens and Piercy (2009); Piercy, (2002); Harridge-March and Quinton (2009); Li and Bernoff (2008).</td>
<td>Q19</td>
</tr>
<tr>
<td>Changing the alignment of</td>
<td>Wilson and Gilligan (2005); Piercy (2002);</td>
<td>Q21</td>
</tr>
<tr>
<td>Topic</td>
<td>References</td>
<td>Questions</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
<td>-----------</td>
</tr>
<tr>
<td>organisation incl. social media</td>
<td>Cravens and Piercy (2009); Sawhney et al. (2005); Li and Bernoff (2008); Aziza (2010).</td>
<td>Q22, Q23</td>
</tr>
<tr>
<td>Employee empowerment inc. strategy execution and innovation benefits</td>
<td>Dibb et al. (2006); Roberts and Alpert (2010); Burnett and Hutton (2007); Aziza (2010); Ramaswamy (2010).</td>
<td>Q21</td>
</tr>
<tr>
<td>Customer engagement background</td>
<td>Van Doorn et al. (2010); EIU (2007); Mangold and Faulds (2009); Kirby (2006); Roberts and Alpert (2010).</td>
<td></td>
</tr>
<tr>
<td>Social media’s role in customer engagement incl. measurement</td>
<td>Verhoef et al. (2010); Hoffman and Fodor, (2010); Mangold and Faulds (2009); Weber (2009); Reicheld (2003, 2006); Chatley et al. (2009); Hoffman and Fodor (2010); Saks (2006),</td>
<td></td>
</tr>
<tr>
<td>Social media background</td>
<td>See Appendix A. Constantinides and Fountain (2008); Weber (2009); Weinberg (2009); Li and Bernoff (2008);</td>
<td>n/a</td>
</tr>
<tr>
<td>Reasons for social media usage by organisations</td>
<td>See Appendix A. Fisher (2009); Li and Bernoff (2008).</td>
<td>Q11</td>
</tr>
<tr>
<td>Reasons for social media usage by consumers</td>
<td>See Appendix A. Meadows-Klue, (2008); Strategic Direction (2010); Palmer and Koenig-Lewis (2009).</td>
<td>n/a</td>
</tr>
<tr>
<td>Social media usage, strategies, and their place in the promotional mix, budgets.</td>
<td>N/a – not directly explored in literature. This was not the aim of the study and is incidental. However the effectiveness of WOM over traditional media was repeatedly featured in the literature review.</td>
<td>Q12, Q13, Q14, Q15</td>
</tr>
</tbody>
</table>
## APPENDIX I

### RESPONDENTS (INTERVIEWEES)

#### TABLE I

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Company &amp; job title</th>
<th>Area of responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adrian Morley</td>
<td>Customer Advocacy and Value Development Manager, The Co-operative Financial Services</td>
<td>Customer Advocacy and Value Development</td>
</tr>
<tr>
<td>Sam Grimley</td>
<td>First Direct, Marketing Communications Manager</td>
<td>Social media</td>
</tr>
<tr>
<td>Paul Say</td>
<td>First Direct, Marketing Director</td>
<td>Marketing strategy</td>
</tr>
<tr>
<td>Sienne Veit</td>
<td>Marks &amp; Spencer, Social and Mobile Commerce Development Manager</td>
<td>Social media</td>
</tr>
<tr>
<td>Cheryl Calverley*</td>
<td>Birds’ Eye Iglo Group, General Marketing Manager.</td>
<td>Marketing strategy &amp; Social media</td>
</tr>
<tr>
<td>Kerry Bridge</td>
<td>Dell, Social Media Manager Dell Public Sector Communications</td>
<td>Social media</td>
</tr>
<tr>
<td>Mark Squires</td>
<td>Communications Director, Nokia</td>
<td>Social Media</td>
</tr>
<tr>
<td>Benjamin Braun</td>
<td>Head of Online Services British Gas</td>
<td>Online Services</td>
</tr>
<tr>
<td>Dan Cohen</td>
<td>Head of SEO and Social Media, MoneySupermarket.com</td>
<td>Social Media</td>
</tr>
</tbody>
</table>

* Until August 2010, Cheryl was the Senior Global Manager at Unilever’s Axe Skin and before that was a Senior Brand Manager at Unilever working on brands such as Marmite and Peperami. As a result her interview was able to cover both areas of responsibility since her work at Unilever centred on social media whilst her current work at Birds’ Eye has her managing its marketing and consequently is more centred on marketing strategy.
APPENDIX J
PURPOSE OF STUDY OPTIONS

The Author examined three options for purpose of study for this research by reviewing the literature – see the Table J1 below. The eventual choice was a combined purpose – exploratory and explanatory. The problem needed to be explored in order to understand it (exploratory). However, because there was clearly an implied causal relationship between social media and marketing strategy, then this needed to be explained (explanatory), but with no testing of hypothesis since one did not exist.

<table>
<thead>
<tr>
<th>Purpose of study</th>
<th>Used for</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Exploratory</strong></td>
<td>Useful if trying to understand a problem (Saunders <em>et al.</em>, 2009); to discover issues (Jankowicz, 2005); to save money – it may show that further research is not worthwhile – or so that a hypothesis can be developed for testing (Cooper and Schindler, 2008).</td>
</tr>
<tr>
<td><strong>Descriptive</strong></td>
<td>The problem is well understood (Ghauri and Grønhaug, 2005), and the research is aimed at “finding out who, what, where, when or how much” (Blumberg <em>et al.</em>, 2008, p.197); to identify crucial features of situation under study (Jankowicz, 2005). It is often a forerunner to either exploratory or explanatory research.</td>
</tr>
<tr>
<td><strong>Explanatory</strong></td>
<td>Establishing <em>causal</em> relationships between variables (Saunders <em>et al.</em>, 2009). Attempts to explain why. It looks for reasons of the events being studied i.e. seeks to explain what is occurring (Jankowicz, 2005).</td>
</tr>
</tbody>
</table>

Source: Author’s own.
APPENDIX K

QUALITATIVE DATA ANALYSIS STRATEGY OPTIONS

Table K1 below shows the data analysis options considered by the Author. The chosen method, Data display and analysis, is highlighted.

**TABLE K1**

<table>
<thead>
<tr>
<th>Data analysis strategy</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content analysis</td>
<td>Content analysis (Lancaster 2005; Fisher, 2007; Bryman and Bell, 2003) is the main technique used with semi-structured interviews (Jankowicz, 2005) and works by quantifying qualitative data by registering the frequency of words or actions (Lancaster, 2005), persons or themes (Bryman and Bell, 2003). It is an objective and deductive approach that is suitable for testing hypotheses (Lancaster, 2005). Because this, the Author rejected this technique.</td>
</tr>
<tr>
<td>Grounded theory</td>
<td>Grounded theory (Lancaster 2005; Saunders et al., 2009) is defined as “the discovery of theory from data – systematically obtained and analysed in social research” (Glaser and Strauss, 1967, p.1). It is inductive in nature and does not test a hypothesis or even pre-conceived ideas (Lancaster, 2005; Myers, 2008). The researcher accepts that the data determines the findings. This is appropriate where the researcher is unsure of the nature of the research problem (Lancaster, 2005). For these reasons, it was rejected.</td>
</tr>
<tr>
<td>Data display and analysis</td>
<td>This was the selected data analysis strategy selected for the study. Three stage process of data reduction, data display, and conclusion drawing and verification (Miles and Huberman (1994).</td>
</tr>
<tr>
<td>Discourse analysis</td>
<td>The Author also rejected discourse analysis (Fisher, 2007; Saunders et al., 2009) because it concerns analysis of use of language, a clear distraction.</td>
</tr>
<tr>
<td>Analytical induction</td>
<td>Analytical induction (Saunders et al., 2009; Bryman and Bell, 2003; Myers 2008) was rejected because it is time-consuming and involves continual redefining of a hypothetical explanation, of which there was none in this study.</td>
</tr>
<tr>
<td>Template analysis</td>
<td>Template analysis (Saunders et al., 2009) was seriously considered, however it was also rejected as not offering the flexibility required – no one interview was the same as some questions and probe questions were omitted at various times.</td>
</tr>
<tr>
<td>Narrative analysis</td>
<td>A narrative is a story either written by a respondent which is read by the researcher or is written by a researcher via collection through interviews (Saunders et al., 2009). Very in-depth approach to gathering data and is about personal experience and meaning in the organisation (Myers, 2008). Clearly this was not suitable.</td>
</tr>
<tr>
<td>Hermeneutics</td>
<td>Hermeneutics is an approach to understanding or interpreting texts from the perspectives of their Authors (Bryman and Bell (2007). In an analysis of an organisation, the interpretive effort is to make sense of all the different stakeholders and their relationship with the company (Myers, 2008).</td>
</tr>
<tr>
<td>Semiotics</td>
<td>Semiotics is the study of signs and symbols and their meaning (Myers, 2008). A semiotic approach tries to determine how signs bind their users together and understand their cultural world (Bryman and Bell (2007). Clearly this was not a suitable form of analysis for this study.</td>
</tr>
</tbody>
</table>

Source: Author’s own.
APPENDIX L
SAMPLE INTERVIEW TRANSCRIPT

The Impact of Social Media on Marketing Strategy
Interview with Dan Cohen Moneysupermarket.com (8th October)

Interviewee: …hearing your own voice I sound like my brother..

Interviewer: Haha. Right, erm… this erm… is an interview with Dan Cohen of Moneysupermarket.com on Friday the 8th of October. Dan, thank you very much for erm… (Clears throat) for taking part in this.

Interviewee: Not at all.

Interviewer: You’ve seen the interview guide so I’m just going to kick off straight away and erm, go to section one or what you have is theme one which is marketing strategy, erm… How… I know you’ve only been at Moneysupermarket for six months but how has your organisations marketing strategy changed over the past sort of… past one to five years from what you about your organisation.

Interviewee: Erm… Five years is a very long time horizon, erm certainly over the last two years it has become apparent that the old model of advertising and acquiring users to the site might have to shift so that we take the site to them. Very much the strategy now is we go where the customers are and that means primarily reaching out into the social statuses because that where everybody is.

Interviewer: Oh, ok. So erm… This sort of, goes on to how would you define your marketing strategy, because you seem to be defining in terms of communication terms which is interesting. Some people define their marketing strategy in terms of value driven marketing strategy or in terms of media such as well, we have an internet based marketing strategy while some people still revert to the old… well I say old but… old terminology was like, customer focussed so we have a one to one or a relationship marketing strategies. How would you define your… you’re, you know… Moneysupermarket’s marketing strategy in terms of philosophy?

Interviewee: Oh we say its proposition based. Erm… The difference between us and the traditional business is that we are essentially click herding. We are an affiliate, a super affiliate business in that obviously what we produce is comparison and our product is the ability to hold one data point up against another. So for us, we are very proposition led because we can only sell what we [unclear]. So when we go to market it’s always with a very strong comparison led and money saving proposition.

Interviewer: Right, okay. Now we’ve got an idea of your erm… of your marketing strategy and its philosophy. What are the influences in this marketing strategy, where do they come from? Is this strategy formulation always from the top down from the top of the organisation or did it come up from below, from the customer facing levels of the business?
Interviewee: Well I think traditionally it's been very top down, erm… and that was led purely by the fact that we were a privately owned company, erm you know, a small .com start up ten years ago.

Interviewer: Yeah.

Interviewee: erm, you know with a small entrenched management team who were all friends and started this business together and over time as we matured and took on the extra responsibility of being a public company or a listed company, erm… We've had to expand that and that's informed the way we've planned our marketing. These days and especially over the last eight or nine months, we've become a lot more customer led in working out what the proposition should be and working out whether value is in terms of what we can provide to customers, erm… We have some very aggressive growth targets which obviously come from the top down but now the marketing strategy is set by you know, just below board level whereas before it was all set at board level.

Interviewer: Okay, that's all very interesting, what about social media has that had any effect on your marketing strategy yet and if so, can you give any examples?

Interviewee: It's something that we're just starting to dip our toe into like I said the shift in thinking to be going where the customers are as opposed to bringing them to us, erm… You know, it had impact on the technology stats and it had impact on the marcoms. The social media initiatives we've had to date have all been about getting our content, getting our proposition into the places where people can see them and social has allowed us a really easy way to do that. Erm… The other major driver especially for social media integrations especially in the bookmarking sharing space as opposed to the single sign on or spotting identity [unclear] is simply the data capture that is available behind social media single sign on but also the SEO implications of link building. In order to… erm… As you know, educate Google that we have a valuable site when it needs a given keyword we need a lot of links. We have people, our agents who are obviously building those and social space especially in sharing and bookmarking allows us to effectively outsource that task to our users who do it for us for free for fun, if you follow.

Interviewer: Yes, no, I mean I see. And does that mean there’s less responsibility now for erm… You know… Those who are building links for you and it’s all being done by the consumer or is it going to be a healthy sort of balance?

Interviewee: It will be a good balance but I guess the erm, point of that is that what’s driving the social media strategies is a need to scale the SEO programme and the goal of taking our proposition to where people are.

Interviewer: So, I know from the past you’re an SEO expert and do you see… Is there a merging of SEO in Social at all or are they just going to run side by side?

Interviewee: Well, erm… as you know I think we might have touched on this the last time we’ve had a discussion and I view SEO as being everybody’s job within an organisation, in an online organisation certainly because everyone can have an impact on the way Google uses the site.
Interviewer: Yeah.

Interviewee: The reason that SEO is driving the social strategy is because it easier to tack an ROI onto it.

Interviewer: Ah.

Interviewee: It actually does have a quantified benefit when we’re talking about the number of links going back or the popularity of a given site to Google. They’re revolving past just looking at links and now like other new links if you follow erm… Anyone who says they like your content, you are now counting that as a vote. Not quite the same strength as if you hyperlink but it certainly does count.

Interviewer: When you say it counts, does it actually erm, you know in quantifiable terms or is it just a self-justification by you guys that, you know its working.

Interviewee: No, it does count. We’ve run tests on a very small affiliate in each marketing site that we operate for testing purposes. They don’t generate revenue; they’re just there to test theories. Erm… And we’ve done well where we’ve seen a high density of social interaction. Obviously only Google knows how much weight they place on the like over the link, however, if you have a high density or a high volume of likes then it does count.

Interviewer: Okay. Now look we’ve sort f digressed slightly, can we finish of on marketing strategy, erm… just going back to this strategy, is there a hierarchal structure of strategies in Moneysupermarket or is… Some academics are saying is there a heterarchy structure which is rather like a triangle, you’ve got corporate on one point then business strategy on another point and then function or such as marketing on another so you’ve got the three strategies which normally would be in a hierarchy but actually having the same influence on each other, there’s no sort of erm, what’s the word… well hierarchy effect…

Interviewee: Well, I think we’re in a period of transition as far as that goes like I described to you two years ago we floated and as such there was a lot of [unclear] to bring in a responsible structure. And what we had previously was a very hierarchical. It was all very much top down led by a small group of individuals who would drive strategies around all the various functions of the business and now we’re moving towards the matrix model whereby we shift having commercial directors and marketing directors briefing each other in terms of what kind of customers they would like to acquire or what kind of message they would like to put out. Erm… So that strategy is being set from the business side commercial teams in terms of the “what” and the marketing teams in terms of the “how”.

Interviewer: Ahh, okay. Just to finish off… Erm… We’ve all discussed getting a competitive advantage. How important is obtaining a competitive advantage in your organisations strategy and to what extent is this reflected in your marketing objectives and strategy development? I mean, do you describe you marketing strategy like; “we’ve got to get a competitive advantage and we’ve got to do it this way.” Or is it something that everyone’s taken for granted and nobody’s discussed much?
Interviewee: Erm… It is very much on the forefront of everybody’s mind, I don’t know how familiar you are with the erm… (Clears throat) comparison website space but erm… we were obviously first to market and we were very disruptive in terms of what we were offering. It really did disrupt a 100 year old industry or maybe even more in terms of professional insurance. So, you know… We didn’t have direct competitors for the first four years of our operation so I don’t think it was erm… A big part of the thinking but now go compare, compare the market, both owned by insurance companies interestingly.

Interviewer: Yeah.

Interviewee: You know, entering this space has become a much bigger part of our thinking and it definitely does drive not only the day to day activity and the kind of data that we look at but it drives erm, the whole strategy.

Interviewer: Yeah that’s great and we will come onto branding in a sec because obviously there’s a big brand out there erm (laughs) that we could talk about and I would be interested to see what your take is on it. But… Erm… Just to finish on strategy, do you see social media as potentially offering erm, Moneysupermarket a competitive advantage in some way at all?

Interviewee: I think erm that our competitors viewed it that way and have been quicker to execute than we have been.

Interviewer: Right.

Interviewee: You know, obviously we have a lot of legacy that they do not have and obviously at this point because they’re newer they’re a little bit more agile than we are.

Interviewer: Yes.

Interviewee: But it definitely is something that will give us a competitive advantage if it’s implemented correctly.

Interviewer: Okay. Look, onto section two which is like creating value and innovation, you did mention the V word earlier but let’s talk about it in a bit more detail. Erm, many organisations find it increasingly hard to create value for their customers in this increasingly competitive environment. How does Moneysupermarket.com define value and how does it create value for their customer?

Interviewee: Well the value for the customer is in the savings we can provide them. Essentially we are a consultancy service and we hope to catch people at trigger points in their financial planning cycle for example car insurance renewal is the really obvious one because it’s an annual thing and it comes out every year. Now, erm… Previously the value we offered would have been along the lines of; we will retain your data and we will automatically renew, or rather we will offer you a renewal quote.

Interviewer: Yes.

Interviewee: But, erm… To drill down on this example, we are now looking CRM and social to provide much more intelligent views of the other trigger points in people’s
lives so that we can get our message across and put forward our proposition at the right time.

Interviewer: Right, okay... That's very clear. What about creating value for the organisation itself? How do you do that and also can social media create value for your company in any way?

Interviewee: Absolutely, it can and as you know there are many streams to the social space and it’s all kind of lumped into just being called social. Erm, one of the things that we can create value for is the SEO story and that is very much how we are going to show or demonstrate our ROI on this project. Erm, the other thing it does as well as just grading the value of the site, it can raise the value of the organisation in the reputation management space. So we are actively engaging with our customers even when they’re not thinking about, you know… Acquiring or comparing a new product. You know if they are discussing our brand we need to be in those discussions so the conversation itself has a value.

Interviewer: Erm... From the point of view of branding?

Interviewee: No, from the point of view of branding but also from the point of view of revenue protection.

Interviewer: Oh, in what way? Sorry, specify?

Interviewee: CRM is a really good way for us to understand our customers better. Social gives us the coms channel to use that CRM to great advantage. So… Like I said, the car insurance is the first example of this. Not only do you know when your car insurance is expiring but we offer a lot of comparison services to collect different data about what your car is and what your driving habits are. And that allows us to basically, just put a better offer in front of people when they do interact with....

Interviewer: So I guess what you are saying is information is of value to you, by gathering information... I’m putting words in your mouth here, tell me if I’m wrong but getting more information gives you value.

Interviewee: I think that astute, yes. As you know from looking at our site, we are a purely information business and information is our product and it is also our value.

Interviewer: Okay, now linked to value is innovation. How important is innovation to your organisation, how do you innovate and if so in what areas for instance, you know, is it in the product service development area, is it in the advertising and promotion area, is it in customer service? How do you innovate?

Interviewee: Well we try to be innovative in everything that we do and it sounds trite to say it but it really is a common theme that runs through our business. Erm… We’re constantly evolving the products; we’re constantly evolving the set of erm… Provider products that we erm… add to people, a good example of that would be for pet insurance for example which is an area we’ve looked into but by looking at what the opportunities could be behind that, erm… in fact actually that is a place where SEO and social drove the acquisition of a new product set and created an entirely new market for us to speak to. So that’s on the product side, on the technology side, innovation is very important to us, at this stage, probably what we are looking to do
more is consolidation. To get rid of some of that legacy stuff and to produce a web experience that is unified and is uniform for our customers.

**Interviewer:** So at the moment you would say you are innovating via technology?

**Interviewee:** I would say that’s correct and also in our advertising. Erm... You’ve seen of the last... I would say three years that compare the market has launched their Meercat campaign that’s been incredibly popular especially in social spaces. On Facebook, that Meercat had three quarters of a million friends.

**Interviewer:** Yeah. Probably and equal number of enemies I would guess?

**Interviewee:** (laughs) Quite possibly... Quite possibly. Erm... but you know, as a weak pun that’s turned into a three year marketing strategy I think they’ve done pretty well.

**Interviewer:** Yes.

**Interviewee:** We’re looking to evolve our advertising creative and move it in a more salient but amusing direction so we need people to find, erm... Omid and the rest of the campaign to be informative and relevant but also salient and interesting and amusing enough to share. In one really good example of that, erm... We’ve drawn a really good line from start to finish is taking our [unclear] campaign. We’ve taken the sort of haggling hero and Omid and we’ve woven that into a new film with Nigel Mansel.

**Interviewer:** Yes, ive seen that.

**Interviewee:** Good, erm... that film was designed to appeal obviously to the core audience we have and also to the specialist audience of, you know petrol heads, F1 fans and that sort of thing. And we’ve had a lot success in social and in SEO by feeding that content through those various networks and through blogs and the websites that build the links for us, so that’s a really good example of where the strategy has shifted to respond to competitor activity and increased engagement with users by our competitors with a view to using that content in the social sectors.

**Interviewer:** Okay well that’s... that’s very clear. We’ve done a bit on branding. We will come back to it. Just to finish off on value and innovations. To what extent do you use co-creation with your customers via social media to innovate and what are your views on social media’s ability to help you innovate?

**Interviewee:** Erm... It’s not something we do to date.

**Interviewer:** Right.

**Interviewee:** It’s something we’re looking at doing, erm... but we’re just starting on this social journey so... (Interrupted)

**Interviewer:** And would that be a me too thing you’re doing or do you see an actual genuine advantage from doing co-creation.

**Interviewee:** I do think it’s an advantage if you have the right users (laughs).
Interviewer: Right.

Interviewee: You know, there’s an old saying that is; “the customer is always right.”

Interviewer: Yes.

Interviewee: And we can evolve that to be the right customer is always right.

Interviewer: Right, okay that’s quite good, yeah.

Interviewee: And what I would say is that, if you were to look in to Martin Lewis’ money saving expert for example, that would be, erm… That’s a very community driven site, erm there’s a lot of forums.

Interviewer: He’s on The Sun is it?

Interviewee: Erm, he’s everywhere. I mean “he” obviously he’s a brand, erm… He’s very trusted and so when he is looking to acquire a set of products to offer to his community, he very much engages them in developing those propositions.

Interviewer: Right, Okay what about crowd sourcing, do you… You know for creating things like an ad campaign, do you ever use this? You know there been a few celebrated examples; Pepperami did one recently. What value do you think it offers?

Interviewee: Oh, I think it definitely offers value if as I say, you can restrain the creativity to the core message. I think that, you know, if you have the right people contributing and your users are engaged, it can be very valuable but frankly that’s not a situation we find ourselves in.

Interviewer: Okay, well lets go onto branding. Erm… You know, we’ve discussed a little bit already so far so we’ve broken the ice. Building brand equity is seen as key to many marketers as key to generating value for organisations and customers alike. So what challenges have your company found in attempting to build a brand in today’s marketplace, I mean you’ve talked about the competitive serge, I mean it’s tough out there but what… what are the challenges out there?

Interviewee: Erm… To be honest, I don’t know how much help I’m going to be to you on this one, I’m not that closely involved with setting up brand strategies. I would have liked to have gotten Paul Cable in front of you but unfortunately he wasn’t available.

Interviewer: No, understood. Okay. Erm… Can you say how much of your marketing campaigns are concerned with building a brand and how much are focussed on sales, any idea of the proportion?

Interviewee: Well I would say that… And again I’m new to the business so this is only what I’ve picked up but erm… Certainly what does inform our creative is need for brand recall. I think our brand recognition and brand recall is particularly low in the penetration of our ads. Certainly when you talk to focus groups, erm… You know a lot of people look at the Omid campaign and because he’s, I suppose, physically relatively similar to the go compare guy in the fact they are both rotund and large and
funny and boisterous, you know sometimes our creativity is attributed to them and the other way around.

Interviewer: Yes.

Interviewee: And so brand building has become a lot more important in our executions over the last year, erm... If you look back to some of our other above the line campaigns. The Peter Jones Campaign and many years ago we had a matrix dish campaign, erm... I don’t know if you remember those but...

Interviewer: I remember Peter Jones but not Matrix, no.

Interviewee: Yeah that was a long time ago that matrix one. Erm, it was right at the beginning of the company. Those creators were very good at putting forward the proposition but not communicating the value of the brand or the brand itself.

Interviewer: Okay.

Interviewee: Also, I know I mentioned Moneysavingexpert and again I suppose because of the similarity of the name; Money supermarket, moneysavingexpert.com, we often get confused with them and actually the perception is that those guys are us, erm... and we are them and the same is true for mysupermarket .com.

Interviewer: Of course.

Interviewee: If you price comparison among supermarkets it’s all lumped together so our cut through isn’t as high as it should be.

Interviewer: Okay, that’s a fair comment. What about, erm... Do you ever feel that customer trust in you brand is ever eroded such as by external factors such as competitive activities... I guess you just answered that bit but what about, erm... internal factors such as new product extensions or controversial advertising campaigns, erm...

Interviewee: To be honest we are not a controversial company in any way, erm, you know we are aiming to be broad scale and we have some very aggressive targets to hit.

Interviewer: So trust isn’t an issue for you guys.

Interviewee: Erm... No, we have very high trust scores, erm... And as a brand even though people don’t equate the creative to the brand, the brand itself has a very high trust especially when compared to the more recent entrants to the market.

Interviewer: Alright, let’s just finish on erm, branding. To what extend do you use social media to build your brand and how? I mean the famous example of blendtech is in everyone’s mind, you know what about... What do you do?

Interviewee: We’re on Facebook, erm... and you know, we sort of set a beach head there but frankly that was driven more looking at Facebook as an advertising platform.

Interviewer: Right.
Interviewee: A very highly talented advertising platform. We do have a presence on there, we also have one for our recruitment site as well but beyond that we are not currently leveraging social to build them.

Interviewer: Look, without revealing commercial secrets, are there any... Do you see any leverage that Moneysupermarket.com could have in that area or do you feel, you know... You’re not a unique product like blend tech and you can’t just stick a video on YouTube and expect it to build a brand.

Interviewee: Yeah, I don’t think we can, also we’ve been around a lot longer and I don’t think that’s necessarily our challenge. I think it’s something we could do if we were in a different situation but I don’t think that speaks to what our challenge is.

Interviewer: Okay. Some practitioners and academics even go as far as to say that customers now define the brand. Do you think this applies in your companies case?

Interviewee: Erm... No.

Interviewer: Okay. Any particular reason?

Interviewee: Erm... (Pause) I don’t know that we’ve engaged them, like I said before it’s that pro-creation crowd sourcing piece; we don’t really do much of that...

Interviewer: No? Fair comment. Now, onto the next section which is the marketing concept, it’s about three or four lines that I’ve got to read to you and I would be very interested on your opinion on it; Some academics claim that marketing has been in some sort of mid-life crisis in recent years, they site challenges such as the high failure rate of some CRM systems, high churn rates, low loyalty, organisational resources being shifted from marketing to other departments, the cutting of marketing budgets, the commoditisation of the marketing makes few marketing directors at board level all indicate that perhaps marketing is in some kind of quandary or saturation point. To what extent do you agree with this in relation to Moneysupermarket.com and from your own personal perspective of marketing in general?

Interviewee: Erm... From the perspective of Moneysupermarket.com I don’t agree with that at all. We have a very close link, our marketing director is on the PLC board and I suppose by British standards we would be a small to mid-sized company at 400 and something employees we are certainly not an enterprise level company yet. So as we grow into one over the coming decade, it will be interesting to see what happens to that.

Interviewer: Yeah.

Interviewee: From my experience in other places, you know I’ve just come from Microsoft where I’ve been for sort of six or seven years. Erm, Microsoft are a very technology led company which will come as no surprise to you and marketing in that organisation definitely takes a back seat to the view of the chief software architect which was Bill Gates and is now Ray Ozzie. Erm... And the view of the commercial side of the business. I would certainly agree with that for Microsoft’s perspective but as far as Moneysupermarket goes we are a very marketing led brand.
Interviewer: Erm... And any personal perspective? You know, from what you understand of marketing in its current situation?

Interviewee: Erm... I think that marketing has been commoditised for 50 years (laughing) though I don’t know if that’s a new trend, erm. My personal perspective on it is, you know, the situation dictates the organisational structure and the emphasis placed in the budgets placed in the each individual line items. I think that where you can lead with product, you know… Marketing has a very different focus, I think there’s that old saying isn’t there that; “advertising is the price paid by companies for the lack of innovation.”

Interviewer: Right, I hadn’t heard that actually. Erm... Where does that come from?
Interviewee: The internet. (Laughs)

Interviewer: Okay, I will look that up, thank you for that. Look, let’s move onto social media and strategies. Erm... which from your job title is where you are and your sort of background but it’s been very interesting talking about marketing with you anyway. In a brief sentence or two, how does your organisation use social media...? Sorry, why does your organisation use social media?

Interviewee: Erm... Currently, like I said; It’s being used to drive SEO link equities or rather to naturalise our backlink profile for SEO. That's the only way we can tie an ROI to it. Erm... There is separate stream of work because that encompasses the bookmarking and sharing space so Twitter and other bookmarking services. What it doesn’t speak to is the customer engagement people in the communications ring (?) whereby we would have, erm... People actually dedicated to deal with Twitter as a contact panel so that I guess would fall under the customer service heading, there’s also a PR angle in brand and reputation management, erm... it is possible to automate a lot of that and so there’s a cost saving there. Erm, and I guess the last piece, that it doesn’t really speak to is, you know, having a respected or trusted individual or group of individuals to operate in the social spaces and carry our message to them. I’m thinking IFAs on Twitter, you know, if people ask their trusted network friends on twitter for advice on how long to boil an egg, they’re also asking what’s the best credit card for me and inserting our propositions into those conversations is the primary driver that we’re not hitting yet but that is in the 20-11 plan.

Interviewer: Okay so would you say your usage of social media is strategic or tactical?

Interviewee: At the moment its very tactical. Erm, it’s because, like I said we’re just starting on this journey and you know, we’re looking for ways to drive growth but also the softer factors, erm... That also have an effect so we are at the beginning of a long journey I expect.

Interviewer: Okay and would you say you use it passively or actively, do you listen or do you also engage in communicating.

Interviewee: Today, we are very passive, erm... we allow the users... Well we are just starting to offer users the ability to share a page in an intelligent way. Erm... The sort of stuff that will be coming down the line will be the site is wired up to share on a
user’s behalf as opposed to a user initiating that share so event based triggering, that sort of stuff; “Dan just saved 500 pounds on his credit card”, “Richard just got new car insurance and saved 300 pounds.” You know, that sort of activity stream coming out the back of the site is going to be more proactive and that hopefully will drive the message further. Like I say, at this stage we’re not doing any of this cool stuff.

Interviewer: Oh okay. What about when you develop your social media strategy, do you use any particular framework? I mean there’s quite a well-known framework in the book “Groundswell” Where they say “Right, what’s the audience, what’s the objective, what strategies, what’s our tactics?” Or is social media so integrated within perhaps your marketing communications that you don’t use any particular framework?

Interviewee: We don’t use a framework and frankly, well…. You know, that the coverage of this sort of thing amongst the academic is pretty slim. It’s a brand new discipline and in some ways it doesn’t vary from any other coms channel but in other ways it definitely does, the immediacy of it, the permanence of it and publicity or rather the wide view ability of it will forecast things differently about how we communicate with others in that channel.

Interviewer: Okay. Well that’s answered a little bit about social medias place in the promotional mix so would you say there’s a hierarchy at all, I mean is social media, erm… You know, now on the same level as say advertising within a company or is it all equally as important as each other?

Interviewee: I don’t view it as a hierarchy, I view it as a school set that can be used, erm… To meet a given need, advertising is one, social is one, but also com based and it’s also there for driving STOs so at the moment it’s just a tool to be used here amongst others.

Interviewer: Okay, I mean, this is a left field question, do you have a feel there could be a day when you don’t advertise to build you brand and you might just, you know… Be out there in social media?

Interviewee: Erm… No, I don’t think that will ever happen because obviously we will always want to… It’s not necessarily set, the tone of the conversation and this guide is where the conversation goes and if you were to… to…. I suppose, relinquish control of that, erm… You know, that would be a bad thing, capital A-D-T [unclear] I guess it’s quite interesting in terms of relinquishing control within the reputation management stage so this is something that we cannot control and there’s very much a theory that by bringing that conversation in house as opposed to allowing it to go on our site; if your interacting, it’s a better thing. If you offer your users the ability to publicly complain about you in a forum or a space that you control and your able to respond to it, these customers will be having these conversations whether your involved or not. And bringing them somewhere where you can at least control what’s going on, erm… Is, is going to be very valuable.

Interviewer: And where do you do that?

Interviewee: Well that could either be on the site or in our communities area or, you know out on Facebook or even out on Twitter.

Interviewer: Okay, so you’ve Facebook and you’ve mentioned your own community, erm… you’ve got presumably forums linked to your site, erm…
You've mentioned Twitter, what other social media do you use? I mean bookmarking of course, what else do you use?

Interviewee: Erm... At this point we're focussing on Facebook as an advertising platform and an engagement platform and Twitter, you know it's much the same except without the developer assisted targeted advertising although we are looking to scan Twitter, erm... and I'm sure you've come across many start-ups that offer that kind of service. Beyond that, we separate the social networks by usage and we offer the top ten on our pages for bookmarking. Apart from that, we're not engaging with anybody.

Interviewer: Okay, fair comment. Just to finish on social media, can you give me any idea of what percentage of the marketing budget is spent on social media if not in money as a percentage then perhaps in terms of recourses?

Interviewee: As a percentage it would be... it would be erm... A floating point. It would be erm, naught point something. Erm... it really wasn't, you know a big focus for 20-10, it will become a big focus for 20-11 but I still think by the end of our budgets it will be sub one per cent.

Interviewer: Okay. Look, let's move onto marketing orientation and the organisational culture and structure. On a scale of one to ten with ten being very and one being not at all, how market or marketing orientated would you say that Moneysupermarket is?

Interviewee: Erm (pause) seven and a half?

Interviewer: Okay.

Interviewee: The only reason I hesitate is because it depends what angle you look at it from, also we are a network of sites, not just Moneysupermarket as an organisation of the Moneysupermarket group, we also publish travel supermarket and a number of other smaller sites such we have a leads provider business P-A-A-leads.com.

Interviewer: Okay.

Interviewee: And so as a whole, I would say somewhere around seven out of ten. Moneysupermarket is very marketing driven, the other areas are not.

Interviewer: Okay. Erm... what about the influences on... You know, we've discussed earlier the influences of part of the organisation on marketing strategy. What about... You know, marketing's influence on the rest of the organisation and its strategy, is that quite pronounced? Would you say marketing is the engine room of your company or what?

Interviewee: Well no, erm... I don't think so, I think the commercial organisations are the engine room at this point. Within Moneysupermarket I think (clears throat) I think the strategy is quite led through, like I said through legacy, through the board but increasingly through marketing but still the, erm... The main power centres or hubs I suppose within the organisation are the money business, so that loans, mortgages, credit cards, etc. And the insurance and home services which is obviously the insurance and utilities board [unclear] So we have two managing directors that sit on top of those two organisations so in effect we are two organisations within one and
those commercial directors and managing directors drive, erm… drive the strategy, deal with the provider, acquire the products, create the new propositions in conjunction with us, the marketing team.

Interviewer: Okay, actually a question I’ve got; do you sit within marketing?

Interviewee: Erm… Yes I do.

Interviewer: You do, okay just because some organisations have social media outside it. Erm… would you say your marketing at a strategic level is about increasing sales or the overall performance of the organisation?

Interviewee: Erm… That’s a good question, I don’t know…

Interviewer: Okay, that’s fine… don’t worry.

Interviewee: Erm… Obviously you know the growth is always the primary driver but, erm… I’m not sure.

Interviewer: How do you go about gaining customer insights?

Interviewee: Very good question, erm… At the moment we have a, what we would call a classic insights department. You know, a small number of people on a large budget and several obviously very well-known agencies and data providers, erm… What I would like to evolve that into is a place where we can, not necessarily do away with all of your focus groups and all of your Foresters and your ROIs but I would like to move to a place where we can shift some of that load onto the internet so instead of corralling people around in a room, erm… we would, you know conduct all of our research over the internet instead of directly engaging a small group of people with a goal or a mission to find out particular insights. We would set up the website in such a way that it attracts everybody and works out what usage patterns look like. In terms of how insight driven the organisation is, I would say very. Our marketing strategy for the end of 2009, beginning of 2010 was all driven out of an insight that British people hate haggling and are embarrassed.

Interviewer: Oh, Right.

Interviewee: And that informed all the creative [unclear] executions with Ahmed becoming everyone’s haggle hero and we would do it on your behalf.

Interviewer: Yes, okay. So what about… Would you describe your company as a listening organisation?

Interviewee: Erm… I think we’re becoming one. I think that that’s an evolution, erm… That over time we will definitely head more in that direction.

Interviewer: Again and when you listen, what social media monitoring tools do you use or your agencies use? Do they use things like Neilson Buzz Metrics or symphony or have you got your own system?

Interviewee: Erm, we have… we use CoTweet® which I think is part of Exact Target so that’s just evolved as a toolset out of our email and marketing and CRM space. We are… Or rather I am very actively engaged in sorting new products to add
capabilities to our listening and to our engagement but frankly I do not think the market has matured to a point where there is a best of breed product out there. I think the functionality of these various different tools varies wildly depending on what you purchase.

Interviewer: Okay I mean, these agencies you have, they give you reports do they?

Interviewee: Erm… We don’t have a social media agency as such. At the moment what we are allowing NPD to do is to develop small tactical social media campaigns that tie into or rather reinforce and back up the above the line… erm… like I say, currently for 2010 we do not have an overarching social media strategy but there will be one at some point or another.

Interviewer: Okay onto organisational culture. Do you use social media internally and if so, how?

Interviewee: Erm… You mean to communicate with our internal… (Interrupted)

Interviewer: Yes.

Interviewee: That… No, no we don’t.

Interviewer: Okay. What effect does your use of social media generally have on the organisation itself, erm… For instance, you know, externally you could be having improved relationships with customers or savings on your customer support or you could be getting better customer insight which we just discussed. Internally, you know you could have better internal communications although you say you don’t use it, erm… You know, sharing of knowledge, even improving strategy execution has been mooted by some academics.

Interviewee: Erm… Again, it’s not something that we’re doing, not at this stage.

Interviewer: But has social media done anything externally for you, has it improved relationships with customers, has it saved on customer support for instance? Have you had to do less… You know, employ less people, you know, answering telephones or emails because all the information is out there for consumers because they’re talking to each other… (Interrupted)

Interviewee: Well we haven’t seen that impact because… Well a lot of what you just described forms a basis of what the strategy would likely be so at this point we haven’t seen that. The only good example we can use is; we have seen a very big increase in the awareness of our vouchers published because we’ve been very heavily engaging in social spaces for the vouchers published. Obviously it’s not evil if you listen to Twitter and somebody talking about Alton Towers gets a Tweet from us saying here’s a two for one voucher for Alton Towers. So at this point that’s probably the extent of the external impact that we’ve seen is that there’s been a huge increase of the awareness of and the usage of our vouchers.

Interviewer: Okay. Just to finish on culture. What about the culture of the organisation, has that changed? Are you more customer focussed or transparent as a result or have you changed in any other way?
Interviewee: No, not in the six months that I've been there, it still... It's a strange site because it still is kind of a .com but obviously now we are a PLC and so we have to act in a different way. I think the whole organisation is maturing, you know... At a level in the background but things like social... And the empowerment that the staff can get from being trusted to talk to the customers, to be front of house will have a big positive impact, erm... through..... (Interrupted)

Interviewer: I guess that is what I was getting at, so is your plan to have, erm... Everyone being Authorised to talk to customers or, you know, just a handful of people in selected parts of the organisation?

Interviewee: We don't know yet, erm... Is the simple answer. What we would like to do is to create a dedicated team whereby people from around the business with different functions can contribute as a virtual group. Erm, to talk to customers. But there has also been a call to examine the possibility of opening the flood gates as it were.

Interviewer: Yeah.

Interviewee: And then everybody, you know... within the department it has the ability to engage in any way they see fit within a set of guidelines that we provide and so at the moment we’re examining what that could look like.

Interviewer: Okay, well you've answered the question about structure so that’s fine. What about, erm... let's move onto another area; customer behaviour and engagement, this is the last section, erm... In terms of, erm, customer behaviour, are... have you found your use of social media has affected your customers behaviour in any way?

Interviewee: Not yet, erm... It’s something that’s, erm... We’ve seen go compare and compare the market especially be very successful at it. They are actually starting to alter behaviours, erm... especially on Facebook. It’s not something that we’ve seen any uplift from yet.

Interviewer: That’s interesting, can you just talk about your competitors... How are their customers behaving... How is it changing amongst your competitors?

Interviewee: Erm... Go compare are obviously the most recent entrants into the market, they have what I would call a very base level of social media integration so, you know, the site does the shouting piece although it isn't as advance as what I described to you we’re going to do. Erm, the Comparethemarket strategy is very different, they actually have, not only a dedicated Facebook footprint which they use for advertising and also engagement but they also have the comparethemeercat.com site which in itself has become a very high traffic destination. I don’t know if you’ve seen it, its pure comedy I mean there’s no sort of business value to it whatsoever. Erm, it has changed their behaviours amongst their customers because now those customers where they would previously visit their website, maybe they would interact with it, they are actually starting increasingly to share and to like in inverted commas the content and the propositions that are on the Meercat site as well as the compare the market site. So they’ve actually created a content destination in its own right, erm... which people are starting to interact with and that's something that I haven’t seen anybody else do successfully through social media.
Interviewer: So, erm... looking through that, it looks like their emotionally engaging with a brand, is that right?

Interviewee: well they are engaging with the character, which I suppose yes does just roll out to being the brand.

Interviewer: Well isn't that just a one off? How would you or go compare do that?

Interviewee: I think it is in their case a one off yes because people will eventually get sick of this character and then all of that good effort will be wasted because it was just tied into... into the character itself.

Interviewer: Yeah.

Interviewee: So I think as a piece of execution, it’s been done very well but I think as a piece of strategic thinking its nuts! (Laughs)

Interviewer: (laughs) Okay, well that’s good. Erm... so we talked about influencing social media, let’s move onto about loyalty. Has your use of social media increased loyalty of customers yet and has your relationship strategy changed with the onset of social media?

Interviewee: The place where we’ve most used the integrated social is in the vouchers page. It has increased loyalty and it has increased propensity to return and propensity to buy.

Interviewer: Is that loyalty or is that just... Good deals?

Interviewee: I think it is loyalty because, erm... there is also voucher cloud and my voucher codes who came to market a long time before we did. Frankly have a much better mobile story then we did although that’s increasingly good on our side. So I think that, whereas, what we’re trying to do is fill the Moneysupermarket brand and to extend our offering. What we are starting to see is people shifting away from those traditional providers and come to us just simply because we are you know, engaging specifically in Twitter but also increasingly on Facebook.

Interviewer: Okay. Erm, we talked about CRM earlier. Have the words social CRM, has that been bounded around or do you think that’s a bit of hype at the moment?

Interviewee: Erm... I probably think somebody’s got some kit to flog. Erm... So, that sounds like somebody who has just built a tool that just gathers data and uses it in an intelligent way. I mean, I don’t view CRM as an entity in its own right particularly, I think it’s just discipline of data analysis leading to better insight, leading to better customer connection and conversion. I think you can draw that straight line through social and also through CRM, I don’t think they’re any different. So if it becomes a thing in its own right then it’s just the same thing in the end.

Interviewer: Okay, just to finish on consumer behaviour. Has your segmentation and targeting methods changed as a result? This should be quite interesting actually. Erm... You know, you can now advance social
media, target and segment via the way they behave on social media. Do you do that?

Interviewee: Erm... No we don’t and, erm... One of the things we’re looking at is bringing in an onsite technology solutions provider for the social space. A turnkey solution whereby we can deploy all of this stuff in one go and we can effectively outsource the maintenance of the technology to a third party to allow us to focus on engagement.

Interviewer: Okay.

Interviewee: Erm... So the big benefit of all that is the analytics that come out the back of it and the open sociograph access that we would get. For an example, a scenario might be that a user comes to our site, find him with Facebook, allows us to post to their wall but as a result of that, we get access to their name, their date of birth, their email address. Through a little bit of extra work on our turn we can find out who their mother is, you know, what their fathers, brothers and sisters... Who they all are and all... And all of those connections because not only do you get the data about the person but you get the data about the activity and you get data about the connection.

Interviewer: Why do you have to do that, cant Facebook just give it to you?

Interviewee: They can, but, erm... But a user has to tell us or give us permission to do that.

Interviewer: Oh, ok.

Interviewee: Erm, so... Once we’ve had a user come to our site and tell us that yes they are on Facebook and yes they would like to link Facebook to Moneysupermarket then that whole bonanza of information opens up for us to use in building the brand, in building loyalty and in understanding our customers better and all of that stuff. We all drive the erm... the segmentation but it hasn’t yet.

Interviewer: Okay. Let’s move onto the last section here. Erm... Within customer behaviour and engagement which is engagement itself. Marketers increasingly talk about the need for greater customer engagement which is another word for interaction. You know, is this something that’s being... A phrase that’s used a lot within Moneysupermarket.com and... You know erm... What do you understand by this term?

Interviewee: Erm, well I would describe it the same way you do which is interaction and erm... I suppose generating excitement should always be a part of engagement especially if you have a proposition to put forward. Erm... It isn't traditionally where the company has been. It is where the company is evolving to. You know, we're in a big state of flux frankly, two years after going onto the market we are changing a lot of things and that shift from being proposition led to being customer focussed and engagement led is going to take a few years but we're pretty well along that journey already.

Interviewer: Okay, have you... Have you erm, found that customers want to be more engaged with you? Have they told you that they want to engage with you in so many words?
Interviewee: Well actually we’ve been pretty lucky in that we do have these high levels of trust so when we approach, erm… A user in the social space, you know half the battle is already won because they know that we are not a spammer so I guess the direct answer is yes, we have seen an uplift in engagement and a user's willingness to engage. Can you imagine this situation even eighteen months ago where a customer would give a comparison website, you know their holiday photos. But by using the social space, we get all of that stuff and they’re fine with it so there’s been a big shift in the willingness to engage amongst the audience that’s in this big shift in the technology of engagement on our side and I guess the missing piece for companies and for marketers is to pick up those tools and use them.

Interviewer: Well I never knew they were doing that. Now, erm… Just to finish on engagement and just before we wrap up. How do you measure engagement? And we’ve talked about the sentiment tools that you may or may not use earlier but what about engagement, you know… the far end? Some people use net promoter score. Do you use this and if not what else… what do you use?

Interviewee: We use net promoter.

Interviewer: Okay, and do you find its effective for you? In terms of… Do you go out and use it from the point of view of finding out who is recommending? Or do you use it from the point of view of measuring the level of engagement or both?

Interviewee: At the moment, just the latter. But we’ve only been working with those guys for about six or seven weeks.

Interviewer: Oh, okay.

Interviewee: It’s all very new so it’s all at proof of concept stage at the moment.

Interviewer: And that’s an external agency?

Interviewee: Yes.

Interviewer: Okay look, erm… If we could just sort of finish and talk about the future. Erm… You talked about you working out a social media strategy for 20-11 and you won’t be able to give very much details of what discussed a little bit but, how do you think social media is going to affect your organisation and customers?

Interviewee: I’m really hopeful that it’s a massive accelerator for engagement and a big accelerator for trust and brand awareness. I’m also hopeful that it’s a big accelerator for our STO programme, erm… But most of all I think it can drive very positive organisational change like we’ve discussed. The empowerment of employees, the creation of new departments. Erm… I’m hoping that it will be a transformational step but, you know, obviously very hard to predict. The real blocker for all of this is tagging an ROI to it. When I do go to the board and pitch an investment for all of this stuff, it is very, very difficult. You know, to show some hard numbers coming out the back of it.
Interviewer: Yes. Well, I don’t envy you. (Laughs) Erm… what about marketing strategy? Are there any sort of ideas or clues that this might change in the future in terms of which direction you are going to go?

Interviewee: I’m not sure I can speak for that.

Interviewer: Okay. Last question, in a word or two. How would you describe social medias impact on your companies marketing strategy?

Interviewee: For 20-10 Minimal. For 20-11 very promising.

Interviewer: excellent. Okay, I’m going to switch off the machine. Thank you very much Dan.

Interviewee: Thank you.

[End of transcription]
APPENDIX M

ETHICS (CONSENT) FORM FOR INTERVIEWEES

CONSENT FORM


Name, position and contact address of Researcher:

1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions.

2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason.

3. I agree to take part in the above study.

Include the following statements, if appropriate, or delete this section from the consent form:

4. I agree to the interview / focus-group / consultation being audio recorded

5. I agree to the interview / focus-group / consultation being video-recorded

6. I agree to the use of anonymised quotes in publications

7. I agree that my data gathered in this study may be stored (after it has been anonymised) in a specialist data centre and may be used for future research.

Name of Participant ___________________________ Date ___________ Signature

Richard Fullerton

Name of Researcher ___________________________ Date ___________ Signature
APPENDIX N

BUSINESS SCHOOL ETHICS REVIEW CHECKLIST – FORM E1

Ethical review form for Business School Research

Students and staff members are required to observe the highest ethical standards when undertaking research. The Business School requires both students and staff undertaking research to comply with the University Code of Practice Involving Human Participants. The checklist below is intended to help you reflect on possible issues of ethical concern arising from your proposed programme of research. All students must attach the completed checklist to dissertations, theses, projects and relevant course work.

1. Working Title of Proposed Research

   Dissertation: The impact of social media on marketing strategy

2. Broad Research Objectives

   To provide insight into how social media affect specific areas of marketing strategy – strategy and its development, branding, consumer behaviour, value creation and innovation, market orientation and organisational structure, and engagement.

3. Who are your proposed research participants?

   Various managers from blue-chip companies who specialise in social media and marketing strategy.

4. How are you going to gather data from these participants?

   Via semi-structured interview by telephone which will be recorded

5. Does your proposed research involve any of the following:

   - Deception of participants? Yes/No
   - Financial inducements? Yes/No
   - Possible psychological stress? Yes/No
   - Access to confidential information? Yes/No
   - Any other special circumstances? Yes/No

6. If you have answered “yes” to any of question 5, how will you deal with these issues?

7. I have read and understood the University Code of Practice on research involving human participants

   Name: __________________________ Signature: __________________________
   In my view, the student has considered the ethical issues involved in this piece of work

   Name of tutor: _____________________ Signature: ________________________
APPENDIX O

REFERENCES


APPENDIX P

BIBLIOGRAPHY


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