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## Social Media as a Marketing Tool: A Literature Review

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Holly Paquette

Major Paper

Literature Review

## **Social Media as a Marketing Tool: A Literature Review**

### **Introduction**

In today's technology driven world, social networking sites have become an avenue where retailers can extend their marketing campaigns to a wider range of consumers. Chi (2011, 46) defines social media marketing as a "connection between brands and consumers, [while] offering a personal channel and currency for user centered networking and social interaction." The tools and approaches for communicating with customers have changed greatly with the emergence of social media; therefore, businesses must learn how to use social media in a way that is consistent with their business plan (Mangold and Faulds 2009). This is especially true for companies striving to gain a competitive advantage. This review examines current literature that focuses on a retailer's development and use of social media as an extension of their marketing strategy. This phenomenon has only developed within the last decade, thus social media research has largely focused on (1) defining what it is through the explanation of new terminology and concepts that makeup its foundations, and (2) exploring the impact of a company's integration of social media on consumer behavior. This paper begins with an explanation of terminology that defines social media marketing, followed by a discussion of the four main themes found within current research studies: Virtual Brand Communities, Consumers Attitudes and Motives, User Generated Content, and Viral Advertising.

Although social media marketing is a well-researched topic, it has only been studied through experimental and theoretical research; studies never precisely describe the benefits retailers gain from this marketing tactic. In reviewing the rich plethora of multi-disciplinary literature, it is has become clear that studies are focusing on describing what social media marketing is as well as examining what factors affect consumer behavior relative to social networking. Despite the initial progress made by researchers, development in this area of study has been limited. Research needs to expand by providing a deeper understanding of the long-term promotional gains retailers obtain from social media marketing. More formalized studies are also needed to progress beyond theorized or predicted outcomes in order to gain knowledge of real life applications. This review of literature touches upon the gaps that currently exist within social media marketing research and points out the need for future studies to explore the benefits gained by marketing on social networking sites, especially for small retailers.

### **Defining Social Media**

To consider social media as a marketing tool a retailer must understand every aspect of it. Social media cannot be understood without first defining Web 2.0: a term that describes a new way in which end users use the World Wide Web, a place where content is continuously altered by all operators in a sharing and collaborative way (Kaplan and Haenlein 2010). “It is much more to do with what people are doing with the technology than the technology itself, for rather than merely retrieving information, users are now creating and consuming it, and hence adding value to the websites that permit them to do so” (Campbell et al. 2011, 87). Web 2.0 has evolved from simple information retrieval to interactivity, interoperability, and collaboration (Campbell et al. 2011).

Kaplan and Haenlein (2010, 61) define social media as “a group of Internet based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of user generated content.” Sinclaire and Vogus (2011, 294) cite O’Reilly’s (2005) definition: “social media is a broad term that describes software tools that create user generated content that can be shared.” However, there are some basic features necessary for a website to meet the requirements as a social network website: the site must contain user profiles, content, a method that permits users to connect with each other and post comments on each other’s pages, and join virtual groups based on common interests such as fashion or politics. (Gross & Acquisti, 2005; Ellison, Steinfield & Lampe, 2007; Lenhart & Madden, 2007; Winder, 2007; Boyd & Ellison, 2007 as cited in Cox 2010).

The phrase social networking sites’ is often used interchangeably with social media. However, social media is different because it allows participants to unite by generating personal information profiles and inviting friends and colleagues to have access to those profiles (Kaplan and Haenlein 2010, 63). Thus, social media is the environment in which social networking takes place and has altered the way in which consumers gather information and make buying decisions.

Consumers’ Sentiment toward Marketing (CSM) is a factor consider by researchers to measure how well consumers will perceive social media marketing. CSM is defined as a concept which refers to the general feelings that consumers have for marketing and the marketplace (Lawson et al. 2001as cited by Mady 2011). An individual’s perception of the overall marketplace plays a major role in whether or not they are motivated to partake in consumption activities (Mady 2011). In order to create a successful marketing campaign via social media, a consumer must be open to the technology. Consumer technology readiness is defined as

“people’s propensity to embrace and use new technologies for accomplishing goals in home and work” (Parasuraman, 2000 as cited by Mady 2011, 195). Consumer technology readiness is important for retailers to remember when marketing on social networks because if their intended target market does not use social media, is not familiar with it, or perceives it negatively, then their social media marketing will be unrewarding. Analysis of technology readiness can determine if marketing via interactive advertising would be a good fit for a retailer’s target market.

The Innovation Adoption Process (IAP) is another instrument that provides information on a consumer’s acceptance of new technology. The IAP is the progression through which an individual goes through the innovation-decision process (Rogers as cited in Mady 2011). Five steps make up the process: knowledge of the innovation, forming an attitude toward the innovation, deciding to adopt or reject the innovation, implementation of the innovation, and confirmation of the decision (Mady 2011). Knowledge of IAP can help marketers obtain a social media marketing campaign that is fulfilling.

Social media has advanced from simply providing a platform for individuals to stay in touch with their family and friends. Now it is a place where consumers can learn more about their favorite companies and the products they sell. Marketers and retailers are utilizing these sites as another way to reach consumers and provide a new way to shop. “Technology related developments such as the rise of powerful search engines, advanced mobile devices and interfaces, peer-to-peer communication vehicles, and online social networks have extended marketers’ ability to reach shoppers through new touch points” (Shankar et al. 2011, 30).

Shopper marketing is a new concept that has emerged, creating a new touch point for the interactions between businesses and consumers. Shopper marketing is “the planning and execution of all marketing activities that influence a shopper along, and beyond, the entire path of purchase, from the point at which the motivation to shop first emerges through purchase, consumption, repurchase, and recommendation” (Shankar et al. 2011, 29). Perceived fit is an important factor for retailers to consider for shopper marketing; perceived fit is the amount of similarity between an extension product category and existing products affiliated with the brand (DeIVecchio and Smith as cited in Cha 2009). The more people perceive shopping services on social networking sites as useful and easy to use, the more likely they are willing to shop for items on social networks (Cha 2009). Providing shopping services on social networks can provide business growth for retailers due to the diversity of consumers who use social media sites. The wide range of consumers utilizing social networks means that most target markets can be reached (Cha 2009). This provides an effective platform for retailers to promote their brand and products to potential consumers. According to Shankar et al. (2011), shopper marketing can join forces with shoppers to improve products, create clear messages, identify promoters, and serve as a connection to in-store activities, thus demonstrating the importance of social media within a retailer’s marketing plan. Advancements within social media sites have created consumer communities that are defining new ways in which companies and customers can interact with one another to share information on brand products. For example, virtual brand communities are creating a computer-generated space for consumers and retailers to connect with one another via marketing.

## **Virtual Brand Community**

A main topic being studied involving social media as a marketing tool is Virtual Brand Communities (VBC). “VBC can be described as aggregations of consumers that occur on the internet because of their interest in some brand or product” (Muniz and O’Guinn as cited in Georgi and Mink 2012, 3). Specifically, a brand community is a group of people who share the same interest in a particular brand or product (Casaló, Favián and Guinalú 2008). Overall, VBC’s are “the site[s] of complex brand meaning creation and consumption efforts” (Muñiz and Jensen Schau, 2007). Casaló, Favián and Guinalú (2008) found when a member is trusting of the VBC that they are part of, it increases their amount of participation, and consumers who have a positive participation experience are more loyal to the brand. Trust is a central aspect to guarantee the VBC’s survival. Cha (2009) concludes that security is a major factor affecting a consumer’s opinions toward social networking sites and can ultimately impact trust. Since VBCs depend on individual users’ participation, both group unity and awareness can strengthen users’ satisfaction with a VBC (Casaló, Favián and Guinalú 2008). The study done by Casaló, Favián and Guinalú (2008) demonstrates the powerful sway VBC and an online interaction between consumers can have on their buying behavior.

Studies also found that within these VBCs many new forms of social interactions are taking place such as Electronic Consumer to Consumer Interaction (eCCI), which are interactions between consumers of e-services (Georgi and Mink 2012). The chance to mingle with other people is a fundamental part of the consumer experience and social networking sites have become a way in which consumers can interact with one another and retailers (Georgi and Mink 2012). Because of eCCI, consumers are playing a more dominant role in influencing each other with their consumption decisions. Georgi and Mink (2012) came up with the concept of

electronic consumer to consumer interaction quality (eCCIQ). They found that seven factors contribute to the success of eCCIQ. These include content, security, hedonic (meaning the emotional aspects of consumers' interactions with products), quality, atmosphere, convenience, and social. An example of eCCI (which is any interaction between consumers of e-services) is when a consumer posts a question about the fit or color of a product displayed online and another consumer answers the question. This eCCI event would presumably be of high quality if the question is answered by another consumer quickly, correctly, and in a friendly manner. This example of an interaction between consumers involves some of the factors associated with eCCIQ such as social and convenience, thus making it an eCCIQ occurrence. Consumers feel more engaged with products and companies when they have the option to submit feedback (Mangold and Faulds 2009). Accordingly, it is important for retailers to be aware of the quality of their social media presence even when consumers are the creators of their marketing because it is increasingly influencing how consumers shop. Companies need to be aware of the variety of factors that affect their social media presence such as a consumer's social identity online.

Some VBC research focused on the concept of social identity and group norms as an aspect that strongly influences online groups' buying behavior. The nature and culture of social media groups affect the ways members of such groups interpret and attach meaning to brands and products (Muñiz and Jensen Schau, 2007). Group norms represent the set of shared goals, beliefs, and values that the group members follow. Social identity refers to the values and beliefs that influence group related behavior (Zeng, Huang, and Dou 2009). Community members within a strong social group were more likely to have group intentions to accept advertising in online communities (Zeng, Huang, and Dou 2009). For instance, if a Facebook group is centered on luxury brands, then ads pertaining to high-end products are more relevant to members of the



VBC. Some members consume ads more easily by accepting the meanings in which they contain, while others interpret the ads by attaching meaning to the brand represented based on their own experiences (Muñiz and O'Guinn as cited in Muñiz and Jensen Schau, 2007).

Moreover, VBC members value ads that are relevant to the theme of their community. Muñiz and Jensen Schau (2007) found advertising and branding produce discouragement of the intended meaning of the ad in order to serve the meaning of the distinct group, in this circumstance the brand community. A VBC can alter or manipulate the true meaning of an ad by the way it displays or uses an ad for branding. Many times VBC's change the meaning of an ad by the way it is presented on the community forum. A VBC can alter an ad to conform to the theme of its community, therefore the ads true meaning gets lost. An individual's identity within social media combined with the social community's customs affects the way in which people perceive ads presented on social media. Community customs can be affected by users' cultural backgrounds as well.

Pookulangara and Koesler (2011) used the Technology Acceptance Model3 (TAM3) to look at the impact of culture on social media. TAM3 highlights the role and procedures connected to perceived usefulness and perceived ease of technology. TAM3 suggests that the factors that determine perceived usefulness will not influence perceived ease of use and the factors that influence perceived ease of use will not influence perceived usefulness (Pookulangara and Koesler 2011). The researchers used TAM3 to find out if an individual's cultural background affects perceived ease and perceived usefulness in order to discern users' behavioral intention towards social media. More specifically, the researchers used TAM3 to determine if an individual's cultural background influences how they will interpret a message,

event, or idea presented to them through a social networking site. This was done through a conceptual framework in which the researchers created a research model using TAM3.

Based on the research model, Pookulangara and Koesler (2011) conclude that culture does in fact influence how individuals act and perceive an event on technology based applications, such as social media. This means that an individual's cultural or ethnic background will influence how they will interpret social media and its content. "Social networking has allowed the evolution of new culture where it is no longer shaped by just individual values and ideologies, but also by new rituals and communication tools in the social space of Web 2.0" (Pookulangara and Koesler 2011, 352). Retailers need to be conscious of the importance of culture when utilizing social media, since social networks are a merging of different cultures and the creation of new online cultures (Pookulangara and Koesler 2011). In addition, cultural backgrounds and traditions may factor into the formulation of a consumer's opinion and attitude towards a brand or product.

### **Consumer Attitudes/Motives**

It is vital for retailers and marketers to be aware of the factors that affect consumer attitudes and motives because consumers are increasingly creating content about brands, something previously controlled solely by companies (Heinonen 2011). As a result, current research has examined what aspects of social media sites affect consumer attitudes and motives. Chu (2011) examined the link between Facebook brand related group participation, advertising responses, and the psychological factors of self-disclosure and attitudes among members and nonmembers of Facebook groups. The study determined that users who are members of groups on Facebook are more likely to disclose their personal data than nonmembers are. Chu (2011)

explains group participation and engagement with online ads requires a higher level of personal information because users openly reveal their connections with Facebook groups and promote brands or products when they pass on ads to their friends. “Facebook groups provide channels that consumers deem useful when seeking self-status in a product category, as does passing on viral content about brands to their social contacts” (Chu 2011, 40).

Chu (2011) also found that users who are Facebook group members maintain a more favorable attitude toward social media and advertising. Users who have more positive attitudes toward advertising are more likely to join a brand or a retailer’s Facebook group to receive promotional messages. Based on this result, Chu (2011) suggests that a link exists between consumers’ use of and engagement in group applications on a social media sites. The relationship between consumers’ use of and engagement with group applications influences the rate and effectiveness of advertising on social media, particularly Facebook. Generally, as Chu (2011) notes, Facebook’s college-aged users have the most favorable attitudes toward social media advertising and are the largest growing demographic, which suggests that social media sites are a potentially rich platform for online advertising campaigns, especially for companies with a younger target market.

Cox (2010) also investigated the correlation between age and attitude and found that social network user attitude toward online advertising formats (i.e. blogs, video, and brand channel or page) differed to some extent across age groups. She explains that users who fall in the 18-28 age brackets had strong positive attitudes towards blogs, video, and brand channel ad formats. This was because users’ found these ad formats to be eye catching, informative, and amusing. The 35-54 age groups preferred ad formats on video and brand channels because they found them to be more eye catching, informative, and had better placement within the online

page layout. Overall, online advertising formats with positive attributes are welcomed by users; however, ads that are intrusive or interfere with online social networking activities, such as pop up, expandable, or floating formatted ads were disliked by network users (Cox 2010).

According to Chi (2011) users perceive advertising differently depending on the social network, which suggests user motivations for online social networking may play a vital role in defining consumer's responses to social media marketing. As mentioned previously in the explanation of Pookulangara and Koesler's (2011) study, the technology acceptance model (TAM) was also used by Harris and Dennis (2011). Harris and Dennis (2011), however, used TAM as a loose framework that combined trust and the factors associated with TAM (i.e. perceived enjoyment, ease of use, and usefulness). The TAM determined that consumers, specifically students, hold a hierarchy of trust when using social media such as Facebook. Student's trust 'real' friends, then Facebook friends, followed by expert blogs and independent review sites and lastly celebrities and e-retailer sites (Harris and Dennis 2011).

Di Pietro and Pantano (2012) conducted further research using the TAM to discern that enjoyment is the major factor that influences consumers to use social networks as a platform for assisting in their buying decisions. They found that the fun provided by Facebook, as well as the opportunity it provides users to ask for suggestions in an easy and entertaining way, motivates individuals to pay more attention to the products promoted on Facebook. "Facebook promotes a consumer to consumer approach, exploited by consumers to share experiences and create a common knowledge on products and services; on the other, it provides managers a direct channel for communicating with clients through a business to consumer approach" ( Di Pietro and Pantano 2012, 20). Retailers can improve their Facebook page appeal by adding games, contests, and interactive applications, which can attract more users (Di Pietro and Pantano 2012).

However, retailers also need to be educated on consumer's attitudes when it comes to social media marketing. A deeper understanding of how consumers perceive social marketing will help ensure marketing strategies are effective.

Consumer activities of consumption, participation, and production are not related to just one motivation according to Heinonen (2011), who concluded that consumer activities are a combination of a variety of motivations. The classic notion of individuals as mere consumers is outdated; consumers can now be seen as active producers of business value because user generated content is reducing the influence of traditional marketing tactics (Heinonen 2011). Awareness of consumer's motives is important because it provides a deeper understanding of what influences users to create content about a brand or store.

### **User Generated Content**

“While social media provides never ending avenues for communicating, it is the individuals who serve as the influencers not the technology” (Gonzalez 2010, 23). User generated content produces social currency for marketers because it helps define a brand. User generated content describes “the sum of all ways in which people make use of social media, usually applied to describe the various forms of media content that are publicly available and created by end users” (Kaplan and Haenlein 2010, 61). Therefore, social currency is when individuals share a brand or information about a brand (Zinnbauer and Honer 2011). Social currency greatly affects brand performance and is a concept that can be linked to Bourdieu's (1977) and Coleman's (1988) idea of social capital. Social capital is shaped on a personal level and occurs in the relationships among individuals (Zinnbauer and Honer 2011).

Furthermore, the amount of an individual's social capital depends on the size of the network of connections that the user can successfully mobilize (Bourdieu as cited in Zinnbauer and Honer 2011). An individual's connections can potentially aid in developing brands into an essential part of customers' social interactions via social networking. "Translating [Bourdieu's] theory into today's world of exponentially increasing social interactions on the internet, social currency can also be understood as the entirety of actual and potential resources available to a brand from its presence in social networks and communities" (Zinnbauer and Honer 2011, 51). There are six components of social currency: affiliation, conversation, utility, advocacy, information, and indemnity (Zinnbauer and Honer 2011). Social currencies come from interactions between consumers and are usually beyond the direct control of a firm (Zinnbauer and Honer 2011). Through their empirical study, Zinnbauer and Honer (2011) establish that although social currency consists of six different components, brands do not rely on all of them to facilitate brand loyalty among users. It was discovered however, that what made a brand successful was being an essential part of people's daily lives. When a brand becomes integrated into a consumer's daily life, it enables consumers to connect, interact, and benefit from likeminded brand users, and thus, the likelihood of consumer generated advertising for a brand increases (Zinnbauer and Honer 2011).

Consumer Generated Advertising (CGA) is a form of user-generated content, which refers to specific instances where consumers create the brand, focused messages with the purpose of informing, persuading, or reminding others (Campbell et al. 2011). Muñiz and Jensen Schau (2007) and Pehlivan, Sarican, and Berthon (2011) use the term vigilante marketing to describe CGA. Vigilante marketing is defined as "unpaid advertising and marketing efforts, including one to one, one to many, and many to many commercially oriented communications, undertaken by

brand loyalists on behalf of the brand” (Muñiz and Jensen Schau 2007, 35). Campbell et al. (2011) state that today, traditional marketing is coexisting with CGA. Retailers need to be aware of this because CGA can positively support traditional marketing or it can negatively impact and undermine it. Cheong and Morrison’s (2010) research supports the previous statement by explaining how the lack of research on the credibility of both positive and negative user generated content (UGC) highlights the need for retailers to be conscious and study UGC to completely understand its influence. Consumers are taking part in a diverse array of activities such as consuming content, participating in discussions, and sharing knowledge with other consumers, to contributing to other consumers’ activities (Heinonen 2011).

Pehlivan, Sarican, and Berthon (2011) chose a grounded theory approach to compare CGA with Firm Generated Advertising (FGA), specifically for the large well-known Apple Corporation. They found that CGA differs from FGA because each type of ad (CGA or FGA) elicits different discussion content surrounding the ad. Consumers express appreciation for FGA, but found CGA to be more entertaining causing consumers to talk about the ad more (Pehlivan, Sarican, and Berthon 2011). Cheong and Morrison’s 2008 study was similar; they examined the difference between UGC and producer generated content (PGC), which refers to content created by marketers of products, by interviewing college students. Overall, the study found that consumers hold more trust in product information created by other consumers than information generated from manufactures. Consumers’ read other consumers’ opinions to decrease their risks and obtain pre-purchase information; therefore, other consumers’ information emerges as more important than advertising, thus, individuals who post UGC become opinion leaders (Cheong and Morrison 2008). Another study that centered on CGA was conducted by Taylor, Strutton, and Thompson (2012); like the fore mention studies, their research indicates that consumers trust

CGA over ads produced by companies and the more entertaining the ad the more it will be passed on.

Taylor, Strutton, and Thompson (2012), found however, that social media users' message sharing behaviors are also attributed to the need for self-enhancement. When consumers perceive an online advertisement to be consistent with their identity, they are more likely to share the message with others because it is representative of who they are and what they like. Thus, "advertisers should consider the symbolic and self-expression properties of their online ads and match them to targeted consumers' self-concepts" (Taylor, Strutton, and Thompson 2012, 13). In other words, the marketing of a company needs to share similar characteristics with its target market's interest. All of the findings from these studies show the significance of CGA and its impact on online marketing.

Muñiz and Jensen Schau (2007) note that a lot of CGA is created quickly and spreads via e-mail without revealing who made it or if it is official corporate content. Therefore, brand managers now have to consider how to react when their brand is talked about by consumers (Campbell et al. 2011). Muñiz and Jensen Schau (2007) argue CGA is relevant to companies because it provides proof of consumer perceptions of brands and their feelings towards the brand. They also argue that CGA is important because they are prime examples of persuasive marketing messages from brand loyalists. Moreover, CGA is only going to increase in frequency. Marketers have underestimated the possible consequences of interactive marketing on the Internet by not considering the influence consumers gain from CGA (Deighton and Kornfeld as cited in Pehlivan, Sarican, and Berthon 2011).



Zhang, Jansen, and Chowdhury (2011) specified that businesses should have a brand presence on many different social media sites to increase their consumer audience. “Research has shown that exposure to electronic word of mouth (eWOM) messages can generate more interest in a product category than can exposure to information produced by marketers” (Birkart and Schindler 2001 as cited in Zhang, Jansen, and Chowdhury 2011, 161). Today, consumers are more knowledgeable of the products they consume due to the internet empowering them to gain access to information thus, creating active co-producers of value (Zhang, Jansen, and Chowdhury 2011). Consumers as co-producers of value can provide companies with a large amount of return on investment because it is increasing brand awareness, which signifies the importance of eWOM in today’s marketing world. “Social media such as Facebook allow target consumers to become message senders by passing on ads to friends, connecting them to the advertisers explicitly, or commenting on the ad and having those comments passed along viral channels” (Interactive Advertising Bureau 2009 as cited in Chu 2011, 32).

Additionally, businesses are realizing the need to create their own brand presences on social media not only to control some of its brand marketing, but also to stay informed and keep track of the consumer-generated content surrounding their brand. Mangold and Faulds (2009) state that although companies cannot directly control consumer to consumer messages, they do have the ability to influence the conversations consumers partake in surrounding their brand. Mangold and Faulds (2009) correspondingly state that consumer’s capacity to communicate with one another restricts the amount of control companies have over the content and distribution of data. Social currency gained through UGC can and should be managed by companies. Firms must carefully lessen risks involved as their brands become an essential part of the larger communities found within social networks (Jones et al. as cited in Zinnbauer and Honer 2011).

Viral advertising is a way in which brands are becoming a vital part of social media. As more and more consumers look to Facebook groups as trusted sources of information and opinions, new opportunities arise to build consumer-brand relationships and viral advertising platforms (Chu 2011).

## **Viral Advertising**

Viral advertising has become a way in which retailers are marketing and providing more information on their brands or products. A viral approach to online advertising has a major advantage because communication is more targeted to a brand's intended consumer (Bampo et al., 2008). This can be attributed to the fact that "viral communication affords the marketer a greater degree of creative license through a message delivery medium that is more intimate and personalized, thereby increasing the likelihood of reaching hard to get audience members" (Bampo et al. 2008, 274). Viral advertising is "unpaid peer to peer communication of provocative content originating from an identified sponsor using the Internet to persuade or influence an audience to pass along the content to others" (Porter and Golan as cited by Chu 2011, 31). Viral advertising differs from UGC because an identified sponsor is associated with the ad, thus signifying the origin of the ad and who created it. Numerous studies of viral advertising have found that humor, sexuality, stealth, and positive experiences are relevant factors that contribute to the success of viral advertising.

Golan and Zaidner (2008) studied viral ads from large companies. They applied Taylor's six-segmented strategy wheel to conduct a content analysis of 360 viral ads. They found that humor and sexuality are the main advertising factors used to attract consumers to viral ads, and if consumers are entertained by the ads, they are more likely to share or pass on the ads to their

friends and family. Golan and Zaidner (2008) also discovered that ads placed in the right location could produce word of mouth that can sometimes last for years. Ferguson (2008) investigated ad campaigns from larger well-known companies and measured the amount of consumer response to analyze how viral marketing strategies affect return on investment. Through their research, both Ferguson (2008) and Chu (2011), however, found viral marketing campaigns are not always effective or desirable for companies because many group members hesitate to pass on viral ads to their Facebook friends. It was also concluded that many users simply ignore online viral ads.

Kelly et al. (2010) determined that three factors influencing ad avoidance online: interruption of task, perceived clutter on the Internet sites, and negative past experiences with Internet advertising. “Research shows the believability of trustworthiness of the medium influences how the consumer views the credibility of the information offered” (Moore and Rodgers as cited in Kelly et al. 2010, 17). Based on this study, the majority of ads featured on social networking sites are not relevant to consumers, and they only notice ads when it annoys or entertains them. It has become clear that advertisements that provide entertainment are usually liked and accepted which reconfirms the results of some previous studies.

Because social media provides a new stage for brand marketing and consumers are actively contributing to the communication by marketing brands, businesses have become creative when trying to gain control of their marketing (Chi 2011). Tactics such as viral stealth marketing described as “a marketer’s attempt to fly below consumer radar by recruiting brand pushers to pose as consumers” has become a new way in which marketers are trying to control social currency (Kaitkati and Kaikati as cited in Golan and Zaidner 2008, 961). When companies use viral stealth marketing they attempt to gain currency in the form of consumer to consumer

recommendations, which are argued as the strongest of all consumer activities (Kaitkati and Kaikati as cited in Golan and Zaidner 2008). Viral stealth marketing strategies are designed to inspire consumer-to-consumer communication about a brand or product. Consumer to consumer communication is the dominate force for distributing messages created by advertisers; for that reason retailers need to look at marketing in a whole new way and include social media marketing within their business plan (Golan and Zaidner 2008).

Pavlou and Stewart (2000) came up with another approach to measure the effectiveness of a company's participation in interactive advertising. One set of measures focuses on media choice, information search, and attention to the processing of information. The second set of measures focuses on the effects of consumers' using interactive media (Pavlou and Stewart 2000). Retailers can keep track of the type of information users of interactive media seek, which can determine the information that consumers find most useful when assessing a product (Pavlou and Stewart 2000). This is a key concept for retailers to consider when factoring in how responsive consumers will be to their promotional and marketing strategies placed on social media. "The reciprocal communication between marketer and consumer will make it difficult to isolate the influence of any one advertising exposure; this means that the focus of advertising evaluation will need to shift from a focus on outcomes to a focus on both process and outcome"(Pavlou and Stewart 2000,74). Ultimately, the role of the consumer has changed and it is important to measure how consumers interact with online ads in order to create successful social media marketing campaigns.

## **Conclusion and Suggestions for Further Research**

In conclusion, research has determined that retailers can increase awareness of their brand by being creative when engaging customers on social media sites. “As more shoppers are using social media (e.g., Twitter, Facebook, MySpace, and LinkedIn) and rely on them for marketing shopping decisions, promotion through these media has become important” (Shankar et al. 2011, 32). According to Curran et al. (2011), social media sites such as Facebook are better than other advertising avenues because it stores information on all its users thus ensuring marketing reaches a retailer’s specific target market. Social media sites are a great stage for retailers to create an experience and retailers can use information stored on social media sites to improve user experience with their brand.

Furthermore, Hill, Provost, and Volinsky’s (2006) research establishes that a firm can benefit from social networks to predict the likelihood of purchase intention. This can be done by taking into account a firm’s choice of network (i.e. Facebook, Instagram, Pinterest etc.) and by examining that network’s data. Assessing a network’s data substantially improves a company’s marketing efforts because it provides the company with vital information on the network’s users, which helps determine the best social media tactics for that particular site (Hill, Provost, and Volinsky’s 2006). Based on this study, it can further be argued that knowing which social media sites a company’s target market utilizes is another key factor in guaranteeing that online marketing will be successful.

Sorescue et al. (2011), stress that a retailer must go beyond the advertising aspect of social networking sites and find groundbreaking ways to use them as a way to conduct conversations with consumers, instead of a one-way communication network. Sinclair and

Vogus (2011) determined that large companies are regarding social media sites as strategic tools and some businesses are even hiring employees to oversee their social media pages. “Consumers are no longer passive receivers of marketing messages; instead, they are using Facebook, MySpace, YouTube, and Twitter to voice their opinions-both positive and negative” (Sinclair and Vogus 2011, 293). Consumers’ participation with a brand on social media reinforces the need for retailers to be active participants in social networking sites and the virtual brand communities they create.

Since social media sites can be exploited for the information it provides on consumer behavior with regards to their purchasing intentions, research further suggests that businesses should incorporate social networking sites into their business model or promotional mix. A business model is a system of codependent structures, activities, and processes that serve as a firm’s organizing logic and create value for customers, itself, and its partners (Sorescu et al. 2011). Mangold and Faulds (2009) recommend that social media should be regarded as an integral part of an organization’s integrated marketing strategy and should not be taken lightly. As Curran et al. (2011) points out, almost 1 in every 13 person in the world is an active Facebook user, which points to the potential of finding a ready market for any product or service.

Social networking sites are being utilized to enhance a company’s brand appeal and increase their target market because “new technologies allow for more personal, targeted communications, as well as increased consumer participation in the creation of marketing and brand related information” (Cappo 2033; Jaffe 2005 as cited in Muñiz and Jensen Schau 2007, 35). Mangold and Faulds (2009) stress that traditional communication examples, which relied on the classic promotional mix to create integrated marketing communications, must give way to a new paradigm that includes all forms of social media as potential tools in designing and

implementing integrated marketing communication strategies. Retailers are paying attention when it comes to social media because it provides a key component that businesses have struggled to collect for years: feedback (Gonzalez 2010). Feedback from consumers has always been important when it comes to product, brand, and business model development. Since, most studies have examined social media marketing in terms of suggesting how to incorporate it within a business plan, and how to gauge consumers' responses, it is important that further research address which strategies work. Although some studies have started to touch upon influences and factors that affect consumers' responses, previous research does not clearly state if social media marketing is valuable to retailers' in terms of return on investment.

Moreover, research based on a small retailer's perspective is limited. How have smaller firms utilized social media within their business model? How successful has social media been with increasing their customer base, brand awareness, and sales? It has become clear that when marketers from large corporations present a new product or brand, they consider both traditional and nontraditional media in which to place advertising in order to make sure they reach their target market (Cheong and Morrison 2008). Small retailers also need to start utilizing nontraditional methods of marketing in creative and engaging ways to make certain that they attract a larger number of consumers. Sorescu et al. (2011, 11) states "another way in which retailers can engage customers is by selling not just products, but an entire experience that – while centered on the products, adds an entirely new exciting layer to the retail setting."

Additional research is warranted regarding which social media marketing tactics are effective for small retailers. Further studies could look into both the positive and negative long-term effects of social media marketing on a small firm. Small retailers have a smaller budget and tighter constraints yet provide more personal retailing, therefore a study examining how these

aspects factor into a small store's social media tactics would be beneficial. Studies should also suggest how small retail businesses could initiate and maintain social media marketing to improve relationships with their customer base. To stay relevant retailers need to keep up with the changes to ensure that they will be noticed by consumers, reinforcing the fact that more research would be valuable to all parties involved: retailers, marketers, and scholars. "Anyone who's not engaged in some form of social media is [making] a mistake in today's world given the volume of people [who have] embraced and utilize social media" (Le Veque as cited in Gonzalez 2010, 84). Social media opens up a whole new world for small retailers by providing an endless array of potential interactions with consumers, which is the main reason why there is a need for an increase in studies examining the impact of this new phenomenon on small retailers.



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