

Conceptualizing Consumer Engagement through the Social Media

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Abstract

The role of Integrated Marketing Communications (IMC) has been the guiding principle that organizations use to communicate with their target markets. The appearance of the phenomena known as the “Social Media” is the new buzz word and is also referred to as Consumer Generated Content. Popular examples include Facebook, Twitter, YouTube, Myspace, Instagram and Flickr etc. Social media not only provides information but acts as a social instrument of interaction. The interaction could be in the form of asking for votes, likes, comments and even recommending popular songs/movies. The Young Consumers which depict greater energy, effort and motivation towards social media advertising attract a lot of attention. One of their key foundational characteristic is early and frequent adaptation to technology which has emotional, cognitive and societal outcomes. Businesses in Pakistan are still looking for a clear picture from where and how to start their social media marketing, revolutionize their advertising techniques and attract their target clients towards the social networking sites (SNS). Hence identifying the underlying consumer attitudes, aspirations and motivations towards social media advertising and ultimately prompting them towards online purchases is highly crucial.

Keywords: Social Media, Consumer Generated Content, Young Consumers, Advertising, Attitudes, Motivations.

Introduction

Social media has turned out to be the fastest growing research area in the renowned marketing journals of today. Nearly two hundred articles have been published from the past two years (Pomirleanu, Schibrowsky, Peltier, & Nill, 2013). There is no doubt on saying that social media has conquered the world communication systems articulately. Social media defines “*new foundations of information that is effectively created, originated, disseminated and applied by consumer’s intent on educating each other about products, services, brands, personalities and issues*” (Blackshaw & Nazzaro, 2006; Mangold & Faulds, 2009). An updated definition categorizes 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 (UGC)*” (Kaplan & Haenlein, 2010; Ngai, Tao, & Moon, 2015; Zolkepli & Kamarulzaman, 2015).

As the physical retail becomes more organized, the online retail market has also picked up reporting global sales of US\$521 Billion (ATKearney, 2013). It has become highly substantial for the e-retailers to better understand their target audience, their potential customer’s needs & wants and the barriers involved which inhibit online purchases through social media pages. The e-retailers of the developing countries such as Pakistan worry less about multi-channel integration and more about the financial, logistical and cultural barriers

involved. At the same time, consumers in these regions have become highly proactive and well informed. Before buying anything online, they readily study about the product features, pricing, shipping options and retailer return policies. Extensive and updated information is at their disposal through social media communities and blogs including Twitter, Facebook, Google+ and Instagram (Schultz & Peltier, 2013).

With the passage of time, the level of competition over the social media space has become intense. The emerging retailers are now partnering with e-commerce and third party logistics management firms to sell goods to their target audience. Popular third party companies such as daraz.pk, kaymu.pk and homeshopping.pk have revolutionized the online sales within Pakistan. Lastly, the role of technology has remained of paramount importance especially within the social media dynamics. Companies are not only strengthening the retailer-customer interactions but also back-end retail capabilities. Many of the e-retailers in Pakistan have developed in-store kiosks to accelerate their online sales through physical store locations. Moreover, besides having dynamic customer relationship management systems, they have also consolidated their back end capabilities comprising of order processing, order fulfillment and rapid deliveries to drive online sales through the social media.

Despite of incremental improvements in online sales, many of the e-retailers/online sellers are less responsive in understanding the consumer behavioral trends within Pakistan. Amongst many of the companies, the challenge is not in launching social media initiatives but in refining the advertising techniques which make them truly engaging and valuable to consumers. For this it is highly crucial to understand the factors which strengthen consumer attitudes towards social media advertising and convince them for online shopping. The e-retailers need to understand that how they could utilize social media advertising in raising their sales, return on investments (ROI) and attain customer based competitive advantages. Hence many of the retailers and advertisers are facing measurement challenges and lack the ability in raising consumer engagement which could drive online sales through the social media.

Leveraging Social Media: Social media itself is a holistic terminology and can be categorized into three subheads based on the theoretical taxonomy proposed by Vanden Bergh, Lee, Quilliam & Hove (2011). This division is based on its inherent characteristics and specific features, namely: Social Networking Sites (SNS), Content Community Sites (CCS) and Social Media Platform (SMP). The SNS provides opportunities for the consumers to develop their profiles, start networking with their group of friends and share reviews on important issues. This includes Facebook, Twitter and LinkedIn, providing opportunities for online and professional networking. Secondly, the CCS is specialized and a designated content generating and sharing platform in the form of videos and photos. Popular examples include YouTube, Vimeo and Dailymotion for videos, Instagram & Flickr for photos. The digital consumers can post their comments, forward the links and share the videos through other social networks. Unlike other social networking sites, the main focus of the CCS is content rather than the user itself. Lastly the SMP basically allows the developers to formulate, generate and post applications for enhanced distribution (Bureau, 2008; Bergh et al., 2011).

Social media has not remained a phenomenon, it has reshaped into an approach, an attitude. It is just not a fad but a process that is here to stay, empowering the daily lives of the diverse individuals of all ages, religion and caste. The leading social media platform is Facebook with more than a billion monthly active users. YouTube also estimates a billion monthly active users with over 4 billion video views/day. Twitter has a customer base of 320 million monthly active users with around 500 million Tweets sent per day. WhatsApp and Instagram taken over by Facebook have an active user base of 900 million and 400 million respectively.

Instagram's active consumer base has crossed both Twitter and Pinterest, recording more than 80 million photos and 3.5 billion posts per day. Moreover, LinkedIn (100 million), Snap Chat (200 million) and Google+ (400 million) active users are also well recognized social media platforms (SocialBakers, 2016; Statista, 2016). All of the aforementioned networks are integral members of either a SNS or a CCS. According to literature, both of them are amongst the most widely used social media platforms throughout the world (Dao, Le, Cheng, & Chen, 2014; Schrammel, Köffel, & Tscheligi, 2009).

Today, most of the traditional, outdated and monotonous advertising techniques have opened ways for digital marketing, in which online advertising has become a major priority. The recent developments in the field of internet based technologies have poised a far reaching impact on the socio-economic nature of businesses, the content being generated and the participants being engaged. The evolution of internet has provided massive opportunities for the dynamic businesses of today to collaborate and develop strong networks with their target customers. Not only has it provided a sound platform for the organizations to conduct their operations domestically but also globally. The communication process among consumers has not only been strengthened but also modernized (Edwards, 2011).

Talking specifically about Middle East countries, the revolutionary impact of social media remains unprecedented. Most of the democratic movements that took their birth from the Arab world were reformed through the social media. The communication channels such as Myspace, Facebook, YouTube, WhatsApp and other interactive applications psychologically united the Arabs against the status-quo dictatorships and enabled them in tumbling down the dictatorial era (Marzouki, Skandrani-Marzouki, Béjaoui, Hammoudi, & Bellaj, 2012). Due to its innate radical influence, social media has become the guiding pillar of marketing communications and its application is the top priority for the businesses of today. It has not only enabled the business decision makers to interact with their customers directly but also timely and at inferior costs (Kaplan & Haenlein, 2010). The impact of Social Media advertising on the young consumers has been rarely addressed by the academicians and researchers in Pakistan. Currently one finds limited studies conducted on social media advertising and it is emerging as a vibrant marketing tool even among Pakistani businesses. Most of the popular research on social media has focused on identifying the patterns of young consumers belonging to a high socio-economic status. The youth segment of such societies is associated with developed nations, where there is relatively easy access to technology hubs, digital platforms and social media advertising.

ONLINE & SOCIAL MEDIA DYNAMICS OF PAKISTAN

A holistic digital snapshot of the world reveals that in a population of 7.2 billion people, approximately 3 billion are active internet users (42% penetration) and 2.1 billion are active social media users (29% penetration). In simple terms, it reflects that 42% of the world population is on the internet while 29% is readily active on the social media and the penetration rate is still on the acceleration. Talking specifically about South Asia, out of a total population of 1691 million, 329 million are active internet users (19% penetration), 166 million are active social media users (10% penetration) and 144 million are active mobile social users (9% penetration) (Internetlivestats, 2015; Kemp, 2015). This as a summary shows the emerging trends of social media in the South Asian region where one fifth of the world's population resides making it one of the most densely populated region globally

The global online retail market has grown at a 17% compound annual growth rate (CAGR), with Asia Pacific witnessing an acceleration of 25%. Consumer electronics and apparel dominate the global online sales with respective market shares of 25% & 19%. Moreover, the highest online retail and consumer growth potential has also been observed in the developing countries of Asia. They have been termed as the "Next Generation Markets" with active mobile phones users but sporadic internet access in the rural regions. Once the

consumers get online, more than 40% of them indulge in online purchases in spite of constraints in logical and financial infrastructure (ATKearney, 2013).

Reviewing the digital landscape of Pakistan, the total population approximates around 189.1 million (36% urbanization), active internet users 29.1 million (15% penetration) and active social media users 19.6 million (10% penetration). Moreover, there are approximately 149.2 million (79% population) active mobile connections out of which 16.2 million (9% penetration) are active mobile social users. Pakistan resides under the category of “*Next Generation Markets*” and since January 2014 there has been a dynamic 47% growth in the number of active internet users, 72% growth in the number of active social media users and an alarming 113% growth in the number of active mobile social users. With reference to share of the web traffic, more than 50% is being served by laptops & desktops while 46% is being served by mobile phones and a minimal 3% by tablets. Pakistan is the fifth largest mobile phone market in Asia (149.2 million active mobile connections), with 4-7% of them are connected through broadband. Summarizing the social media usage of Pakistan, out of 19.6 Million active social media users (10% of population), 16.2 Million are active social mobile users (9% of population) (Internetlivestats, 2015; Kemp, 2015).

Approximately 67% of Pakistan’s population is under the age of 30 while 35% is below the age of 15 (USCensusBureau, 2015). In the past twelve months, broadband subscriptions in Pakistan have been increased by more than 43% and over 80% of netizens (active internet users) spend more than an hour online per day. More than 60% of young Pakistani netizens interact with brands through social media advertising and more than 28% use more than one social media platform. The social media sites are not only popular but have become a way of life for the young, energetic and vibrant consumers. Approximately 53% of the social media enthusiasts use Facebook, 25% YouTube and 14% Google + and quintessentially 69% of the total users are males. Facebook is by far the most popular medium to influence consumer attitudes towards advertising and convince them for online purchases. Approximately 65% of the Facebook users are under the age of 25 and an additional user is being added to it after every 12 seconds. Moreover, 17% of the netizens regularly click on social media advertisements and one fifth of the Facebook users make purchase decisions being influenced by its banner/display ads (Kemp, 2015).

The above summarized statistics clearly depict that Social Media is a powerful, cost effective and sustainable marketing tool for Pakistani advertisers. Many of the popular online stores such as daraz.pk, kaymu.pk, homeshopping.pk and ishopping.pk have strengthened their customer base and raised hefty profits through innovative social media advertising techniques. These industry players have recognized commonalities and have formulated scalable online expansion strategies for the Pakistani market. As additional Pakistanis continue to join the social media at a growth rate of 72% (Kemp, 2015), the traditional advertising platforms like radio, newspapers and television would be left far behind.

THEORETICAL INSIGHTS

The Theory of Reasoned Action (TRA) has been extensively used to identify the underlying factors related to an individual’s behavior. According to Fishbein & Ajzen (1975), consumer attitudes emerge from their belief systems, which are aggregations of weighted evaluations of perceived attributes and consequences. Their model simply depicts that the intention to perform a specific behavior is determined by an individual’s attitude and subjective norms. In simple terms, there are two major factors that play a role in influencing a person’s intention to perform a behavior. One is the *personal factor* (attitude) and the second one is the *subjective norms* (social or peer influence). The personal factor would reflect the consumer attitudes towards social media advertising while the subjective norms would refer his social/peer influence in shaping his behavioral intentions (Ajzen & Fishbein, 1980; Muk et al., 2014) .

TRA was also able to distinguish between strongly held and superficial beliefs accompanied by a strengthened link between attitude and behavior. Solomon (2013) states in his book that, a typical consumer might be influenced by a commercial but may not purchase a product. The model developed by Fishbein & Ajzen is also consistent to the functional view of attitudes developed by (Lutz, 1978). TRA has been effectively used for evaluating various technology systems including web usage (Lu & Lin, 2002) and e-banking (Ramayah, Rouibah, Gopi, & Rangel, 2009).

Later the Theory of Planned Behavior (TPB) was formulated in order to enhance and strengthen the predictive power of TRA (Ajzen, 1985, 1991). For this reason, an additional component with the name of “*Perceived Behavioral Control*” was added to the model. It refers to a person’s perception of his ability to perform a specific behavior. Moreover, it is also assumed that perceived behavioral control emerges out of a set of accessible control beliefs which highlight the factors facilitating or hindering performance of behaviors. Hence both perceived behavioral control and intention could be utilized in predicting final behavior (Ajzen, 1991). The Theory of Planned Behavior has been comprehensively used by the researchers to evaluate the relationships between beliefs, attitudes, behavioral intentions and final behavior. These relationships have then been pragmatically applied in the fields of advertising, sales, public relations and brand management. In a nutshell, both TRA & TPB have been widely used in the field of advertising in understanding consumer attitudes that emerge from consumer beliefs (Ducoffe, 1996; Durvasula, Mehta, Andrewst, & Lysonski, 1997; Greyser & Bauer, 1966; Mehta, 2000; Pollay & Mittal, 1993; Pyun & James, 2011). They has shown effective results in the arenas of internet and web advertising (Korgaonkar & Wolin, 1999; Schlosser, Shavitt, & Kanfer, 1999; Wang & Sun, 2010). Thus both of these theories could pragmatically be applied when studying consumer attitudes and motivations towards social media advertising for future research studies.

CONCLUSION & FUTURE RESEARCH NEEDS

Advertising over social media is still considered as a new phenomenon and it is still waiting for news insights, propagations and findings (Okazaki & Taylor, 2013) . As Knoll (2015) states in his concrete meta analyses that around 45% of the studies conducted on social media advertising in 2013 lacked an explicit theoretical foundation. This figure was dropped down to 22% in the year 2014 which reflects that the later research studies started building a strong theoretical groundwork. Social media is not just a fad; it is here to stay.

As the futuristic studies demand a well-defined theoretical model, the proposed study highlights the emerging roles of the Theory of Reasoned Action (TRA) and the Theory of Planned Behavior (TPB). The application of these two theories (incorporating the most suitable amidst the two) into a well-integrated model provides new theoretical insights and adds to the depth of knowledge with respect to social media advertising. There is a dire need to evaluate the aspect of consumer beliefs and attitudes towards social media advertising in order to provide practical insights to the modern advertisers of Pakistan. Further the emerging influences of advertising avoidance, electronic word of mouth (eWOM) and user motivation towards social media advertising also needs to be incorporated.

In the light of Practical insights of the proposed study, it would benefit the multinationals which have plans to advertise and sell their products through the social media in Pakistan. It would also assist the brand and advertising mangers to understand the emerging wants, dynamic desires and volatile expectations of the young consumers which reside within traditional and collectivist cultures. The proposed study also seconds the argument of social media playing a hybrid role in Integrated Marketing Communications (IMC) (Mangold & Faulds, 2009). It would not only help in designing holistic customer centric advertising messages (traditional IMC) but would also enhance consumer to consumer interactions

through eWOM (non-traditional IMC). The companies would also be attaining fruitful information in terms of consumer-brand relationship. The proposed theories could be beneficial in identifying the social influencers of a brand and would encourage the loyal customers to spread positive eWOM of the company and its products. Last but not the least; the companies would be able to approach their target segment through personalized communications on the social media which will not only be cost effective but more sustainable.

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