THE EMERGENCE OF THE SOCIAL MEDIA EMPOWERED CONSUMER

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The emergence of user-generated content (UGC) via social media channels from the Web 2.0 era has had a dramatic impact on the current commercial environment. Businesses can no longer simply publish content they wish potential customers to see; the social media landscape has instigated a power shift from the business towards the consumer. The qualitative research in this study investigates how these platforms have impacted on traditional relationship marketing concepts and how this has affected consumer expectations of the conventional business–consumer relationship. Building upon traditional relationship marketing literature, and incorporating areas of relevance such as word of mouth and consumer empowerment, the research highlights areas of potential for development in theory and practice as a result of social media empowerment.

Introduction
Social media isn’t a fad, it’s a fundamental shift in the way we communicate. (Qualman, 2010)

Communication is truly changing as a result of social media utilisation and thus the dynamics of human relationships take on a new perspective. The rules of relationship marketing have been redefined. Indeed social media platforms allow consumers to form a sort of tribal community around a product or brand. However, businesses that adopt social media as a strategy must accept that they are losing an element of control to the consumer. For many businesses today social media is their largest web presence, overtaking their company websites and email programmes (Neff, 2010). Thus social media has mutated how businesses interact and communicate with their customers as well as how they establish and implement their customer relationship management (CRM) policies. The main difference between traditional CRM and social CRM is that the latter involves the customer proactively. The customer is empowered and improving the customer experience is a central goal (Morgan, 2010).

Social media channels represent a huge opportunity for marketers in terms of word of mouth referrals. It was found that 47% of under 35 year olds in the UK post comments or online reviews (Mintel, 2010), which will in turn impact significantly on the opinion of potential customers searching for product information via search engines. The internet and social media remove the barriers that existed in the past in traditional word of mouth such as location, time and access. However, the social media revolution brings a new set of concerns and challenges relating to user privacy and the impact of user generated content. In fact Google’s CEO, Eric Schmidt, warns that younger generations today do not comprehend the impact that the internet can have on their futures, suggesting that they will have to take extreme measures such as changing their names to escape their digital past in order to secure a job (Hanlon, 2010). Internet savvy generations today must realise that it is nearly impossible to fully erase something from the World Wide Web, and furthermore employers now scour the web for information on potential candidates (Hanlon, 2010).

Literature Review
Due to the infancy of social media utilisation for businesses, most literature in the area of social media concerning relationship marketing is of very recent publication or in the process of being published. Furthermore there is a lack of literature on the topic and thus the author focused on the application of traditional CRM, and relationship marketing strategies in the context of social media with other areas of relevance to the topic, such as consumer empowerment and word of mouth marketing.

The internet has become ‘an enabler of global marketplace’, overcoming issues such as time and distance and empowering consumers to communicate with peers, quickly form and change their own opinions and ultimately to define brands by themselves (Pires et al., 2006: 937). The digital era has redefined contemporary consumption, trans-
forming consumers from their former passive roles into an active group (Law et al., 2003). This change is a direct result of the Web 2.0 era in which internet savvy consumers have unlimited access to information as well as the ability to interact freely with other consumers as well as brands and businesses. The recently coined ‘Web 2.0’ is a concept that describes the evolution of the internet from a static environment to an interactive community (Brennan, 2010). It views the internet as a space where web content and applications are constantly modified and adapted by users through collaboration and participation (Kaplan and Haenlein, 2010).

Daugherty et al. (2008: 2) define user-generated content (UGC) as ‘media content created or produced by the general public rather than by paid professionals and primarily distributed on the internet’. An increasing number of businesses today are actively utilising social media and UGC to encourage consumers to share their experiences online with other users, a trend which is dramatically redefining the relationship between a business and its consumers (Harris and Rae, 2009). Vitberg (2010: 42) opines that social media has led to an age of consumer-to-consumer driven information creating awareness and credibility and establishing relationships with prospective customers.

Social media has truly altered the consumer landscape, described by Smith (2009: 359) as a ‘revolution in user generated content, global community and the publishing of consumer opinion’. It is about engaging with current customers, potential customers and critics at every level of modern social communication (Fisher, 2009).

**Motivations to Contribute on Social Media Platforms**

Daugherty et al. (2008) measure three functional perspectives in online contribution: (1) the ego defensive relating to self importance and self esteem, (2) the value-expressive function, relating to respondents’ agreement with content in terms of their own moral beliefs and finally (3) the social function which relates to the act of forming friendships and bonds and belonging to a community. These factors determine attitude formation which in turn influences an individual’s behaviour (Daugherty et al., 2008).

The study found the ego defensive to be of particular importance, whereby individuals will try to protect themselves from external threats and eliminate self doubts, while the social function found that consumers create content to increase their sense of self importance and to connect with others (Daugherty et al., 2008: 16). As human beings we have a psychological need to be our own individual; however, we also desire the feeling of belonging to a larger social set (Qualman, 2010). Indeed, Maslow’s hierarchy of needs states that after our basic human needs we desire to be accepted, which is one of the reasons that social media has been so successful: ‘humans are social animals by nature’ (Qualman, 2010: 4).

**Relationship Marketing**

Although the concept of relationship marketing is widely accepted and researched, there is no commonly accepted definition, making application of these strategies potentially problematic for marketers. Berry (1983, cited in Berry, 1995: 236) was one of the first to attempt to define the concept, describing relationship marketing as ‘attracting, maintaining and enhancing relationships’. Similarly Gronroos (1994: 9) describes the emergence of relationship marketing as a ‘paradigm shift’ that seeks to ‘establish, maintain, and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met.’ It is about the relationship between the consumer and a business creating added value for both parties on top of the value of the products or services exchanged (Gronroos, 2004).

Relationship marketing is a concept that is applicable inside a firm as well as outside; it is ‘a process, a chain of activities’ (Gummesson, 1994: 17). The concept relies on the success of three vital areas: an interaction process, a planned communication process that supports and enhances relationships and finally the creation of value (Gronroos, 2004). Evidently social media provides an ideal channel for all three elements. Indeed, Szmigin et al. (2005: 480) believe that the ‘network society’ offers an area of huge potential to marketers to develop their relationships with consumers. This is because relationship marketing is ‘underpinned through shared communication’ (Harridge-March and Quinton, 2009: 175).
Gronroos (1995: 253) defines the aim of transaction marketing as ‘to get customers’, whereas the aim of relationship marketing is to both ‘get and keep customers’. Traditionally marketing focused on attaining customers through a single sale; however, this transactional approach has changed significantly in recent years to accommodate a relationship marketing approach. Indeed Buttle (1996: 206) describes a transaction approach as ‘a form of hit and run marketing’: it does not serve the interests of either the customer or the business as it is costly and short term.

The management of an interaction process is the core of relationship marketing (Gronroos, 2004: 103).

Gronroos (2004) contends that in order for a firm to develop a successful relationship with its customers, value enhancing interactions must be present. Although a firm can plan the communication with its consumers, it does not necessarily result in a dialogue. A firm can initiate the dialogue route; however, interactions are necessary for monologues to grow into dialogues (Gronroos, 2004). Conversation can act as a catalyst in the development of bonds between participants in an online community environment (Szmigin et al., 2005). According to Gronroos (2004), a firm applying the relationship marketing concept should show a genuine interest in the needs and value systems of its customers and should show consumers that their feedback is both appreciated and utilised for company improvements. Relationships are interactive by nature in that each party can impact upon that relationship; ‘neither party acts entirely independently of the other’ (Szmigin et al., 2005: 481). Social media is an ideal platform for the initiation of interaction with consumers and a space where firms can respond to and actively apply consumer feedback.

**Relationship Marketing and Social Media**

Although consumers may become emotionally involved with a brand in traditional relationships, they do not interact with the brand or enter into dialogues directly and thus the relationship is one-directional (Szmigin et al., 2005: 481). Social media eliminates these barriers, allowing brands to develop stronger bonds with the consumer much like a human relationship. Indeed, Szmigin et al. (2005: 481) opine that ‘the development of communities, in particular brand communities, has helped to humanise the technology of the internet’. In this manner online communities are formed establishing close bonds between users. Online communities are ‘fluid and flexible’, formed as a result of a vast array of interests and social connections (Zeng et al., 2010: 2).

The existence of a hierarchy among social media users offers an area of huge potential for marketers. Harridge-March and Quinton (2009) construct a virtual loyalty ladder reflecting the original loyalty ladder of the relationship marketing concept, suggesting that social network users can also be stimulated upwards in their loyalty to a business. The original model consisted of five areas: suspect, prospect, customer, client and advocate, with the supporter concept added later to describe a party that may be interested and may influence others while not necessarily actually being a customer (Harridge-March and Quinton, 2009). Similarly the social network loyalty ladder consists of four levels of which users progress upwards as their loyalty increases: (1) ‘Lurkers’ whereby interested consumers can ‘lurk’ before making a contribution, (2) ‘Newbys’ or ‘Tourists’ describe users that have only started to contribute to a site and have not yet demonstrated signs of commitment, (3) ‘Minglers’, adapted from Kozinets (1996), are users that post but not in a regular pattern and finally (4) ‘Devotees’ are members that make regular contributions and develop ties with the network. Relationships between users online can result in both social and emotional bonds which can increase a user’s loyalty, as the more they participate the more loyal they become (Harridge-March and Quinton, 2009). These bonds are not easily imitated by competitors, resulting in a sustainable competitive advantage for a business. The most loyal online consumers known as the ‘Evangelists’, corresponding to the advocates on the traditional loyalty ladder of relationship marketing, are the most practical targets for communications and can influence others in their purchases (Harridge-March and Quinton, 2009). Consumers further down the ladder can be targeted in an attempt to move their position upwards on the social media loyalty ladder.

The customer bonding triangle is a framework that investigates relationship bonding within an
online community based on three components: interactivity, technical infrastructure and service value (Szmigin et al., 2005: 489). According to the authors, these three elements embody the needs of a community and the significance of reliable systems, and acknowledge that participants within online communities interact with each other as well as the service provider. There are a number of managerial implications of the triangle:

• Businesses can utilise online applications to create and define relationship strategies
• Businesses can further develop and improve existing relationships
• Communication strategies can be dialogue oriented
• Dialogue can be improved and communication reach is further expanded

Thus there is clear evidence of an alteration in the dynamics of the business–consumer relationship.

**CRM to CMR**

The aim of customer relationship management (CRM) is to combine relationship marketing strategies with information technology to create long term relationships and mutual profit for both parties involved (Peelen et al., 2009). It is a concept that views the customer as a valuable asset to a company that should be learned from and managed in such a way that they too feel valued. CRM utilises information technologies to form a customer database in order to understand the needs of customers and implement relationship marketing strategies. Ryals and Payne (2001: 3) put it best when they define CRM as a process that seeks to ‘provide a strategic bridge between IT and marketing strategies aimed at building long term relationships and profitability’. However, Newell (2003) argues that traditional CRM practices are no longer satisfactory for the empowered consumer and a shift towards customer managed relationships (CMR) is necessary. CMR is ‘about creating an experience, personalising the interaction with individual customers in ways directed by the customer, and thereby developing relationships’ (Newell, 2003: 7). CMR empowers the consumer to decide the level of interaction they want, and how often they communicate with the firm, and tries to personalise interaction directed by the consumer, thus developing relationships (Pires et al., 2006). See Table 1.

**Social CRM**

Social CRM is a very recent phenomenon emerging from the ever increasing number of businesses utilising and incorporating social media platforms into their marketing strategies. Myron (2010: 4) defines social CRM as a concept that ‘tries to integrate data from the social web with customer relationship efforts’. This contemporary approach to traditional CRM recognizes the empowerment of consumers as a result of social media and how consumers have changed in their attitudes, behaviours and expectations since the emergence of CRM in the 1990s (Rich, 2010). Social media renders traditional CRM practices inadequate to establish and build relationships on these emerging channels; however, social CRM acknowledges the depth of the relationships formed on these channels (Wang and Owyang, 2010: 6).

**WOMM and Social Media**

Word of mouth marketing (WOMM) is not a new phenomenon, however, in the age of the social media consumer it takes on a new dimension and is an area of huge potential for marketers. Defined by Kozinets et al. (2010: 71) as ‘the intentional influencing of consumer-to-consumer communications by professional marketing techniques’, social media is an ideal outlet for the

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<th>CUSTOMER RELATIONSHIP MANAGEMENT</th>
<th>CUSTOMER MANAGED RELATIONSHIP</th>
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<td>The company is in control</td>
<td>The consumer is in control</td>
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<td>Business is better for the company</td>
<td>Business is better for the consumer</td>
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<td>Customers tracked by transaction</td>
<td>Focus on understanding unique needs</td>
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Source: Newell (2003: 8)
application of the concept and is a growing concern. Indeed, Li et al. (2010) describe WOMM as viral marketing that utilises electronic communications to increase brand messages in a network. Word of mouth marketing empowers the marketer rather than the consumer as a result of the transparency, accessibility and breadth of the internet (Kozinets et al., 2010). It is generally believed that WOM influence is instigated by a small number of elite individuals; however, Smith et al. (2007) discover that influence is something that all individuals share, stimulated by the human need to be helpful by providing advice and the enjoyment of searching for information.

Indeed, social media represents a redefinition of relationships that is rapidly increasing (Harridge-March and Quinton, 2009) and as Kozinets (2010: 71) states, ‘as markets change, marketing theories must also change to accommodate them’. The development of brand relationships through social experiences and delivering persuasive messages to content creators and online users represents the future of marketing (Daugherty et al., 2008).

Exploratory Research and Methodology
Due to the infancy of research in the area in Ireland, the researcher adopted a triangulation approach. This involved examining the topic from multiple perspectives and different sources within different time frames and locations in order to reduce the level of uncertainty in data interpretation. In order to obtain maximum perspectives on the topic, the researcher utilised depth interviews with industry professionals, consumer focus groups and netnography. The researcher carried out an initial focus group consisting of seven respondents which uncovered some interesting areas of potential interest and inspired the author to initiate an in-depth investigation of the topic. Consequently the author selected two female respondents from the initial focus group for participation in depth interviews having demonstrated an interesting perspective on the subject matter. Furthermore two male respondents were requested to participate in a dyad focus group as the researcher was eager to build further on their insights and the dynamics of their relationship.

Focus groups were used to gain an insight into how consumers perceive businesses utilising social media platforms and to gauge their level of empowerment as a result. Dyad and triad focus groups were utilised, selecting participants that had already established close social bonds on these platforms with one other. The depth interview was utilised by the researcher in order to gain an industry perspective from professionals working within the social media landscape on behalf of businesses. According to Kozinets (2010: 50), in netnography ‘the unit of analysis is the relationship, and what it finds interesting in relationships are their patterns’. With this in mind, a purely observational netnography was carried out by the researcher.

In both the focus groups and the interviews the researcher selected a low structure approach, keeping moderation involvement to a minimum and asking a minimal number of questions. This approach was selected as the topic is very current and an issue that the participants encounter on a daily basis. The researcher felt it more appropriate to encourage self moderation in order to gain further insight into the attitudes behind the phenomenon of social media.

Analysis and Discussion
From the data analysed the author concluded that the relationship between the consumer and a business has changed significantly as a result of social media. These platforms facilitate the formation of relationships in terms of customer acquisition, but they are more useful and regarded as more appropriate for relationship maintenance as a customer retention platform. Furthermore, the researcher concluded that social media has indeed affected consumer expectations of their relationship with a firm. The social media empowered consumer has emerged.

1. Motivations
Social media utilisation by contemporary consumers has become a daily ritual and a normal part of their daily routine. Thus it is of critical importance that businesses today establish a social media presence in order to reach their target markets. Furthermore marketers can potentially reach a wider audience than traditional mediums of communication as social media is so frequently viewed and for some consumers the internet has fully replaced their use of traditional communication mediums.
Users experience a sense of guilt for excessive use of these channels. Social media offers users the opportunity to interact with others, but it also allows the participants to observe individuals on these platforms without revealing their presence. This anonymous observation has very negative connotations for the respondents. These feelings of guilt allude to a perception of social media as an addiction that must be controlled. Participants were found to be hugely reliant on social media as a means for both interacting with social connections and feeling included and aware of what their friends are doing. In the network society in which we live today, an individual’s sense of belonging and thus sense of self are inextricably linked to social media. This has created a type of virtual peer pressure to consume social media as users seek out activities that are favourable to others.

Users feel pressurised to interact with businesses by their online peers very much succumbing to the social functional aspect of motivation (Daugherty et al., 2008). The opinion of their online peers is very important to them. Social media consumers feel a degree of peer pressure to accept businesses on these platforms as suggested by a contact. This offers a business a window of opportunity as there is a short period of time in which consumers will embrace a brand name and associate their personal page with the business. Furthermore, a business can appeal to the social function motivations of the consumer by creating and encouraging close social bonds among participants, increasing their feelings of belonging. In doing so they form a tight community without which they feel at a loss as well as increasing their susceptibility to advertising on these platforms. Daugherty et al. (2008) argued that marketers can increase brand value by actively engaging the consumer in media experience through the provision of an online space where they can create their own content.

2. Perceptions
Social media is a realm where users are very aware of the fact that business and users within their community can access their information and view their actions. This has created a sense of paranoia and many users are reluctant to accept businesses as a result. It is in the interest of a business to emphasise on its social media platforms that it respects the privacy of its users and does not distribute the personal information of its connections. In this way it increases the sense of trust between a user and the business and in turn this creates a long term relationship. In contrast, consumers do see the personalisation of communications as favourable and are more open to marketing that is relevant to their own personal interests and needs.

3. Consumer Control and Brand Bonding
The researcher found that consumers are more demanding than ever before and have huge expectations of their relationship with a business. There is an emerging egocentrism among social media users as a result of their empowerment and control in the social media landscape. An inconsistency was identified between traditional relationship marketing literature and the relationships observed online as a result of consumer empowerment. This is because this relationship is now bi-directional and controlled by the consumer. The social consumer
has emerged: cynical, untrusting and highly demanding. Relationship marketing strategies must be adapted to accommodate this prevailing trend. With this in mind the researcher developed the consumer contact cycle (see Figure 1).

The consumer contact cycle reflects the difficulty a business can have in establishing a relationship with a consumer on a social media platform. Initially a business requests the friendship of a user, or a user is suggested to befriend the business by another contact. However the bond can be severed by eroding consumer trust at each warning point. This cycle recognises the power of the consumer in the relationship formation process and it is not until all four stages are complete that brand bonding occurs and the consumer is considered to be in a relationship with the business. Evidently it can be a complex task to secure a relationship with a consumer on social media, however, when brand bonding takes place the virtual value of the consumer can prove invaluable to a business. This is because the brand–consumer bond emulates a real life friendship. By virtue of being an arena originally established to facilitate friendship making among individuals, consumers associate accepting a business as a contact with a real life friendship. The bond is therefore strong; however, much like a human relationship trust is paramount and both parties are expected to fulfil their side of the relationship. Brand bonding also occurs in the sense of community that a business can create surrounding its brand or product. By appealing to the social function of online users, social media utilises a group appeal to create a strong social identity, thereby increasing consumer susceptibility to marketing as discussed by Zeng et al. (2010).

It is crucial that businesses allow the consumer to feel that they are in control of the relationship in order to gain their trust and ultimately form a bond, as appearing too desperate for their friendship is considered negatively by users. Relationship trust, commitment and the promise concept (Morgan and Hunt, 1994 and Gronroos, 1994) are very relevant to the social media landscape but relationship termination costs are unrelated to this space, which again increases consumer power.

Although the social media empowered consumer can be far more high maintenance than traditional consumers, they can also act as important sources of information. They can significantly influence their online communities in their purchasing habits and can ultimately aid a business in its product and service designs by assuming the role of co-creators. This is the highest level of value a consumer can provide to a business, as once these steps have been completed a business can partake in social CRM and truly satisfy its customers creating long term and interactive relationships. This led the author to create the virtual value of a social media consumer (see Figure 2).

4. Relationship Recovery and Word of Mouse

Social media brings a new dimension to word of mouth marketing as consumers were found to be very trusting of their online community in terms of intent to purchase. Furthermore consumer consumption patterns can be influenced by their desire to feel a sense of belonging to their community. Consumers today are more critical and untrusting of marketing communications than ever before. Social media allows a business to overcome these issues as unlike other mediums, often consumers are unaware they are being marketed to and visibility alone can increase their brand awareness. Furthermore, businesses can target opinion leaders on these sites in order to influence a wider audience.

5. An Industry Perspective

With the emergence of social media as an industry in itself in Ireland, the researcher was curious to unearth whether it is indeed essential to utilise an expert in order to carry out social media marketing successfully. It was found that there is a definite perception among industry professionals and consumers alike that there is a right and a wrong way to carry out social media for business. In fact, it can be more damaging to the reputa-
tion of a brand to ineffectively utilise these platforms than to abstain altogether. The most significant factors for the consumer are relevance, personalisation and the quantity of communications they receive.

From a professional point of view, social media must be regarded as a central element to the marketing mix of a firm and managed by a social media educated manager on a constant basis. The researcher recommends that it is essential to appoint a specific social media marketing manager within a business to control the upkeep of the site and present the ‘face’ of the company. It is an avenue that allows the consumer to view a business as a person, to form a real friendship, and thus it is of great value to a firm. Social media allows the consumer to see the human side of a corporation, which increases the likelihood of recovery in a negative situation, affording a business the opportunity to regain a consumers’ trust.

Businesses have to work harder than ever not only to capture the attention of the consumer but also to respond to their enquiries that could easily be found on the corporate website. Businesses have to serve the social media consumer today or risk reaping the negative consequences of consumer backlash in a public space.

**Concluding Remarks**

Although the author does not dispute the contribution of the academic literature concerning the relationship marketing concept, the social media empowered consumer necessitates a more up to date approach. This approach must acknowledge how increasingly demanding the social media consumer has become, which has in turn altered the dynamics of the business to consumer relationship, transforming it from a one-dimensional occurrence to a bidirectional social bond. What the researcher has aimed to discover through this investigation was a further understanding of how social media has impacted on the business–consumer relationship. As a result of consumer empowerment, the power of word of mouth marketing and the emergence of social CRM, it has certainly been found that traditional relationship marketing strategies require further development to account for this. The era of the social media empowered consumer is truly upon us. Our consumption patterns have changed dramatically in recent years and thus marketing has experienced a redefinition as a result of the emergence of social media. Relationship marketing takes on a new dimension in the social media revolution and, with the recent emergence of location-based social media technologies, one thing is certain: social media is here to stay.

**Author**

Since completing her MSc in Marketing at the Dublin Institute of Technology in 2010 examining consumers and social media, Clodagh relocated to London where she worked for Publicis-owned firm ZenithOptimedia specialising in search marketing. She has also begun to expand her work experience as online editor for Stanfords, the UK’s leading specialist retailer of travel books. Clodagh has also had a number of articles published during her time as an intern journalist at *The Dubliner Magazine*.

**References**


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