Chapter 9

Company–Customer Interaction via Social Media: Contributions to the Marketing Mix

Manel Hamouda
ISGG, Tunisia

ABSTRACT

In recent years, social media has become an integral part of internet users’ everyday life. Customers are increasingly seen to be more like “content creators” or even company employees rather than mere customers as they were in the past. In this chapter, we try to understand how customers use the various social media platforms to interact and how this interaction influences the company’s marketing policy. An overview of the customers’ different uses and practices enabled authors to identify several forms of interactions and to detect their effects on pricing, product, place and promotion, the four main components of the marketing mix.

INTRODUCTION

The use of social media is continuously being considered as a basic element of companies’ marketing strategies that aim at reaching their customers. In fact, Web 2.0 has already attracted the attention of marketers who seem interested to invest in social media applications. Each social media platform like blogs, forums and online communities affects marketing performance (e.g., sales). Therefore, it is essential to understand their relative importance and their interrelatedness (Stephen & Galak, 2009). Customer behavior is also disturbed by the rapid growth of social media (Goh Heng & Lin, 2013; Birke, 2013). Customers now dispose of a new role with the dominance of media in their everyday life. Sawhney, Verona and Prandelli (2005) as well as Vargo and Lusch (2004) agree that customers today are increasingly seen as proactive participants in the interactive process of value co-creation and not just passive receivers of marketing initiatives (Hollebeek, 2013), like they used to be in the past. According to the traditional view of the value creation process, customers have long been considered outside of the company’s sphere (Prahalad & Ramaswamy, 2004), which is centered instead on a company-oriented

DOI: 10.4018/978-1-5225-0332-3.ch009
vision. However, nowadays, this vision should be revised. Customers are increasingly becoming active participants in interactive processes that have multiple feedback loops (Brodie, Illic, Juric & Hollebeek, 2013) as well as instantaneous communication (even in real time) (Hoffman & Novak, 1996). These interactions between customer and company are made easy by the development of User-Generated Content (UGC). UGC represents a new type of virtual environment where users contribute, collect, and explore content generated by other users or by an organization (Di Gangi & Wasko, 2009). The company is now seeking to co-create value with customers by preferring to opt for customized interactions between the customer and the company via several social media formats such as online forums, bulletin boards, list servers, chat rooms, email, personal web pages, social networks and blogs (De Valck, Van Bruggen & Wierenga, 2009). These customer-company interactions through social media (Nambisan & Baron, 2007) bear on the components of the marketing mix (Mangold & Faulds, 2009). The marketing mix is a term that refers to the way a company makes choices and allocates its resources across the four axes of this mix, commonly known as the four Ps (McCarthy, 1960): Product, Price, Place and Promotion. Therefore, we will try in this theoretical review to determine the possible customer-company interactions at the level of each component of the marketing mix. This synthesis would enable us to identify potential uses of social media during customer-company interaction. Then, through concrete real examples, we try to show the best practices of social media in order to optimize their use for the benefit of the company.

ROLE OF CUSTOMER IN PRODUCT POLICY

To better adapt themselves and succeed in a rapidly changing media environment, marketers need to adjust their choices and practices regarding product policy. Online forums, virtual design tools and prototyping facilities are all social media formats that will allow companies to revisit some product policy practices and especially engage their customers in many initiatives or actions related to their products (Nambisan, 2002). Indeed, in the context of product policy, customer-company interaction via web interfaces may take place at several levels.

First, social media may be put at the service of a key element of product policy, which is the brand. The power of social media in developing the brand has been highlighted by numerous studies conducted mainly by international organizations (Miller, Fabian, & Lin, 2009). Web interfaces are in fact a means for companies to place their product at the heart of an online brand community. “Brand communities” are formed when individuals become interdependent around a group identity and rituals and share moral responsibility with the members of this community (Muniz & O’Guinn, 2001). A brand community is able to generate collective actions over time. Many roles can be assigned to brand communities that would allow for sharing of information, recalling history and culture of the brand, assisting new members and mounting pressure on members to remain faithful to the conventional group and the brand (Thompson & Troester, 2002). However, managing a brand community seems to be a very delicate task. On the one hand, brand owners seek to put pressure to guide the community along the brand, and on the other hand, they delegate some degree of brand control in favor of community members (Muniz & O’Guinn, 2001). Moreover, several examples illustrate the success of brand communities. Starbucks, for example, has a Facebook page counting 1,727,314 fans in 2009 (in 2014 it was 36,931,586 fans). The brand is also present on Twitter, YouTube and has its own community Web pages (MyStarbucksIdeas, Starbucks V2V and StarbucksRed). The success of an online brand community reports to the inclusion of a variety of brand-related interests, likely to generate a sense of belonging (Brown, Broderick & Lee,
Related Content

Business Lessons for Higher Education Marketing
[www.igi-global.com/article/business-lessons-higher-education-marketing/52080?camid=4v1a](www.igi-global.com/article/business-lessons-higher-education-marketing/52080?camid=4v1a)

Bridging the Academic-Practitioner Divide in Marketing: The Role of Business Schools
[www.igi-global.com/chapter/bridging-the-academic-practitioner-divide-in-marketing/217096?camid=4v1a](www.igi-global.com/chapter/bridging-the-academic-practitioner-divide-in-marketing/217096?camid=4v1a)

Understanding the Psychology of Mobile Phone Use and Mobile Shopping of the 1990s Cohort in China: A Lifestyle Approach

Is Being Perceived as Sustainable a Means to Achieve a Differential Advantage?
[www.igi-global.com/chapter/being-perceived-sustainable-means-achieve/59786?camid=4v1a](www.igi-global.com/chapter/being-perceived-sustainable-means-achieve/59786?camid=4v1a)