Chapter 36

Trust Management Issues in Social-Media Marketing

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ABSTRACT

Social Media provides a new channel to marketers and businesses to communicate with their customers and business partners and integrate this media in their business strategy. The large scale growth of the social media and its increasing users has opened up new marketing era for the businesses. However, with enormous growth of the social media and other online channels, the competition has increased worldwide. Correspondingly, the customer retention and satisfaction has come up as the biggest challenge. It has become necessary to gain and retain the customer trust, so that the existing customers are retained and new customers are attracted. Trust management becomes the most important issue in the online environment to work closely with the existing and potential customers along with the business partners. Present work discusses the important aspects of entrusting, managing and maintaining user trust with the social media marketing strategies. The paper highlights the various prevailing models of the trust management and comes out with the strong arguments to facilitate the user trust for businesses using social media marketing techniques.

1. INTRODUCTION

The diverse changes in the online environment had forced people to give a rethink to their business strategy for selling and buying of products and services. Businesses are increasingly using the internet for commercial activities (Teo, 2005; As’ad et al., 2012; Ghouri et al., 2012; Anjum et al., 2012) as well as the communications at various levels. Social media marketing is a new concept, which allows people from all over the world to promote their products as well as to communicate and share ideas or opinions with each other on one platform. According to Chikandiwa et al. (2013), Social media marketing is described as a system, which allows marketers to engage, collaborate, interact and harness intelligent activities.

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crowd sourcing for marketing purposes. Social media marketing has given opportunity to vendors, organizations, business partners, purchasers, sellers, buyers or consumers to buy, sell or advertise their products and services through these social media platforms. Use of social media has also become very much popular as a marketing tool for the establishment and management of customer relationships and to influence the people shopping behaviour (Ruane et al., 2013; Lagrosen et al., 2014).

Social media not only provides a platform to disseminate information about the products and services offered by organisations, but it also provides a platform for conversations and attending to the customer expectations or views. Firms have the opportunity to shift relationships with the consumers from dialogue to triadialogue, in which consumers engage in meaningful relationships with one another and with the firms (Hlavinka et al., 2011; Lipsmann et al., 2012; Mangold et al., 2009; Tsimonis et al., 2014). For example: Starbucks, Nike, Coca-Cola and Dell have successfully used social media to obtain customer feedback, create new products and offers, strengthen customer loyalty and engage in online dialogue with followers (Beuker, 2009; Gallaugher and Ransbotham, 2010; Mitic et al., 2012). Social Media Marketing is defined as any form of direct or indirect marketing that is used to build awareness, recognition, recall, and action for a brand, business, product, person, or other entity and is carried out using the tools of the social Web, such as blogging, micro-blogging, social networking, social bookmarking and content sharing (Gunelius, 2011).

Social media marketing industry report 2015 (Stelzner, 2015), which have studied over 3700 marketers with the goal of understanding how they are using social media to grow and promote their businesses, presents a number of significant facts:

- 96% of marketers indicated that they are participating in social media marketing;
- A significant 92% of marketers indicate that social media is important for their business;
- At least 91% of marketers want to know the most effective social tactics and the best ways to engage their audience with social media;
- A significant 57% of marketers use video in their marketing; however, 72% want to learn more about video marketing and plan on increasing their use of video;
- Facebook and LinkedIn are the two most important social network for marketers.

The top two benefits of social media marketing are increased exposure and increasing traffic. A significant 90% of all marketers indicated that their social media efforts have generated more exposure for their businesses. Increased traffic was the second major benefit, with 77% reporting positive results as shown in the Figure 1 (Stelzner, 2015).

Number of users in the social media sites is increasing very rapidly. According to Statista.com (http://www.statista.com), In 2010, the number of social media users was 0.97 billion which had increased in 2013 to 1.61 billion and is expected to reach 2.33 billion by 2017.Therefore, it is quite clear that the growth of social media marketing is enormous worldwide. Over the last 2 years in India, many people have been engaged directly or indirectly through these social media sites. People in India are connected to these social media channels for chatting, making friends, blogging, tweeting, sharing their views, business promotions, marketing, etc. Many company brands like MTV India, Channel V, Tata Photon, Tata Docomo, etc. had engaged with these social media marketing sites. Many Indian top celebrities had also engaged with these social media marketing sites for the promotion of their albums or movies, serials, etc. Many Indian political parties have been involved in campaigning and engaging the people through these social media sites. Recently Bhartiya Janta Party (BJP), who won the 2014 Indian Lok
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