

Facing up to Facebook et al.: An Investigation into the Emergence of Social Media as a Tool for Both Consumers and Business

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Abstract

The overall objective of this dissertation is to examine whether or not consumers are influenced by negative posts on social media sites. This dissertation will also investigate what consumers expect from companies on social media sites, how companies themselves operate on social media sites and the unethical behaviour of these companies on social media sites.

The author used a mixed method approach when investigating the objectives. A quantitative method was used to examine the main objective while qualitative methods were used when investigating the other three objectives. A total of 112 surveys were collected for research.

The results of the research were analysed in order to ascertain the influence that negative posts exert and linked back to the literature. Consumers have changed in the way they expect things to occur online and companies need to adapt in order to benefit from having a social media presence and to increase their revenue.

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Chapter 1 - Introduction

Social media is becoming a major part of people's lives and it has taken over the internet. Facebook is now the leading website in the world when it comes to traffic generation, surpassing Google and has become the number one activity on the web and 78% of people trust peer recommendations as opposed to 14% who trust what an advertisement tells them (Qualman, 2011).

The advancement of technology has led to social media users being able to access their sites on the go, no matter where they go. Fifty per cent of mobile internet traffic is used to access Facebook (Qualman, 2011), this has enabled users to post a status, comments and complaints in the heat of the moment and has led to the spread of disgruntled consumers taking to the internet to air their grievances. A social network is based on user-generated end content and aims to bring like minded people together, be they friends or just strangers with a common interest. It only takes one unhappy customer to take to a social networking site to post a negative comment about a company, a few 'likes' later and the post has gone viral. A recent notable incident occurred in May 2013 when a Dublin nightclub refused to allow entry to a man in a wheelchair, who then posted a complaint to the company's Facebook page. Within a period of hours the story became news across the country (thejournal.ie, 2013). This story shows just how powerful social media has become and how the nature of complaints has changed from being private to now being out in the public domain for all to see. The negative status from the disgruntled man generated fifty thousand 'likes' within 16 hours of being put up online (thejournal.ie, 2013). The damage that this negative publicity caused to the brand of the nightclub may be immeasurable, but it drew criticism from across the country.

People have always researched a product before they buy it, however Patel (2012) shows that 97% of people now carry out research through social media before they purchase a product, and 65% of these people count it as an important factor when

making purchasing decisions. MistMediaGroup (2013) have found that 55% of people share their recent purchasing experiences on Facebook. This means that 1) a company needs to have a social networking presence and 2) that the company needs to manage this social networking presence successfully in order to keep their image clean.

The researcher aims to identify how much influence a bad social networking post can have on the behaviour of others and how likely people are to be influenced by a post to a company's social networking site.

Previous research has pointed out that consumers are more likely to be influenced by their peers than by advertisements, companies themselves or even family members (Miller & Washington 2013). The author aims to see if this previous research is pertinent when it comes to Irish consumers, by using surveys to generate data required to undertake the analysis.

The author also aims to discover what consumers expect from companies who operate on a social networking site and in discover what it is that makes a social networking site belonging to a company worth 'liking' or 'following'.

Finally the author will look at the unethical behaviour of companies when it comes to social networking pages, such as removing negative comments or paying to have their social media status increased. Deleting negativity may be tempting to a company, however Qualman (2013) urges companies to turn this negative into a positive and use it to develop new relationships as the customers that complain are the ones whom you can use to create value.

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Chapter 2 - Literature Review

2.1 Introduction

The Oxford dictionary defines social media as ‘websites and applications that enable users to generate and share content or participate in social networking’ (www.oxforddictionaries.com, 2013). Heinrichs, Lim & Lim (2011, P. 347) define social networking sites as ‘important communication channels used by individual consumers to create content, distribute materials, share ideas, express opinions, and use information and knowledge.’ Essentially social media brings like minded people together to share interests through blogs or social networking sites such as Facebook or Twitter. The idea behind social media is user-generated end content which will be accessed by like-minded people. Like minded people can include anyone from your best friend, to siblings, to someone in a different country that follows the same football club or someone who likes the same fashion label. The danger of user-generated content is that there is no control over what someone can post on their blog, so an unhappy consumer can have launch a tirade about a particular brand or company and the whole world can see it but the company is unable to stop it. It is acknowledged that social media sites do have control over some content that is posted but only if it is of a derogatory nature. When it comes to unhappy customers, social media seems to be the place to turn. Heinonen (2011, P.356) states that the role of the consumer is changing ‘from being passive recipients of information to active generators of information’ but the nature of the information that they generate is vital to companies.

A recent Irish government report has shown that four in every five households have access to the internet, which leads to Irish consumers spending €3.7 billion online each year. Six out of every ten Irish adults shop online and 81% use the internet to research a product before purchasing it (www.thejournal.ie , 2013). This shows the extent of reliance on the internet in Ireland and the huge audience that a disgruntled customer can reach out to.

Qualman (2011) illustrates that social media has become the number one activity on the internet. Social media usage is becoming more and more popular with the older generation and the fastest growing segment of users is indeed 55-65 year old females. With the three most used social networking pages in Ireland belonging to retailers Penneys, Lidl and Amazon (www.socialbakers.com, 2013) there is no doubting the importance of social media to both the consumer and to businesses. Over 50% of the Irish population have a social media presence (www.rte.ie, 2011) and 52% of these are under the age of 34 (www.socialbakers.com, 2013). These statistics would imply that there is a vast population ready to be tapped into by marketers, but it also puts a lot of power into the hands of an unhappy consumer as it gives them greater exposure.

2.2 Companies Use of the Internet and Social Media

The internet is a way for companies to reach mass markets quickly and cheaply and they utilise it as a way to advertise and promote themselves all across the world. It adds a new dimension to the 4 P's of marketing. The traditional marketing mix refers to the McCarthy's (1960) 4 P's of marketing which are made up of product, price, place and promotion. When these 4 P's became the cornerstone of marketing McCarthy would never have envisaged the aspect of social media. The traditional way of companies promoting their products was through media such as television, radio and print. More recently however companies have taken to the internet to promote themselves. Some companies, such as Paddy Power use social media to create a competitive advantage for themselves. They adopted one of Brown's (2001) 'retromarketing' principles and used social media to entertain the public at one of the biggest sporting events of the year, the 2012 Ryder Cup. Paddy Power encouraged its followers on Twitter to tweet into them with messages that they then wrote in sky messages above the golf course in Chicago. It became an instant hit and went viral across the globe (www.huffingtonpost.com, 2012). These publicity stunts through social media aim to create a sense of fun and help build rapport between the company and its customers.

Kotler (2000) promotes the use of Lauterborn's 4 C's framework and suggests that companies who communicate effectively with their customers will be the ones that will be successful. Lauterborn's 4 C's framework places the customer at the centre of the marketing mix and suggests that essentially everything that a company does in terms of marketing should revolve around its consumers and establishing a relationship (Lauterborn, Schultz & Tannenbaum, 1993). The key aspect highlighted by Lauterborn et al. (1993) is the establishment of communication channels between a company and its customers/potential customers. This adds weight to the importance of companies maintaining a strong social networking image. Brakus, Schmitt & Zarantonello (2009) also emphasise communication as being a cornerstone of creating brand loyalty and building relationships with customers.

Social media allows companies to engage with their customers, but more importantly it allows customers to engage with the companies and this in turn creates a relationship between a customer and the brand (Hollebeek, 2011). Hollebeek (2011) also draws attention to the fact that how customers perceive this relationship is linked to their intentions to repurchase the brand. If a company can create relationships with a customer then they have a greater chance of having a repeat customer as the customer will have a connection with and be drawn to the brand and less likely to switch to a competitor.

Block and Schultz (2012) propose that instead of being of benefit to organisations, social media and interacting, such as two-way communication, between brands and consumers are actually damaging brand loyalty ('the continuing purchase of a certain brand or brands over time' (Block and Schultz P.21)). The authors suggest that due to the ability of consumers to gain access to vast amounts of information on brands that it may in fact damage the loyalty towards the brand. The authors also suggest that social media has caused people to be loyal to recommendations rather than to brands themselves. 'Interactivity and consumer networking are totally new areas for the study of brand loyalty. How are those consumer-driven activities impacting consumer choice? Is one now loyal to the recommendation of peers or is continuity purchase still something the consumer decides or determines for him/herself?' (Block & Schultz, 2012, P.33)

Drenik, Pilotta, Rist & Schultz (2004) conclude that word of mouth is becoming more important nowadays than previously as 'who says' is more important than 'what is said'. This sentiment is echoed by Costa, Rossi & Scaraboto (2012) who also state that the consumers are influenced by interactions that occur online between each other such as reviews or complaints about products. The online interaction between peers is becoming more and more prevalent with the emergence of the Web 2.0 generation who create user-generated content on virtual communities through social media, blogs, and other similar sites (Govanakoppa & Kumara, 2013) and this will put pressure on companies to maintain a clean social networking image. Qualman (2011) has shown that 78% of people trust recommendations from their peers versus 14% of people who trust advertisements. This trust between peers is evident on sites such as Tripadvisor and Menupages which allow users to rate and review based on their experiences.

2.3 Consumers and the Internet

Yeo (2012) undertook research based on digital consumers in which he surveyed people to determine the type of personality of a user on the social network, YouTube. The reasoning behind conducting the survey was to try and discover a link between the users of YouTube and the effectiveness of social media advertising aimed towards them. 'The findings indicate that the processes by which consumers select products, services, or experiences in social media can be parsimoniously understood as oriented towards the self (individualist) or relational (others)' (P.306). The research identified that people can be identified and targeted based on what they post on social media sites; 'profiles of YouTube users can be meaningfully constructed through their personality and motive' (P.307).

The study suggests that relational oriented consumers make a better target when seeding a campaign as they are more likely to generate word-of-mouth. The conclusion that can be drawn from this is that it is important for companies to consider who they are aiming their social network pages at when they are creating consumer relationships and brand loyalty. For example the use of TrueView ads run

by YouTube allows brands to specifically target consumers based on preferences such as videos they have watched and this engagement can lead to a rapport being established between a consumer and a brand. (www.youtube.com, 2013)

2.4 The Role Social Network Sites Play

Austria and Chung (2010) state that social networks are now a really important choice of communication platform for both companies and consumers and even go as far as to state that it is the most powerful platform available to marketers. Austrian and Chung (2010) have found that the consumer is more likely to trust an opinion from someone in the same situation as them rather than mainstream publications/advertisement and this creates an influential position for unhappy consumers. Therefore the successful management of a company's social media network is critical in creating strong relationships with consumers. The authors have found that these relationships can be created through simple steps such as through interaction and in turn this interaction has made people more receptive to receiving marketing messages. Entertainment is also a way of companies receiving gratification on social networks and as previously mentioned by Brown (2001), people like to be entertained when it comes to marketing. Both of these elements used effectively can transform a company's social media page into an important marketing tool. Austria and Chung (2010) also found that nearly 70% of online shoppers access social networking sites and that over half of online shoppers access a company's social network page and this will have an effect on whether they purchase a product or not.

Social media can be a great way for companies to increase their sales as well as managing their relationships with consumers. Krishnan, Peterson & Rodriguez (2012) found that companies who implemented social media in their marketing strategy had a positive effect on their sales processes and their relationship sales performance i.e. the sales that the company generates by having a good relationship with its customers. The authors suggest that social media usage can strengthen a firm's social capital and enable them to specifically target certain users

and effectively manage their relationship with customers which in turn results in the increased sales performance.

Trainor (2012) echoes these sentiments and feels that social networking has empowered consumers during interaction with businesses. Businesses do not like negativity on their social network pages as it is available to the masses and therefore they will try to do whatever they can to limit the damage such as future discounts or vouchers for a free product. Firms are also trying to develop long term relationships with consumers in order to facilitate word of mouth marketing and even going as far as to integrate social media data into their processes and developing 'social CRM' (Trainor, 2012).

A good example of utilising social media marketing effectively is Coca-Cola. Coca-Cola have recently taken advantage of social media as a means of advertising through the implementation of personalised drinks bottles and encouraging people to send pictures into their social networking sites (www.coca-cola.ie , 2013). The strength of Coca-Cola's brand has enabled them to remove their brand name from its bottles and replace it with the 150 most popular names in Ireland; as a result of this people have been posting images of their personalised Coca-Cola bottles across various social networking sites. The result of the campaign has been so successful for Coca-Cola that they have now added another 100 names to the campaign to encourage self-endorsing. This self-endorsing, whereby the consumer does the advertising, is quite influential and it has become a more prominent marketing strategy with the advancement of virtual communities (Ahn & Bailenson, 2011) such as Facebook.

Andzulis, Panagopoulos & Rapp (2012) go as far as to say that social media will be integrated into a company's sales strategy and developed a 4 stage process for it. Phase one would be when the company establishes itself on a social media site, this is a stage where a lot of companies are at the current time establishing pages for people to 'like' or 'follow'. Phase two would be the creation of a two-way relationship between the company and this appears to be the most common phase at the moment where companies interact with their followers over the social

networking sites through dealing with complaints etc. Phase three of the strategy is making social media a sales channel. This is becoming evident lately as hotels are using Facebook to promote special offers that get shared onto a friend's page when someone claims the offer. The final stage of the process is when social media becomes fully integrated with the sales strategy and provides real time pricing and information. An example of this would be Delta Airlines Facebook page that has links to its ticket purchasing page that accompanies pictures from various destinations around the world (www.delta.com, 2012). It is also now becoming possible to buy products over Facebook but it involves the installation of an app which is linked to a company's Facebook page (www.beetailer.com, 2013). Aspects such as these show just how important social network sites are becoming to companies.

Craine & Schlinke (2013) highlight that social media should not be used as a way for a company in the financial industry to sell its products but in fact as a way for a company to build its brand and reputation. The authors identify that there are many goals for a company establishing a social media presence such as 'to make the members of the organisation more accessible and create stickier relationships with existing clients and/or to extend the current brand' (P.86). This can be adapted into a retail context as retail companies have similar goals of their social media pages, using them as a form of building relationships with their customers. The authors identified risks associated with having a social media presence, the most relevant of which is that a damaging post may have serious consequences for a brand and that a framework should be established to limit the affect that a damaging post may have.

Bick & Dateling (2013) echoed the same sentiments of utilising social media as a means of forming bonds with consumers and managing relationships;

With the current marketing emphasis on developing relationships and retaining customers, there has been a progression in the understanding of communication theory in that the panoply of organisations, products and services are being differentiated by how well they listen, consider, educate

and relate to their consumers. Consumers are becoming part of the conversation (Hughes and Fill [5]) (Bick & Dateling, 2013, P. 53).

The authors state the importance of consumers becoming part of the conversation, be it in a positive or negative way. The role of consumers is changing from being just customers to those who want to become involved in the buying process. This includes researching products for themselves in ways such as interaction with companies through social media and listening to other people's views on social networking sites and blogs. It was also identified that social media is vital from a Consumer Relationship Management point of view when dealing with negative situations.

The best use of social media in the business environment I've seen so far is in terms of CRM in volatile situations. While these situations do have risks, if handled well you sort out not only your client's problem but also are seen to be actively engaged and able to meet a client's needs. (Bick & Dateling, 2013, P. 55)

Martin & Todorov (2010) identify the need for brands to be dynamic in order to maintain a social media presence and to react to changes and adapt when the need arises. The authors also highlight the importance of use of digital platforms being two-way, 'The engagements need to give consumers a voice, both with one another and with the brand directly, to create a digital dialogue' (P62). The two-way communication channel is also identified by Fagerstrom & Ghinnea (2010) as vital as it too allows for the company to learn about itself and its products from its consumers.

2.5 The power of 'Word of Mouth'

'The evidence is abundantly clear: word-of-mouth (WOM) is the most important and effective communications channel' (Keller 2007, p. 448). This is a strong statement from the author who has found that there has been a decline in trust towards those in authority and brands are becoming more aware of the need to engage in WOM advancement to enable their brands to thrive. As mentioned in previous examples, companies such as Paddy Power and Coca-Cola have identified this concept, illustrated by some of their recent campaigns and it links in with the concept of Brown (2001) who believes marketing should be more fun and engaging with consumers.

Sernovitz (2012) identifies a framework in relation to generating word of mouth and getting people talking about a company. The authors 5 T's framework encompasses various ways that companies utilise social media to their advantage.

Step 1 is 'Talkers'. This step is about engaging those who will spread the word, this will include people such as bloggers who have large followings on their blogs, for example a clothing company interacting with a fashion blogger, who, in turn writes about that company in their blog and this will be read by all the followers of that blog. Building a relationship and rapport with the Talkers is crucial as these are the ones who spread the word.

The 2nd step of the framework is 'Topic'. What is the message that the company wishes to convey to a wider audience? This can range from the launch of a new product line to a special one day sale but the important aspect that it must include is that it must be easy for people to share in order for it to encourage word of mouth.

The next stage involves how to communicate the message; 'Tools'. The importance rests on which method will let a company reach the widest amount of people. Twitter is an ideal method for companies looking to generate word of mouth as it enables messages to be shared with one single click (retweet). That one retweet on twitter can spread a company's message to thousands of followers.

The 4th aspect of the framework is 'Taking Part'. This involves engaging with people and effectively managing communication with users whether it's to do with either positive or negative interaction. Assigning people to this specific job and ensuring that they are sufficiently trained will be important as no company wants to see a negative customer service issue go viral across the internet.

The final stage of the framework is 'Tracking'. Tracking involves discovering what is being said about your brand across social media. This is a good way of finding out whether a social media campaign (word of mouth campaign) has been successful. Websites such as socialmention.com and splashmedia.com allow companies to track what is being said about them online.

LaPointe (2012) highlights the fact that fans on social networking pages may not in fact be customers of the company who operate the Facebook page but is in fact just doing what their friends are doing because it is seen as 'cool' or they are just liking the page in the hope that they may benefit from a promotion run by the company. This dissertation will hopefully shed some light on the behaviour of consumers towards commercial social media pages.

However Marketing Week (2011) have noted that a large percentage of people do not wish to interact with brands and companies online and feel that social media doesn't need to be invaded by these companies and are too intrusive. It is up to the companies themselves to try and strike what they see as a successful balance on their social media pages that encompasses everything from advertising, promotions and interactions with consumers in a way that is most effective for them and that is of benefit to the consumer and is not too 'in their faces'.

2.6 The influence of Others

Bruggen, de Ruyter, Friedman, Ludwig, Pfann & Wetzels (2013) found that consumers are 12 times more likely to trust the review of one of their peers when choosing to buy a product online rather than those of traditional marketing channels. This puts a significant amount of power in the hands of an unhappy customer. So what might seem like a pretty insignificant incident that may occur in a branch of a shop, for example may have consequences when it hits a social media site when it starts getting 'liked' or retweeted. This then begs the question of how a company should deal with complaints on its social networking page. Is it unethical for a company to just delete negative comments off their page just to avoid bad publicity? King (2011) believes so. King (2011) states that opening up communication through a social network should be about building trust and relationships with the people that company interact with and that there should be no editing or removing of comments once you've opened yourself/your company up to online communication.

Miller and Washington (2013a) identified a need for businesses to increase their online presence. Ninety-seven per cent of 18-29 year olds access the internet on a regular basis and the research carried out by the Miller and Washington (2013a) show that 18-29 year olds spend on average 3 hours per day on the internet. This use of the internet may occur in conjunction with other forms of media such as television. For example using a smartphone to search the internet during ad breaks. Interestingly 43% of people use the internet to search for information relating to a product. That means that nearly 1 in 2 consumers regularly look online for information on a product and therefore a company needs to have a good online presence in order to take advantage of this.

The path to purchase has been significantly changed as people now have more access to information at the click of a button and as highlighted by Qualman (2011) 78% of people trust peer recommendations versus 14% who trust advertisements as a result of the influence of peer-to-peer recommendations, it is necessary for companies to successfully manage their social media presence. Qualman (2011)

also identified that 50% of mobile internet use in the UK is used for social media, as a result of this unhappy consumers can instantly update their views on a particular shop or product that is available for all to see.

Qualman (2009) encourages companies not to remove negativity on their social media pages and instead suggests that they use this negativity as a way of learning about themselves and their products and learning from the experience. This sort of interaction can also lead to the establishment of new relationships with the complainant as well as inspiring trust in others who see the comment and the successful way that a company deals with the problem rather than just sweeping it under the carpet by deleting it.

It has also been shown that consumers are influenced by discounts when shopping online as opposed to traditional bricks and mortar shops (Miller & Washington, 2013b). Companies can take advantage of this to increase their social media presence by linking their social media page to discounts that consumers can use. Consumers are becoming more aware of what is around them and the use of the internet allows them to be able to find out information at the click of a button and this is proving challenging to retailers as it has lead to people entering a premises and using it as a showroom to later buy a product online. The ability to link social network pages to e-commerce site has become a competitive advantage to some retailers as it no longer means that customers have to go from one site to another (Miller & Washington 2013c). Social media is quickly becoming a one stop shop for people's internet needs.

It is not surprising that shopping and socializing – activities that complement each other in the real world – are beginning to converge online as well. As social media, and Facebook in particular, plays a larger role in consumers' lives, people are becoming accustomed to performing routine tasks like reading news, watching videos and listening to music, as well as discovering products and shopping, all while staying logged in to a single site. Instead of compartmentalizing daily routines, social media users are treating Facebook as a one-stop platform (Miller & Washington, 2013c, P64).

Harris & Dennis (2011) have noted that social networks are becoming more and more prevalent when it comes to business operating an online marketplace. People are able to give recommendations to everyone who visits a company page with the simple click of a button and Facebook also now enables consumers to purchase directly across their platform without having to switch to the company's actual website. The authors see social networks as a crucial way for companies to build brand equity.

Miller & Washington (2013d) have identified several aspects that can create loyalty between a customer and a brand. The author's found that people who follow a brand's social network are more likely to buy the company's product as well as being more likely to recommend the brand to a friend. The social network aspect can be linked into customer service of a company as poor customer service has been shown to have detrimental effects for a brand as a large majority of consumers would switch to a rival brand, so how a company manages its customer service on their social network site is fundamental. Another aspect that the authors discovered was that those who were fans of a brand on a social network were more likely to spend a greater amount of money on that brand than those who were not fans of the brand.

If the results highlighted below in Table 1 are representative of the vast majority of a company's social media fans then a company would appear to gain a significant financial benefit from having a strong online following.

Table 1: Spending habits of fans of a brands social networking page versus those who are not fans of the brand online.

| Brand | Fans (\$) | Not Fans (\$) |
|-----------|-----------|---------------|
| McDonalds | 310 | 150 |
| Starbucks | 235 | 111 |
| Coca-Cola | 190 | 121 |
| Pringles | 133 | 61 |
| Skittles | 129 | 53 |
| Red Bull | 114 | 50 |
| Nutella | 102 | 53 |
| Oreo | 84 | 56 |

Study carried out by Syncapse www.syncapse.com and Hotspex www.hotspex.com (Miller & Washington, 2013d, P.93)

Miller & Washington (2013e) found that 70% of people are likely to trust the opinion of someone online that they have never met and this is significantly more than the trust they show in other media of advertising such as radio, this puts a significant amount of power in the hands of someone who has a vendetta against a brand for whatever reason and takes to a social networking site to vent their frustration. When it comes to word of mouth, significantly more negativity is posted online versus positivity with most positive word of mouth marketing taking place offline.

One significant finding of the survey is that 92% of brand conversations take place offline, rather than via email, blogs, IMs, and social networks. Also, most word-of-mouth marketing is mostly positive, with positive mentions outweighing negative mentions by a ratio of 6-to-1. Negative mentions occur most often online. (Miller & Washington, 2013e, P.99)

Harris and Dennis (2011) found that consumers were a lot more likely to be influenced by their peers rather than by advertisements or by the company itself. Also the authors show that only 10% of people believe that companies will listen to what they have to say and this could explain why more people are taking to social media sites to express their dissatisfaction towards a company. The power of

opinion is clearly evident when looking at the facts presented by Miller & Washington (2013f). While 39% of people log onto social networking sites to read reviews about a product they are considering buying when it comes to the internet as a whole the numbers are significantly larger.

92% of Internet users read product reviews. Among these people, 89% have been influenced to make a purchase or deterred from purchasing a specific product as the result of reviews. Only 3% of those who have read reviews say their decisions have been unaffected by reviews (Miller and Washington 2013f, P. 122)

2.7 Consumer Interaction with Companies through Social Media

Smith (2012) found that there was an increasing trend of Millennials (Millennial refers to people born in the late 20th century from the early 1980's to the mid 1990's) taking to social media sites in order to comment about a product. Smith (2012) found that the biggest contributor to this trend was for consumers to express dissatisfaction about a product or service, followed by expressing satisfaction. However what the authors' results show is that people are more likely to go online when they are unhappy about their experiences and therefore it is vital for a company to have the right personnel available to deal with the social networking aspect of the business.

Burton and Soboleva (2011) went as far as to say that companies need to develop a particular 'consistency practice' when it came to a company's use of social media to ensure an organisation manages its social media presence and deals with issues that may arise in an efficient and consistent manner. When it came to why people take to social media to interact with brands, Smith (2012) discovered that expressing dissatisfaction was of a higher priority to the respondents than receiving discounts on products.

Lamberton, Naylor and West (2012) have shown that more people are taking to social media to discover new brands that they are not familiar with. This could

explain why Facebook has more hits daily than Google in the US and why YouTube is the 2nd biggest search engine in the world (Qualman, 2011). Lamberton et al. (2012) have found that the amount of fans that a social media page has is not reflective in the amount of purchases that they will receive. The challenge for managers is to turn these fans into customers of the brand. However the authors found that purchase intentions increased in those who are not fans of a brand if they can relate to those who are. This suggests that there can be a lot of influence exerted by a well managed social media page if they can use their page to target certain demographics.

Sirisi and Varini (2012) have found that companies need to embrace social media in the same way they have embraced other marketing methods and establish relationships with customers to increase their profit line. The authors put greater emphasis on the bottom line being the reason for companies to have an effective social media page rather than just to utilise as a marketing tool.

2.8 Conclusion

As highlighted, maintaining an effective social media presence with a clean image is vital to an organisation. How a company operates its social networks is crucial. The page needs to be entertaining, informative and engaging. If the company employs the correct strategy it can lead to the creation of loyalty between a consumer and a brand as they enjoy the interaction and it makes them feel involved. Companies enter into business with the ultimate aim of making a profit. The evidence shows that companies who have a strong social media presence generate more income off those that are fans and indeed loyal customers. The literature exhibits that not everyone who 'likes' a Facebook page is a loyal customer or indeed even a real person. The author will carry out research in order to investigate the unethical practices of some companies to increase their social media standing.

The main aim of this dissertation is to investigate the influence disgruntled customers have over a consumer's willingness to shop with a particular company

that they follow on a social networking site and if indeed witnessing the negative post is enough to make the consumer switch to a different company. The author will look to delve into how much influence an unhappy customer has over others. For example, lately there has been a trend developing of people taking to social media to air their grievances towards companies and their brands based on a bad experience that they recently had. This trend is becoming particularly strong in the UK, as highlighted by Qualman (2011) 50% of UK mobile internet is used for social networking then this puts a lot of power in the hands of disgruntled customers. The dissertation will also look at why people are fans of companies pages in a bid to understand why consumers link with particular brands through social media and look at the lengths companies will go to, to have a strong social networking image.

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Chapter 3 - Methodology

3.1 Introduction

Research methodology demonstrates how the research was conducted and lists the steps that author undertook to complete the research. The author took a positivist approach to the research and aims to discover the value that consumers place on the social media communication between a company and a disgruntled customer. The author undertook deductive research to investigate how strong the influence of social media is on consumer behaviour and whether or not a negative attack has on a company via a social network has an influence on consumers. The aim of the research was to discover if there was a link between the content that appears on a company's social network site, be it content they have generated themselves or content posted by others either positive or negative. In order to establish this, a rating scale was used to determine how likely people were to be influenced by a person close to them and this was then compared to how much influence an unknown person has on them.

Main Objective

The main objective of this dissertation was to investigate whether or not social media has given power to people to influence people's loyalty towards a brand. Word of mouth has become increasingly important to people (Keller, 2007) and this puts a lot of power in the hands of a disgruntled consumer. This dissertation will look at whether people are likely change their perception of a brand based on negative word of mouth coming from an unknown person versus word of mouth coming from a friend or family member.

Sub-objectives

Sub-objective One investigates just what the consumer wants and expects from companies with a social media presence.

Sub-objective Two looks at how companies utilise their social media presence given the fact that social networks are becoming such a powerful media with a huge exposure that would make it the 3rd largest country in the world (Qualman, 2011). The three companies whose social networking page will be reviewed are Lyons Tea, Penneys Ireland and Paddy Power.

Sub-objective Three looks at just how far some companies go to increase their social media presence such as the removal of negative comments and paying to falsely increase their social media standing.

3.2 Research Philosophy

Saunders, Lewis and Thornhill (2007, P.102) developed a research 'onion' that was designed to show the different layers that authors have to go through in order to conduct research. Starting with the research philosophy as the first layer of the 'onion' and working all the way through to data collection and analysis. See Appendix 2.

There are various approaches of research philosophy that an author can adopt. When referring to the factors that affect a choice of philosophy, Saunders et al. (2007, P. 101) state 'the main influence is likely to be your particular view between knowledge and the process by which it is developed'. Research philosophy is split into 3 different types; epistemology, ontology and axiology.

Epistemology is defined by the Stanford Encyclopedia as 'the study of knowledge and justified belief. As the study of knowledge, epistemology is concerned with the following questions: What are the necessary and sufficient conditions of

knowledge? What are its sources? What is its structure, and what are its limits?' (plato.stanford.edu, 2005).

Epistemology is broken down into positivism, which 'adopts the role of the natural scientist' (Saunders et al., 2007, P. 103), realism, 'which relates to scientific enquiry', (Saunders et al., 2007, P. 104) and interpretivism 'that advocates that it is necessary for the researcher to understand differences between humans in our role as social actors' (Saunders et al., 2007, P.106).

Ontology is described by Saunders et al. (2007, P. 108) as 'concerned with the nature of reality' and 'raises questions of the assumptions researchers have about the way the world operates' and described by Stanford as 'the study of what is there' (plato.stanford.edu, 2004).

The three aspects that come under ontology are; objectivism which is described Saunders et al. (2007, P.108) as 'the position that social entities exist in reality external to social actors concerned with the their existence' and subjectivism which the authors describe as 'social phenomena are created from the perceptions and consequent actions of those social actors concerned with their existence' (Saunders et al., 2007, P.108). Finally pragmatism which Saunders et al. (2007, P.110) refer to as 'the most important determinant of the research philosophy is the research question'. The final type of research philosophy is *axiology*. 'Axiology is a branch of philosophy that studies judgments about value'

The author adopted a positivist view as the research is an investigation into whether or not the behaviour of other people on social media sites influences others, 'working with an observable social reality and that the end product of such research can be law-like generalisations similar to those produced by the physical and natural scientists' (Remenyi, Williams, Money & Swartz, 1998, P.32).

3.3 Research Approach - Deductive versus Inductive research

Deductive research allows for the investigation into the relationship between variables and therefore allows for the testing of already existing theories and enables a research to develop their hypothesis based on this. Inductive research allows the researcher to develop their own theory based on the findings of their own analysis of a phenomenon.

In order to carry out an investigation into the influence of social networking sites the author will undertake deductive research, using questionnaires. Deductive research will be used by the author rather than inductive. Deductive research was chosen in order to ascertain the relationship between the different variables in relation to social media i.e. the influence a friend or family has over a consumer compared to the influence an unknown person/blogger has over a consumer's behaviour.

Deductive research will be utilised by the author who will delve into existing research in order to investigate the sub-objectives.

3.4 Research Design

The research tool chosen to gather data for the research question is a questionnaire. The reason that a questionnaire was the chosen method was it lent itself to the distribution channel chosen by the author. As the dissertation was aimed towards social media users, social media was utilised as the distribution system as it encompassed the target audience required. The target audience for the survey was people over the age of 16 that use social media.

Exploratory Research

Exploratory research involves the investigation into an unknown area and is used to gain insight and understanding of this area. Saunders et al. (2007, P.133) define exploratory research as 'to seek new insights'. This research can build onto an existing descriptive research. There are three main ways for undertaking

explanatory research; searching through existing literature, conducting interviews with people in that field of study and undertaking focus groups. Harvard.edu (2013, P.1) states 'exploratory research is broad in focus and rarely provides definite answers to specific research issues'.

Descriptive Research

Robson (2002, P.59) describes descriptive research as 'to portray an accurate profile of persons, events or situations'. Descriptive research asks more specific questions such as Who?, What?, When?, Where? The idea of this type of research is to get more specific data in relation to a research question. 'Descriptive research seeks to provide an accurate description of observations of a phenomena' (Harvard.edu, 2013, P.1).

Explanatory Research

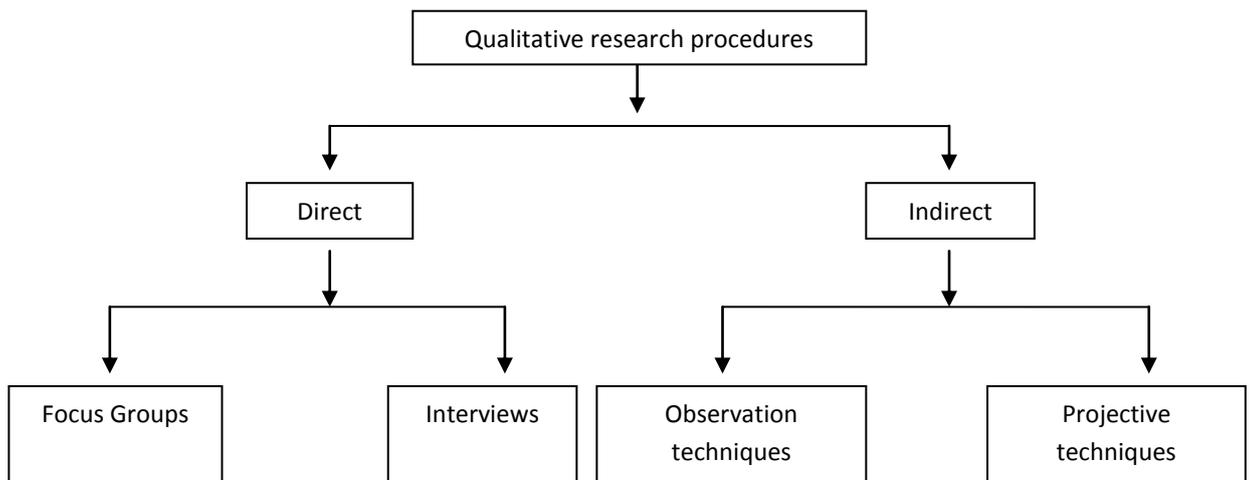
Explanatory research investigates the cause and effect relationship of a variable. Saunders et al. (2007, P.134) states 'the emphasis here is on studying a situation or problem in order to explain the relationships between variables.' 'Explanatory studies look for explanations of the nature of certain relationships. Hypothesis testing provides an understanding of the relationships that exist between variables' (Harvard.edu, 2013, P.2).

Explanatory research is being undertaken for the main objective of this dissertation as the variables and the relationships are known. The main objective will be the investigation into whether people on social media sites can affect the relationship between a brand and consumers. The sub-objectives will be investigated through exploratory research as the research aims to seek new insights into social media and consumer behaviour as a whole.

3.5 Quantitative v Qualitative

Qualitative research involves delving into deeper into issues and will usually take the form of focus groups, interviews or case studies to explore an area. 'Qualitative research helps...to understand the richness, depth and complexity' (Malhotra & Birks, 2000, P.155).

Qualitative research has two different approaches; direct (in which the reasons and aims of the project are made clear, such as interviews or focus groups) and indirect (whereby the participant of the research are unaware of what is taking place, such as observation of a group of people to see their behaviour when faced with a particular situation).



(Figure adapted from Malhotra & Birks (2000) P.160 figure 6.2)

Quantitative research involves quantifying data and will normally involve analysis and interpretation of statistics. It usually takes the form of structured surveys

(Malhotra & Birks, 2000). Blank (2013) shows that social media lends itself to quantitative research as it allows for easy distribution of the chosen research instrument as well as for easy analysis.

Mixed Methods

The author chose to use quantitative research to investigate the main research problem as quantitative research allows for the investigation of cause and effect relationships which is the aim of this dissertation. Mixed methods research also allows for areas of expansion on certain questions i.e. opinions, which the author will be using for to gather data for the sub-objectives. Blank (2013) shows that quantitative research is particularly suited to conducting research across social media as it allows several advantages such as the lack of cost and ease of use as a method of reaching a large population. In order to answer the sub-objectives, the author undertook exploratory research and analysed existing data to investigate the phenomena, while linking it to the themes that emerged from the survey data. The themes were identified using thematic coding.

3.6 Research Instrument

A questionnaire was designed in order to establish the views of consumers. The questionnaire was sent out through social media sites, Facebook and Twitter as the dissertation is aimed at the area of social media. There were a total of 112 replies to the survey. As a result a pen and paper survey or one carried out by email would not have been as appropriate. The survey was sent to male and female social network users aged from 16-50+ to ensure that there was no age or gender bias in the results.

The survey method is defined by Malhotra and Birks (2000, P.209) as 'a structured questionnaire given to a sample of a population and designed to elicit specific information from respondents'. It is a structured method of data collection. Rugg and Petre (2007, P.64) describe surveys as a way to 'find out how widespread things are' and that is what the author aims to do by discovering just how widespread and

influential that so-called keyboard warriors are. Self-administered questionnaires were used and distributed across social media. This enabled the researcher to reach a large pool of respondents in a short space of time and with minimal cost.

For the survey, there were questions used to gain the demographics of the respondents such as gender, and age group which were followed by questions to determine their activity on particular social networking sites. In questions that were used to determine the influence a Likert scale of 1-5 scale was employed.

The Likert scale was used in order to establish just how strong the respondent's feelings were towards one alternative or another and to enable the researcher to compare the two responses to determine which one has more influence.

The Likert scale enables the researcher to establish the strength of a respondents feeling towards a situation. 'A Likert-type scale assumes that the strength/intensity of experience is linear, i.e. on a continuum from strongly agree to strongly disagree, and makes the assumption that attitudes can be measured' Saul McLeod of simplypsychology.com (2008).

The final question of the survey was a qualitative question as it involved the respondents expressing their opinions.

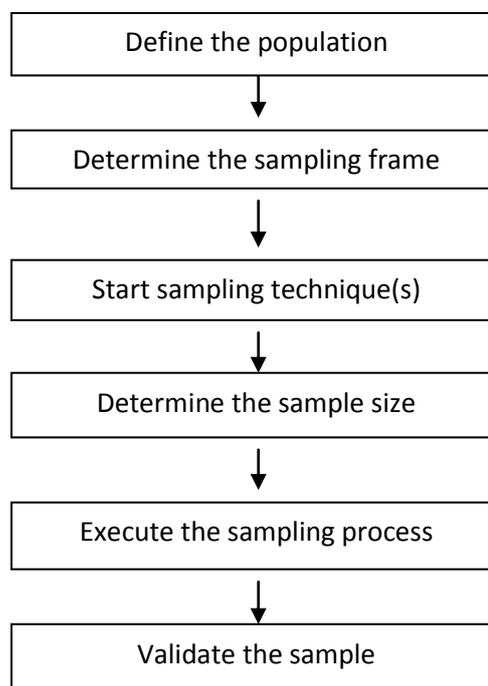
The survey method was chosen by the author as it was distributed across social media due to the topic of the research. Also as highlighted previously by Blank (2013) social media has several advantages when it comes to quantitative research. The survey was kept short, to 10 questions in order to ensure that the respondent of the survey did not lose interest while carrying out the questionnaire.

Focus groups could have been utilised as qualitative option by the author in order to gain deeper insight into the research problem. A focus group is 'an interview conducted by a trained moderator among a small group of respondents in an unstructured and natural manner' (Malhotra & Birks, 2000, P.161). Focus groups allow the moderator to delve deeper into the issue and get more insightful information for the research. However there are drawbacks to focus groups as they are generally quite small, are time consuming and the participants are pre-screened

and this can lead to bias if specific participants are chosen. As a result of these reasons, the idea of using focus groups was rejected by the author as surveys allowed for a greater sample size.

3.7 Sampling

Malhotra and Birks (2000, P.348, Figure 13.1) have identified a 6 stage process used in a sample design process;



Define the population: Malhotra and Birks (2000, P.348) define the target population as ‘the collection of elements or objects that possess the information sought by the researcher’. As the survey was based around social media, the population was defined as male and female social media users over the age of 16. It is simply unfeasible for a dissertation to survey the entire population and therefore there is a need for sampling.

Determine the sampling frame: The sampling frame is used to identify the target population. As this survey is so general there was no need to establish a sampling

frame as the only 2 qualifying criteria were that the respondents were over 16 and used social media.

Select sampling technique: For the purpose of this research, the author used non-probability sampling techniques. These techniques include convenience sampling, judgemental sampling, quota sampling and snowball sampling. The author used judgemental sampling for the purpose of this study. Judgemental sampling is defined by Malhotra and Birks (2000, P.354) as 'a form of convenience sampling in which the population elements are purposely selected on the judgement of the researcher'. As the survey was to encompass social media users only the author specifically selected social media users.

Determine the sample size: The survey was sent to 400 people with an aim to getting a 1 in 4 response rate as there is no obligation for people to complete the survey. Trying to reach a higher sample would have been extremely time consuming as well as breaking rules of the social networking sites that have a limit on the amount of messages that can be sent from one user to others. The survey returned a response rate of slightly over 1 in 4.

Execute the sampling process: The survey was pilot tested on a group of 10 people in order to ensure that it was easily understood. The responses of these 10 surveys were not included in the results as it was done with the author present and were therefore not anonymous. The pilot testing brought to light the need to include an option for respondents to show the influence of a friend or family members negative response would have on them. Using the Likert scale enabled the researcher to compare the influence that a friend or family member has on a consumers buying habits compared to the same influence of that of an unknown person.

The survey was executed on July 1st 2013 and distributed across social networking sites Facebook and Twitter in order to reach the target audience as users of social networking sites are the people who are relevant to this research problem. The reason for choosing these 2 sites was because of the fact that Facebook is the

largest social networking site in the world and Twitter was used as an alternative in order to eliminate any element of bias that may come from users of Facebook.

Sample Chosen

The sample chosen was one of convenience and this is acceptable due to the distribution method that was chosen. 'Most samples chosen using NSM are convenience samples' (Blank, 2013, P. 462). As the survey was distributed across social networking sites to idea was to reach as many people as possible. The survey was distributed to 400 people and returned 112 responses when first distributed. The 28% response rate was deemed to be satisfactory by the author due to the time constraints and the survey link was closed.

3.8 Research Bias

The survey was designed to be unbiased however using social media as the method of responding to the survey it is impossible to have an unbiased response (Blank, 2013). Therefore the survey questions were asked so as not to lead the respondents towards one particular stance or another. The questions were tested for bias during the pilot testing that was carried out before the distribution of the survey and as previously mentioned the pilot responses were not included in the results to preserve anonymity and to prevent any bias that may have occurred due to the presence of the author. As the surveys were conducted anonymously by people privately there was influence exerted by the author to encourage respondents towards one answer or another.

3.9 Ethical Issues

As the questionnaire was completed anonymously, it enabled participants in the survey to retain their privacy during the answering process and give honest answers without any undue influence. It was a voluntary survey and those who were sent the survey were under no obligation to complete it. Full consent was sought to use the answers that were received and as the survey was anonymous this did not prove to be an issue. The data was processed and handled in an ethical manner and was kept by the researcher only and not passed on to any external parties. The research was designed not to cause any embarrassment, stress or discomfort to participant and this was done by limiting the size of the questionnaire and making it a once off questionnaire with no obligation for a follow up questionnaire. The participants knew the purpose of the research, who was conducting the research and the reasons for the questions that were asked.

3.10 Validity

There are many issues relating to the validity of questionnaires. First of all there is the issue of internal validity. Internal validity is concerned with 'the ability of your questionnaire to measure what you intend it to measure' (Saunders et al., 2007, P.366). The questionnaire was valid as it was building on existing research that has shown that unknown peers exert a significant amount of influence on people's perceptions, which was highlighted in Chapter 2.

Secondly there is the issue of content validity. This issue relates to what is in the questionnaire and if it is necessary (Saunders et al., 2007). This issue was overcome by the drawing up of an initial questionnaire that was reviewed by several people who determined which questions were relevant and which ones should be removed. This resulted in the questionnaire being cut from 15 questions to the 10 which were then pilot tested and distributed.

Finally there is construct validity. 'Construct validity refers to the extent to which your measurement questions actually measure the presence of those constructs

you intended them to measure' (Saunders, et al., 2007, P.367). This is relevant to survey questions 8 and 9 as they are measuring the respondents' attitudes.

3.11 Limitations

The author acknowledges that there are a number of limitations to the research. There was no set sample size, even though the questionnaires were distributed to 400 people they only returned 112 responses. The 28% response rate could be due to the fact that the surveys were distributed electronically through social media and therefore people were under no obligation to complete them. The survey responses were nearly 50:50 in terms of gender; however there was a significant variance in the age groups that responded due to the distribution method of the survey. As a result the survey returned very few responses from people over the age of 36 and therefore there is not as much data available to investigate the effect of the phenomena on the older age groups. The author did not take into account the 'liking' of companies social network pages in order to gain entry into competitions.

Appendix 1 contains the survey which was distributed.

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Chapter 4 - Results

The purpose of this chapter is to appraise the data that has been collected in the surveys that were carried out as part of the research.

4.1 Introduction

The survey was administered across social networking sites Facebook and Twitter on the July 1st and 2nd 2013. As the survey was to be conducted randomly to social network users, no specific sample size was assigned to the survey. However a time period was assigned to the survey that left it open until 10pm on 2nd of July. In the time that the survey was open, the survey was distributed to 400 people and there were a total of 112 respondents.

4.2 Gender

There was nearly a 50:50 split in terms of the gender of the respondents. Determining the gender of the respondents will allow the author to compare the results between male and females and see if there are different trends between males and females. Figure 4.1 on the following page shows the gender split of the respondents.

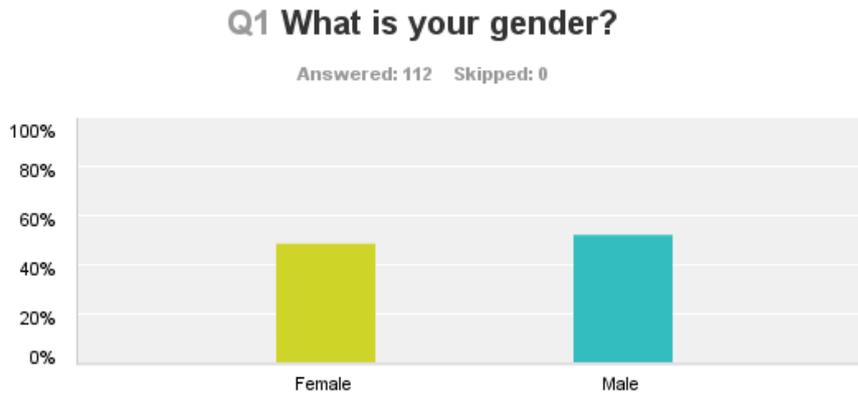


Figure 4. 1

4.3 Age Group

Due to the distribution group chosen by the author, the survey responses returned results geared towards the 16-24 age group. However according to statisticbrain.com (2013) 98% of 18-24 year olds access social networking groups so it can be expected that this age group was going to return the biggest number of respondents.

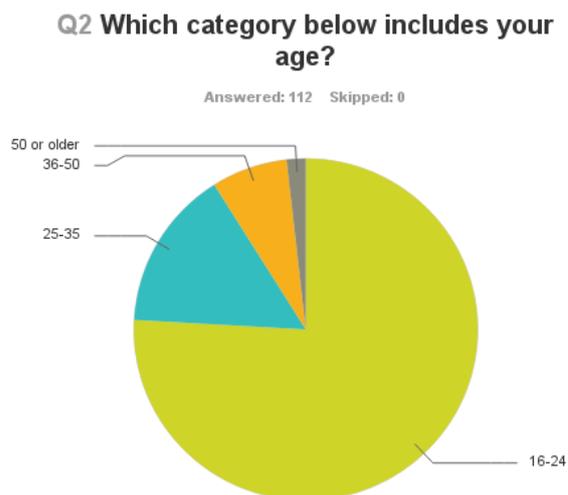


Figure 4. 2

The cross tabulation (Table 4.1) below looks further into the age and gender of the respondents

Table 4.1

| Age Bracket | Male | Female | Total |
|-------------|--------|--------|--------|
| 16-24 | 41.96% | 33.93% | 75.89% |
| 25-35 | 7.14% | 8.04% | 15.18% |
| 36-50 | 2.68% | 4.46% | 7.14% |
| 50+ | 0% | 1.79% | 1.79% |
| Total | 51.78% | 48.22% | 100% |

4.4 Social Network Sites Used

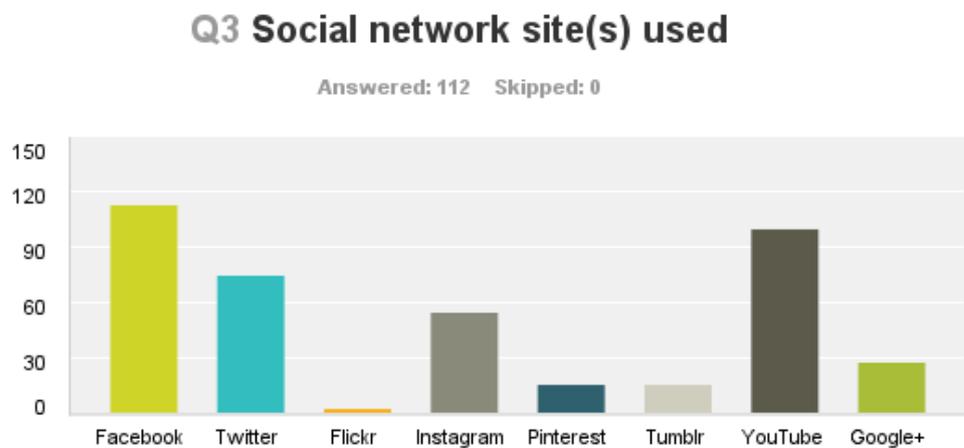


Figure 4.3

As the graph above shows, the most popular site used by the respondents was Facebook, followed by YouTube and Twitter. The least popular social networking sites were Flickr, Pinterest and Tumblr.

4.5 Fans of companies on Social Networking Sites

In order to determine the influence that social media sites have in marketing towards consumers, it was necessary to determine just how many people follow companies on a social networking site, and indeed why they follow those companies. 87.5% of the respondents connect with a company via their social networking page.

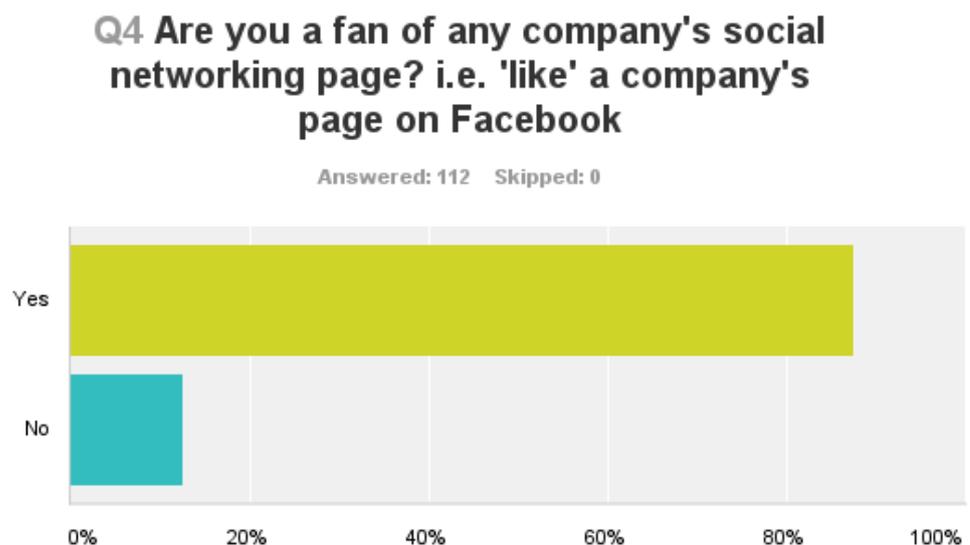


Figure 4. 4

4.6 Why Follow a Company on a Social Networking Site?

The author aimed to discover what were the reasons behind people opening up a communication channel between themselves and a company through their social networking page. As fourteen respondents declared that they didn't follow a company on a social networking site they skipped this question, therefore only 98 responses were used when analysing the data.

The respondents were given the option to select more than one response for this question. The most popular reason for people to follow a company on a social networking page was to receive special offers. This returned a response rate of

59.18%. This was followed closely by ‘the entertaining content they provide/communication with fans’ which 56.12% of respondents felt was an important reason to follow a company’s page. Just under 30% of the respondents said that they have followed a company in order to view what other people have said about the company and compare it with other products/brands. 26.53% of the respondents stated that they engaged with a company via their social networking site for customer service reasons such as to post a complaint or to ask a query. The responses for ‘other’ returned answers relating to the company being owned by a friend, for competitions and because they really like the brand.

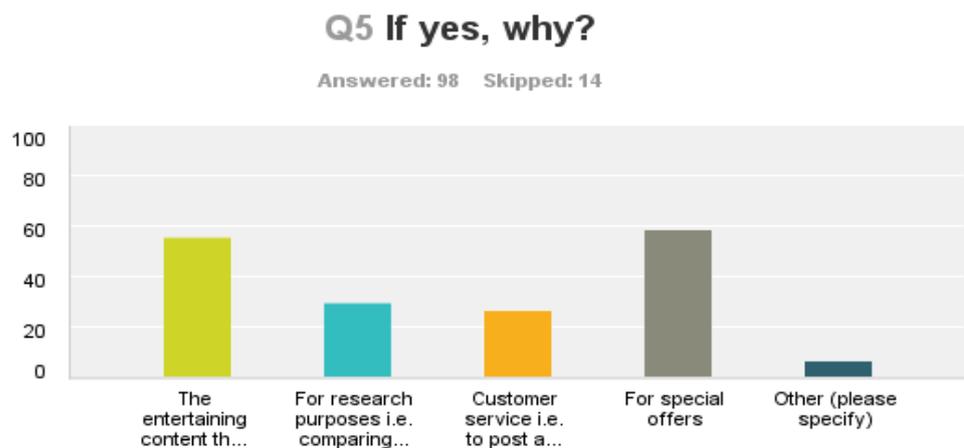


Figure 4. 5

4.7 Complaints on Social Networking Sites

The respondents were asked if they were aware of the recent trend that has developed whereby people are taking to social networking sites in order to air their

grievances with a company instead of keeping the matter between themselves and the company. Nearly 93% of the respondents said they were aware that there was growing trend of people taking to social networking site to make complaints to companies. 8 of the respondents were unaware of the trend.

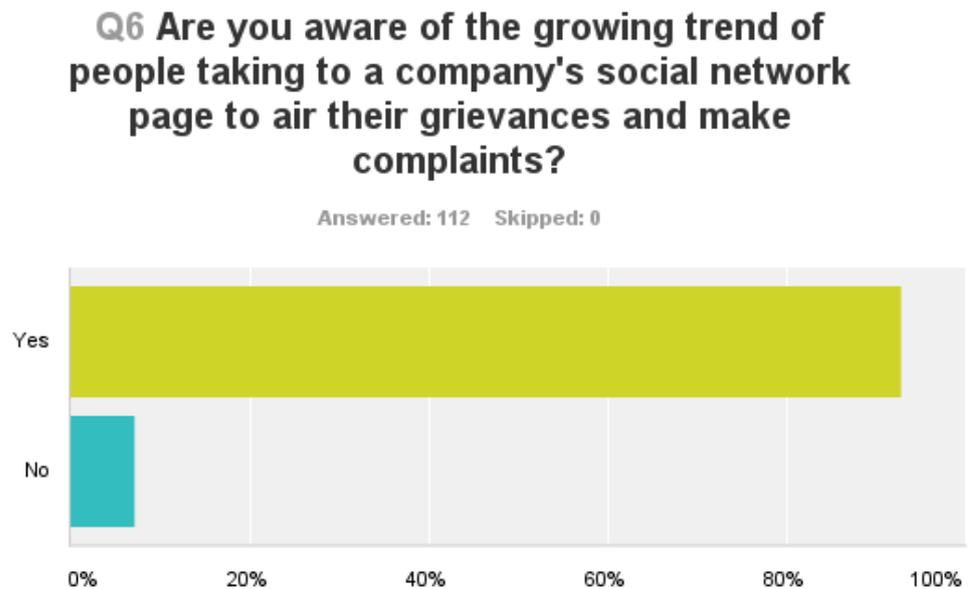


Figure 4. 6

4.8 Public v Private

The author then asked the respondents about whether the matter should be dealt with privately between a company and the complainant. 48.2% of the respondents stated that social media was the correct way for people go about making complaints, while 51.8% of respondents stated that the matter should be kept

between the company and the complainant. Figure 4.7 shows just how close the two responses were.

Q7 In your opinion are social network sites the correct way for people to air their grievances or should they keep matters private between them and the company?

Answered: 112 Skipped: 0

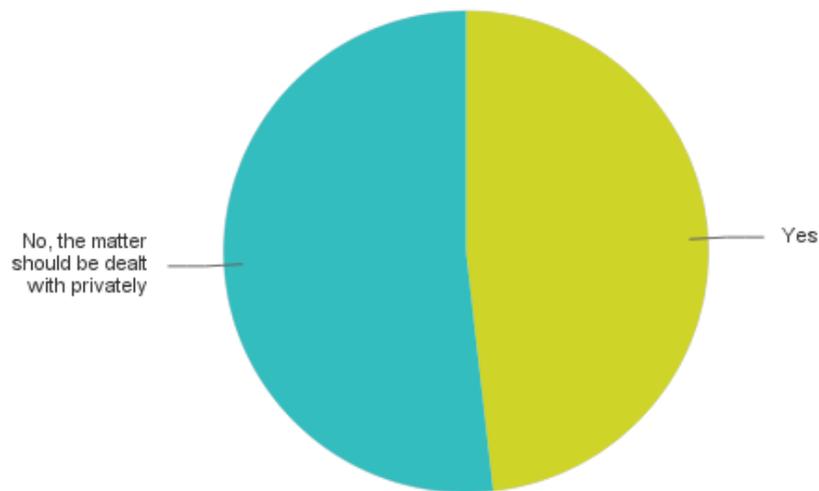


Figure 4. 7

4.9 Influence – Known v Unknown

For question 8, respondents were asked to rank the influence on a Likert scale that a negative comment from a) a family member or friend and b) an unknown person would have on them if they were to see the comment on a social network page.

Q8 On a scale of 1-5 (1 being not very likely to 5 being extremely likely), how likely would it be that you would be influenced by a negative post on a company's social network page, from a

Answered: 112 Skipped: 0

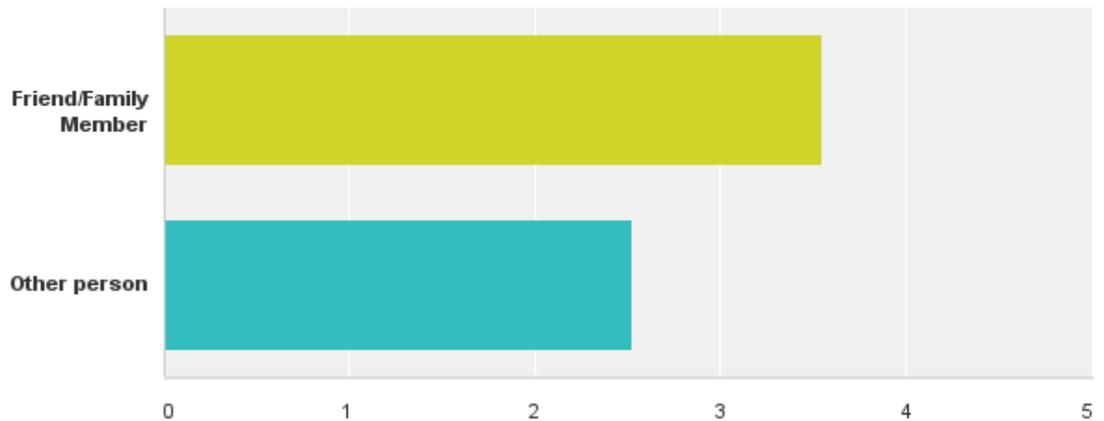


Figure 4.8

Figure 4.8 above shows the average ranking of influence that a friend/family member has and the average ranking of influence that an unknown person has on the respondents of the survey. What is evident from the responses is that people are more likely to be influenced by a friend or family member than an unknown person. 27 of the respondents ranked the unknown person 1 out of 5 showing that the ability of an unknown person's negative post to influence them would be very unlikely. Alternatively less than half as many people gave the same rank to friend and family member and 9 of these respondents ranked both as a 1 out of 5. The accompanying Table 2, shows a breakdown of all responses and the results will be analyzed further in the next section.

Table 2

| | 1 | 2 | 3 | 4 | 5 | Average | Respondents |
|---------------|----|----|----|----|----|---------|-------------|
| Friend/Family | 13 | 8 | 26 | 36 | 29 | 3.54 | 112 |
| Other person | 27 | 23 | 39 | 13 | 6 | 2.52 | 108 |

4.10 Social Networking Influence

Question 9 was asked in order to gauge the influence that a company's social network page has on consumer's willingness to switch brand. The author asked this question in order to determine the effect that a company's social network has in enticing new consumers away from their current brand. Table 3 below shows the responses to the question.

Table 3

| Rank | 1 | 2 | 3 | 4 | 5 | Total | Average |
|-------------|----|----|----|----|----|-------|---------|
| Respondents | 21 | 21 | 39 | 19 | 12 | 112 | 2.82 |

As highlighted above 21 people (18.75%) would not be influenced at all by the content of a company's social network page and stay loyal to the brand they are currently with even if they were given the option of a discount for becoming a fan of the page. In the next chapter the author will drill down through the data and analyse it based on age group and gender to see if there are any trends in the data.

4.11 The Consumers View of Social Networks

The final question of the survey was asked by the author in order to establish what can be vital to a company having a successful social networking page. It will be used to analyse the sub-objectives. As the question was a qualitative one it will be discussed completely in the next chapter.

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Chapter 5 – Findings and Analysis

5.1 The Influence

The main objective of this dissertation is to look at the influence that people have on other people's behaviour towards a brand through social media. However firstly the author will look at trends that emerged from the data gathered.

Of the respondents of the survey, there was nearly a 50:50 split in terms of public versus private complaints. 52.7% of people felt that if there were grievances between a customer and a company then this should be dealt solely between the customer and the company. On the other hand 47.3% of respondents felt that a complaint should be made in the public domain and on a social network for all to see.

Drilling down further into the data the author discovered a trend that showed that 36-50 year olds were the least likely age group to complain with 87.5% having the view that complaining privately was the best way to make a complaint. 25-35 year olds were the most likely to complain with 53%. In terms of gender it was discovered that 49% of men believed that complaints should be made publicly compared to 45% of women. However of those surveyed, 36-50 year old men all returned a choice for complaints to be made privately and the age group who were most in favour of public complaints was 25-35 year old women with 55%.

Disgruntled customers now have more power than ever. A man from the UK paid for a complaining tweet against British Airways to be promoted on the social networking site Twitter. In the 10 hours it took the company, British Airways to respond the tweet had 14600 engagements (replies, retweets and mentions) and over 75000 impressions. This type of action shows just how powerful social media is becoming and how damaging it can be for a company not to have a 24 hour a day social media presence (www.thedailyedge.ie, 2013). Negative news has always spread quickly for companies, but this example shows that the use of social media such as Twitter, can spread bad news quicker than ever.

In relation to the influence of unknown people, it can be considered surprising that so many people were influenced by unknown people. The respondents who were more likely to be influenced by the unknown person online were the 16-24 age group. This could perhaps be put down to the emergence of the Web 2.0 generation as this generation are known to place more trust in the internet than the older generation (Grabner-Krauter, 2009).

The author carried out a Mann-Whitney U-Test to investigate the difference between the influences exerted by the 2 different options; Family/Friend versus Unknown Person.

The null hypothesis states that the 2 variables exert equal influence. Based on the test carried out, the null hypothesis was rejected in favour of the alternative hypothesis. According to the data collected, the family and unknown influence are not the same.

Family/Friend influence has been proven to exert a significantly greater influence than an unknown person when comparing the 2 ranks.

Descriptive Statistics

| Family 1, Unknown 2 | | N | Mean | Std. Deviation | Minimum | Maximum |
|---------------------|------------------|-----|------|----------------|---------|---------|
| 1 | FamilyInfluence | 112 | 3.54 | 1.273 | 1 | 5 |
| | UnknownInfluence | 112 | 2.54 | 1.138 | 1 | 5 |
| 0 | FamilyInfluence | 0 | . | . | 0 | 0 |
| | UnknownInfluence | 0 | . | . | 0 | 0 |

Ranks

| Family 1, Unknown 2 | | N | Mean Rank | Sum of Ranks | |
|---------------------|--------------------|----------------|-----------------|--------------|---------|
| 1 | UnknownInfluence - | Negative Ranks | 71 ^a | 37.08 | 2633.00 |
| | FamilyInfluence | Positive Ranks | 4 ^b | 54.25 | 217.00 |
| | | Ties | 37 ^c | | |
| | | Total | 112 | | |

- a. UnknownInfluence < FamilyInfluence
- b. UnknownInfluence > FamilyInfluence
- c. UnknownInfluence = FamilyInfluence

| Family 1, Unknown 2 | | UnknownInfluence - FamilyInfluence |
|---------------------|------------------------|---------------------------------------|
| 1 | Z | -6.519 ^b |
| | Asymp. Sig. (2-tailed) | .000 |

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

5.2 What Consumers Expect

Sub-objective One investigates social media from a consumers point of view. In order to investigate what consumers would like from companies that have a social media presence the author asked a final question in the survey where the respondents were asked what they expect from companies on social media sites. It would have been impractical to include all 112 qualitative answers and as a result a random 10 were chosen. See appendix 4 for sample answers.

The author identified the main themes that were present in the respondent's answers. From these themes the author can identify just what the consumer expects from a company on a social media site. There were 5 main themes that were identified.

The first theme identified by the author was in relation to the content on the page. It was found that the content on the page should be updated regularly. However it shouldn't be updated so much that it overwhelms a user's newsfeed. The conclusion that can be ascertained from this is that companies should update their social media pages when necessary and only with relevant content not content that is unrelated to the company.

The second theme that the author found was that the social media page should be engaging. The company should engage with both positive and negative comments, the positive to show that they appreciate the acknowledgement of operating successfully and dealing with the negative to show that they care about what they are doing.

The third theme that respondents felt were important to a social networking page of a business is competitions, special offers and exclusive offers. The respondents felt that there should be encouragement and reward for liking a page and for rewarding their loyalty towards the company for the like or follow.

The fourth theme that was evident in the responses was that what the company does on their social networking page should be fun and entertaining. People do not want to be following a page that contains boring content. Therefore companies need to find the fine line between posting content that is engaging with consumers and fun but does not overwhelm, and the solution to all of these issues is the final theme that emerged from the survey, dedication to social media.

The final theme that was found in the data was dedication. Respondents believed that companies should have a dedicated social network team or even person to monitor their social network page and interact with those who are fans of the page. This dedicated team or person would be able to engage with all positive and negative comments on the social media page as well as being in charge of posting the content on the page. If only one person or team have access to the page then it can only be them that add to the page.

The example of FM104 (see Appendix 3) came up in the questionnaire as an example a poor way to operate a social media page as they don't post relevant content. A quick look at the page showed several different posts from several different people in a short space of time that would fill up their follower's newsfeeds and that is not what people want. The final theme is particularly relevant to the British Airways example that was mentioned previously as if they had a dedicated team monitoring their social networking page then they would have been able to deal with the issue before it got so much exposure.

What can be taken from the themes identified above is that Brown's (2001) retromarketing principles are more relevant to the social media age than the more traditional McCarthy (1960) 4 P's approach that has since been advocated. Brown's (2001) acronym TEASE is exactly what the authors research shows that consumers want. Consumers want a sense of fun from companies online and the companies

can do this by engaging in 'Tricksterism' and no one does this better than Paddy Power with incidents such as the sky tweet during the 2012 Ryder Cup. Customers seek 'Exclusivity' and this can be achieved by a company offering specific content for their social media users. A company seeks 'Amplification', in the social media age a 'like', a share, or a retweet is the amplification as it enables more people to see the post from the company. 'Secrecy' is the fourth Brown (2001) principle and what better way to get the internet talking than putting up a vague status or tweet. The final principle of TEASE is 'Entertaining' customers want to be entertained through a company's social media site which is why it is necessary for a company to create a sense of fun when they are operating their social media site.

The power of social media is evident from research carried out by the author. Of those surveyed, 28.5% of the respondents said they would be likely to switch to brand based on the content of a company's social media page.

5.3 What Companies Do

Sub-objective Two looks at how companies use their social media presence. This is based on responses received from the survey about companies who operate social media pages. The 3 companies that will be looked at are; Lyons Tea, Paddy Power and Penneys.

All three companies operate a Facebook page, however only Paddy Power has a presence on Twitter.

Lyons Tea operates a Facebook page and has over 256,000 likes (www.facebook.com, 2013a). As Lyons Tea operates a pretty standard product line, they do not use the page to promote new products and instead use the page to promote tea as a whole and competitions run by the company. The page is frequently updated with new content relating to tea. Unfortunately even a page that promotes a tea company can experience some controversy, with a recent post by the company receiving anger of mothers and fathers across the country, some of whom said they were changing brand because of a derogatory status posted by the

company. Incidents such as this highlight the need for an effective management of a company's social media page. See appendix 2 for the post by Lyons Tea and a sample of the responses the post received.

Research carried out by the author through the survey found that entertaining and engaging content is what social media users want to see from companies that have a social media presence. However this must be mixed with a dedicated social media team to monitor the page in order to ensure that posts such as this one do not cause an issue and that any issue that does arise can be dealt with immediately. The company do not hide negative posts that they receive on their page and it is open for all to see, however from looking through the negative comments that they have received they choose not to respond to them and therefore lose out on creating value that has been highlighted by Qualman (2013).

Penneys Facebook page has over 450,000 (www.facebook.com, 2013b) likes from across the world. The company's Facebook page is mainly used as a source of advertising. As the company generally does not advertise through mainstream media it has embraced social media as a way of connecting with customers and advertising upcoming product lines. The company seeks to engage with consumers through the page and communicating with them where possible on issues such as release dates or enquiries about the products. From the data that was gathered by the author several of the themes that were present emerge here. Respondents wanted companies to have an active social media presence with content that was updated frequently, customer engagement and competitions.

From the evidence of Penneys Facebook page, it is clear to see that they have embraced social media. It is an inexpensive and effective way to reach the masses if it is utilised properly. The one aspect that the company's Facebook page is lacking is that posts from customers are hidden from public view and as a result other users are unable to see positive or negative posts on the page.

The final company who will be looked at is Paddy Power. The company has over 1 million likes on its Facebook page (www.facebook.com, 2013c) as well as nearly 200,000 followers on Twitter (www.twitter.com, 2013). Paddy Power is one

company that has truly embraced social media. From Twitter campaigns for the 2012 Ryder Cup (www.huffingtonpost.com, 2012) to featuring Facebook comments on television advertisements. Paddy Power actively engages with all customers across both platforms and even addressing problems that customers may have with an active customer service page on Twitter. Paddy Power's social media service also meets the themes that were found by the author based on the data that was returned in the surveys. However even though the company does engage with its customers, it does keep comments hidden from public view and as a result no negative posts from social media users can be seen.

As highlighted by Miller and Washington in Table 1 of Section 2.6, people who are fans of companies on social media sites spend more money on those products than people who are not fans so therefore it is in the interest of a company to have a strong social media page in order to generate greater income.

5.4 Unethical Behaviour of Companies on Social Media Sites

Sub-objective Three looks at the unethical behaviour of companies that operate on social network sites. During the course of research, the author discovered a trend that companies place so much emphasis on having a strong social media presence that they will go as far as to pay for fake fans for their pages. A company called www.buyfanstoday.com has recognised a niche in the market and is capitalising on companies' needs for social network fans. Buyfanstoday.com will generate 100,000 fake Facebook fans for a company for \$4,150. They say the reason a company goes as far as paying for fake fans is 'Buying Facebook fans is not just about having more likes; it's also about getting more users to engage you and your business.' and 'When you buy Facebook fans you will be perceived as more credible.' (www.buyfanstoday.com, 2013a).

Testimonials on YouTube from people who have used these types of services praise them for their ability in generating these followings online. They find that consumers are led by the amount of followers that a company's social network has

and it immediately makes them more attractive to consumers if they have bigger followings than their rivals (www.youtube.com, 2013a & 2013b). The company even goes as far as to offer country specific fans in order to try and show that the company's page has local fans (www.buyfanstoday.com, 2013b). Facebook enables it's users to see where the majority of the population of the fans who have liked the page are based. For example with Lyons Tea it is Dublin, with Penneys it is also Dublin and with Paddy Power it is London (www.facebook.com, 2013a, 2013b, &2013c).

Other websites that offer a similar service include geteasyfacebooklikes.com and www.cheap-likes.com. The emergence of websites such as these show the emphasis that companies are now placing on having a strong social network presence. As the testimonials that were mentioned previously show, there is an automatic attraction from a consumer to a social networking site with a large amount of followers versus one that does not have as many likes. www.buylikesreview.org conducted research into companies who buy 'likes' and found that these companies who used this service had an average sales increase of 20% and their natural Facebook 'likes' increased by 40%. Figures like these are huge for companies, especially companies that are just emerging but this ultimately leads to the question of whether Facebook should allow these companies to have falsely generated 'likes' as it is misleading consumers.

Another aspect of unethical operations that companies are known to engage in is the removal of negativity from their social networks. Both Qualman (2013) and King (2011) believe that companies should keep negative comments on their social networking page and use them as a platform to build on. They believe that companies should attempt to turn the negative comments into positive goodwill by using it to create stronger relationships as ultimately these relationships are the ones that create more value for the company.

As highlighted in the 3 companies' pages that were analysed, only Lyons Tea allowed consumers to view comments from other social media users. They did not remove negativity but they also didn't engage with it either. Both Penneys and

Paddy Power did not allow for the negative comments to be shown and therefore it is unknown as to whether they engage with them or not. The general consensus from the survey data that was received was for a company to engage with the consumer who has a negative complaint in a timely and effective matter.

5.5 Conclusion

While firstly looking at the extent of the influence that a disgruntled consumer has over others, the analysis also aims to bring together what a consumer expects of a company on a social media site with what a company offers them in a social media environment. Finding the right balance to their social media sites is critical to companies and hence why some of them stray into unethical behaviour in order to do so.

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Chapter 6 – Conclusion

6.1 Key Findings

During the course of this research the author aimed to investigate the current situation of companies operating on social media. Since social media is becoming so widespread across the world, companies need to have a presence online in order to reach the masses. The author investigated the influence that disgruntled customers had when posting negatively on a social networking site about a company. Negative comments had less of an impact when they come from someone the respondent did not know, however what was surprising is the amount of people who are influenced by unknown people online and whose purchase intentions can be affected by someone they do not even know.

The author then looked at what consumers expect from a social networking site and identified themes that emerged in order to try and establish what companies should aim to have on their social networking page in order to keep consumers happy and entice new consumers to 'like' their page. 28.5% of the respondents stated that they would consider changing brand based on how a company operates on a social media page so therefore a well run page by a company has the ability to entice new customers.

How companies operate online is vital to success especially with the growth of social media on mobile devices. Companies need to establish a dedicated social network team to manage their presence online which will enable them to deal with issues as they arise as well as open up communication channels and build rapport with their customers.

Finally the author looked at the issue of companies unethical operations on social media sites. The main issue that arose was the purchasing of followers for social networking sites in order to inflate their social media ranking. This unethical practice falsely entices new customers as they believe that the company must be reputable as it has so many fans. The issue of deleting negativity off their pages also

arose. This was discouraged by the respondents of the survey who agree with seminal authors in the area, that negativity should be built on and turned into positivity.

6.2 Future Research Possibilities

As was highlighted in section 4.8 of this dissertation, the issue of public versus private complaints split respondents. Future research could investigate why people feel the need to complain publicly rather than keeping the matter private.

Future research could also look at the area of unethical behaviour of companies on social networks with consideration being given to drawing up a code of ethics practice for social media operations. As it stands, it is up to companies to morally and ethically govern their actions on their social media output.

Finally, future research could also look to see if there is a significant influence exerted by unknown people offline, compared to the influence that unknown people have on social media sites.

6.3 Limitations

During the course of this dissertation the author encountered a number of limitations to the research investigation. Firstly there were time constraints to the research. The submission had a due date of 9th of September and therefore that restricted how long could be spent undertaking the investigation.

The second limitation was the size of the sample used. Even though the questionnaire was distributed to over 400 people only approximately a quarter of the questionnaires were returned. Due to the timeframe of the research the author had to put a timeframe on the survey and as a result had to make do with the amount of responses that were returned as opposed to waiting for more respondents.

The research was carried out in Ireland and as a response all the respondents give the few of Irish consumers whose attitudes towards the subject could be different than consumers in different countries.

6.4 Personal Learning Statement

During the course of the research the author learned several new skills such as the ability to create an accurate literature review as well as learning about the role that the research philosophy plays in research. The author also learned that in future time management should be carried out more effectively with the setting of deadlines to help achieve goals on time. Constant reviewing has helped the author to develop and improve their writing skill. The experience has taught the author the intricacies of planning and composing a research methodology, where the smallest output has to be accounted for at the planning stage.

Appendix 1 – The Survey

Q1. What is your gender?

Male

Female

Q2. Which age group below includes your age?

16-25

25-35

36-50

50+

Q3. Social media sites used

Facebook

Twitter

Flickr

Instagram

Pinterest

Tumblr

You Tube

Google +

Q4. Are you a fan of any company's social network page? i.e. 'like' a company's Facebook page.

Yes

No

Q5. If yes, why?

For the entertaining content they provide/communication with fans

For research purposes i.e. comparing products/viewing people's feedback about the brand

Customer service i.e. to post a complaint/ask a query

For special offers

Other (please specify)

Q6. Are you aware of the growing trend of people taking to a company's social network page to air their grievances and make complaints?

Yes

No

Q7. In your opinion are social network sites the correct way for people to air their grievances or should they keep matters private between them and the company?

Yes

No, they should be dealt with privately

Q8. On a scale of 1-5 (1 being not very likely to 5 being extremely likely), how likely would it be that you would be influenced by a negative post on a company's social network page, from a;

Friend/Family member 1 2 3 4 5

Unknown person 1 2 3 4 5

Q9. On a scale of 1-5, (1 being not very likely to 5 being extremely likely), how likely would it be that a company's social network page could influence you to switch brand. i.e. offering a discount for 'liking' their page or the content that is on the page.

1 2 3 4 5

Q10. Finally, in your opinion what is the key to a company having a successful social network presence? i.e. entertaining content, special offers, etc.

Appendix 2 – Research onion

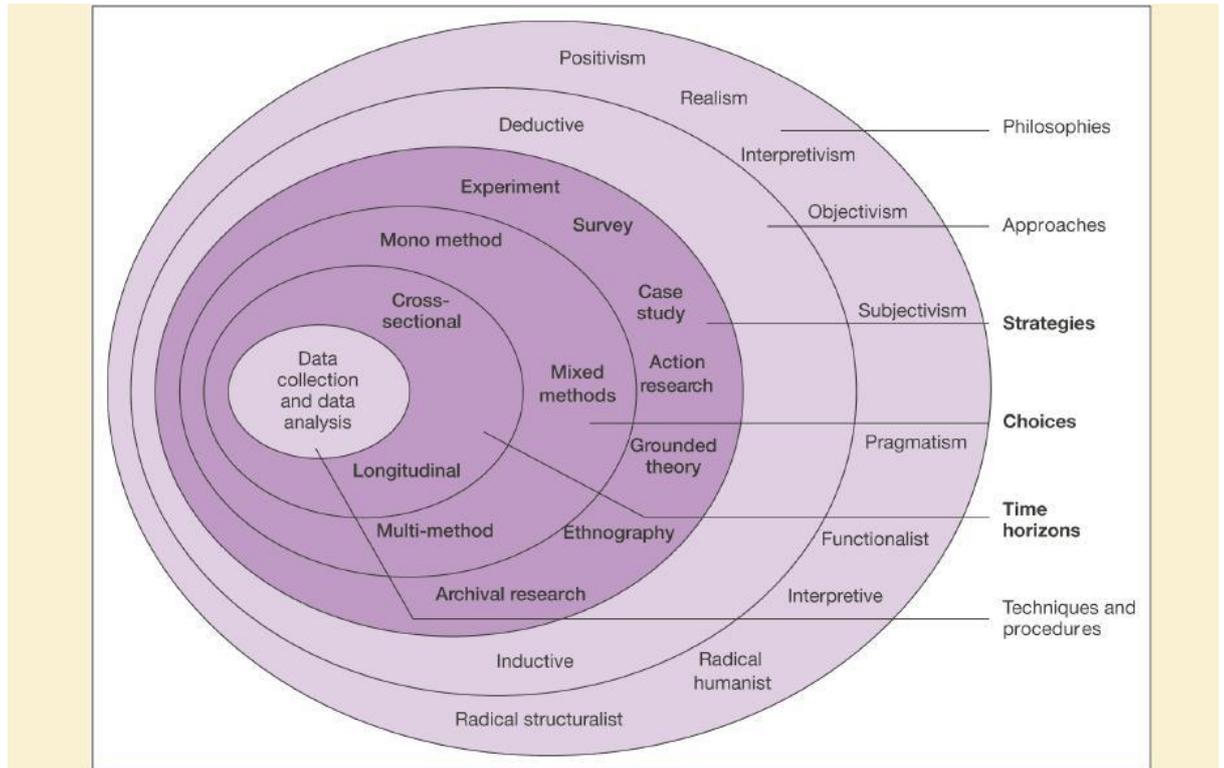


Figure 5.1 The research 'onion'

Source: © Mark Saunders, Philip Lewis and Adrian Thornhill 2006

The research onion, Saunders et al. (2007, P102)

Appendix 3 – Lyons Tea Facebook Post

School's back! Moms, that means time to relax! Put up your feet and enjoy a nice hot cup of Lyons!

Yours truly,
The Apprentice



[Keith L](#) Oh and I suppose farthers have no involvement with the upbringing or minding of their children!! Thanks for the sexist remarks!! Time to move to tetley tea!!!

[Anne C](#) Are you for frickin REAL.....? unfortunately REAL life is NOT like this!!!

Appendix 4 – Examples of Question 10 responses

Female 16-24

Personally, I think companies have a social networking page for a reason. That reason being to engage with the consumer on a more personal level. They are bound to get both praise and complaints. I think regardless how horrid the complaint may be, the company should deal with the post in a professional matter, ie. personally mailing the person who complained and trying to resolve the matter. Regular updates and relatable content is also key in consumer engagement and in having a successful SN presence. The odd competition/coupon etc wouldn't go amiss either! Keep them coming back.

Male 16-24

We know live in a world dominated by the social web. where content was king before, conversation is king kong. the key to success is having entertaining content that shows off the company's personality. this is always a winning formula

Male 16-24

Many companies that have social networking sites do not keep their content up to date. Posting content only when releasing new products is simply not good enough. Regular updates and post interacting with users and having some humour involved in posts can go a long way online.

Female 25-35

It has to be something id be into. Coke have a great one where I can put my name in and it gets printed on a drink bottle lol So much fun! I like to be involved

Male 25-35

Dedicated PR team

Female 16-24

special offers, entering give-aways, and keeping it updated with relevant and interesting information

Female 16-24

They need to capture the attention of their target group so how to get new customers depends who they want to target. Not all potential customers will react positively to discounts, they want to be made aware of quality, uniqueness, location etc.

Male 16-24

Keeping active but remaining relevant. I.e. not FM104 but more like Paddy Power

Male 16-24

Keeping it active and replying to comments. Xtra Vision and Lyons Tea do it well

Male 36-50 - Information , availability , technical details , discounts & offers.