



Usage, barriers and measurement of social media marketing: An exploratory investigation of small and medium B2B brands[☆]

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ABSTRACT

Previous research has established the benefits of branding for business-to-business (B2B) organizations. Various tools can be used to support B2B brands, including the internet and other interactive technologies. Yet research on how organizations use Social Networking Sites (SNS) to achieve brand objectives remains limited. This study addresses the gap by focusing on B2B SMEs and their social networking practices, particularly, usage, perceived barriers, and the measurement of effectiveness of SNS as a marketing tool. Findings from a mail survey show that over a quarter of B2B SMEs in the UK are currently using SNS to achieve brand objectives, the most popular of which is to attract new customers. On the other hand, the most significant barrier is the lack of perceived relevance for particular sectors. Notably, the overwhelming majority of users do not adopt any metrics to assess SNS effectiveness. Almost half of the sample of SMEs that currently use SNS have indicated their intention to increase their marketing spending on this channel, highlighting the growing importance of SNS in a B2B context.

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1. Introduction

The advent of Web 2.0 has created new ways to communicate, collaborate and share content (Enders, Hungenberg, Denker, & Mauch, 2008). Statistics from NielsenWire (2010) show that in 2009, social media and specifically, social networking sites (SNS) such as Facebook, Twitter, MySpace and LinkedIn, were a popular online activity in terms of average time spent. Currently, there are more than 150 SNS; in 2009, Facebook was ranked first in terms of popularity, with 206.9 million unique visitors globally (NielsenWire, 2010).

Social media, also known as 'user-generated communication', now represents a prevalent source of information; it has changed the tools and strategies companies use to communicate, highlighting that information control now lies with the customer (Mangold & Faulds, 2009). A study by Cone (2008) (<http://www.coneinc.com/>) shows that 93% of social media users believe that companies should have a social media presence, while 85% of them think that companies should interact with customers via SNS. Companies have now penetrated the online social networking scene, offering direct links from their corporate websites to Facebook and Twitter, and use these tools to promote brands

and support the creation of brand communities (Kaplan & Haenlein, 2010). Recent statistics show that advertising spending on Facebook and MySpace is expected to reach \$605 m and \$435 m respectively for 2010, whilst a significant portion of this spending will go towards building and maintaining a social network presence (Williamson, 2009).

Despite the popularity of SNS, their importance in shaping commercial online interaction (Mislove, Marcon, Gummadi, Druschel, & Bhattacharjee, 2007) and their potential to support brands (Christodoulides, 2009), research into SNS is very limited, and focuses largely on the consumer in a B2C domain. To date, there is paucity of systematic research on how SNS are used by companies, particularly B2B companies, and how they contribute to brand objectives. Anecdotal evidence (e.g. Shih, 2009) suggests that social media is important for B2B companies. B2B companies can use social media and specifically SNS such as Facebook and LinkedIn to communicate with their customers and suppliers, build relationships and trust, as well as to identify prospective partners in terms of B2B selling (Shih, 2009). It is notable that while B2B e-commerce is valued at more than three and half times that of B2C e-commerce (Kalapesi, Willersdorf, & Zwillenberg, 2010) the interest in, and subsequent adoption of, social media by B2B organizations has been slow compared to their B2C counterparts.

This lack of research into SNS in a B2B environment provides the impetus for our study which addresses this gap, and contributes to existing literature in the following ways. First, it examines how B2B SMEs use SNS. Our decision to focus on small and medium sized companies within a B2B context is because they represent the majority of industrial businesses, and are a significant driver of economic growth (LaPlaca, 2011). Second, the study provides insights into the extent of use and the reasons why B2B SMEs use SNS, as well as insights into

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the perceived barriers that inhibit usage. Third, it examines differences between organizations from different industries in terms of their usage of SNS. Fourth, the study explores the measurement practices used by companies who engage in brand activities on SNS. Despite calls from both industry and academia for new and creative metrics to suit the social media environment (Russell, 2009), very little is known as to the metrics actually used by B2B organizations to assess their branding efforts on SNS. Fifth, it investigates whether there are differences between users and non-users of SNS, based on their organizational innovativeness levels.

The paper opens by reviewing the literature on B2B branding and social media. It then discusses the methodology and main findings of a postal survey administered to a sample of B2B SMEs in the UK. The findings are discussed in the light of the previous literature highlighting implications for practitioners and suggestions are made for further research.

2. Background

2.1. B2B branding and the internet

Previous research has established the importance of branding for B2B firms (e.g. Leek & Christodoulides, 2010; Lindgreen, Beverland, & Farrelly, 2010; Lynch & de Chernatony, 2004; Mudambi, 2002). In an age characterized by increasing commoditization (Van Riel, de Mortanges, & Streukens, 2005), branding allows B2B organizations to differentiate by creating a unique and consistent identity (Mitchell, King, & Reast, 2001). A strong B2B brand results in enhanced quality perceptions in the market (Cretu & Brodie, 2007) and allows organizations to transfer brand equity in other categories through extensions (Hutton, 1997). It raises the barriers to entry for competitive brands and leads to higher demand and/or allows companies to command a premium price (Low & Blois, 2002; Mitchell et al., 2001; Ohnemus, 2009). In competitive bidding situations, which are often the norm in industrial markets, a branded product may help achieve consensus in the decision making unit, and influence the decision in favor of the owning brand (Wise & Zednickova, 2009). In the distribution channel, a strong B2B brand increases the company's negotiating power, and opens up opportunities for licensing (Low & Blois, 2002; Ohnemus, 2009). Finally, a strong B2B brand is more likely to enjoy higher loyalty (McQuiston, 2004) and more referrals from buyers (Bendixen, Bukasa, & Abratt, 2004).

Following the advent of the internet, business marketing companies have started to appreciate this tool as a value-adding channel that enables companies to provide information, to accommodate connectivity, community and transactions, and to share cost reductions (Sharma, 2002). According to Pitt, van der Merwe, Berthon, Salehi-Sangari, and Caruana (2006: 600) "...the internet is becoming the most important vehicle for global business-to-business commerce". B2B marketers thus use the internet to generate value for their brands through information, knowledge, conversations, relationships and e-commerce (Sharma, 2002). Along similar lines to Sharma (2002), Walters (2008) advocates three value-adding strategies when using the internet, namely information rich strategy, relational exchange, and joint learning strategy. Bauer, Grether, and Leach (2002) focus solely on the significant role of the internet in building customer relationships in a B2B context. By examining the impact of specific internet characteristics (e.g. interactivity and information availability) on key relational variables (e.g. trust, satisfaction and commitment) the authors underline the suitability of the internet as a relationship marketing channel.

2.2. Social networks, social media and SNS

Social networks originate from sociology and, in a business context, refer to two or more connected business relationships, where an 'exchange' exists between business partners (Anderson, Hokansson, &

Johanson, 1994; Pitt et al., 2006). The notion of a 'network' is based on the establishment of ties between individuals, groups of people, organizational departments or corporations, that leads to the creation of social networks (Wasserman & Faust, 1994). Social networks differ with respect to their size and heterogeneity (Garton, Haythornthwaite, & Wellman, 1997). Smaller, homogenous networks can be found in work groups (Lea, Wu, Maguluru, & Nichols, 2006), while larger, more heterogeneous networks are typically more complex and are associated with more diverse social characteristics.

In general, social networks are beneficial and valuable for the network participants in that they promote activities and the use of resources (Gemünden, Ritter, & Walter, 1997). Within a commercial context, social networks offer significant benefits, including the enhancement of economic value for organizations (Stephen & Toubia, 2010). A number of studies have used social networking theory to study the social networks of firms in B2B environments (e.g. Björkman & Kock, 1995). Further, Pitt et al. (2006) and McCarthy, Pitt, Campell, van der Merwe, and Salehi-Sangeri (2007) used social network theory to examine internet links between B2B firms. Social networks are important for the survival of small firms, and critical in competing with larger businesses (Copp & Ivy, 2001; Pitt et al., 2006).

Technological progress and innovation have altered the nature of social networks. In particular, while traditional social networks have involved personal interactions of humans over time (Kimball & Rheingold, 2000), interactions are now mediated by computers, which suggests a more impersonal form of communication. These computer-mediated networks or online social networks are more complex, and involve a greater degree of heterogeneity. Yet, the benefits associated with social networks are enhanced in an online environment, where the problems of time and geographical location become less significant. Members of an online network can exchange information and provide solutions from and to different locations across the world in a very short period of time (Lea et al., 2006).

Given the importance of social networks and the internet (e.g. Sharma, 2002; Walters, 2008), which facilitate direct unmediated inter-organizational associations (Berthon, Ewing, Pitt, & Naudé, 2003; Pitt et al., 2006), it is argued that social media, and particularly SNS, can support brands, including B2B brands by developing and maintaining relationships between B2B firms. According to Mangold and Faulds (2009), social media consists of new sources of online information such as SNS, blogs, chat-rooms, rating websites, video and photo sharing websites and podcasts, created and used for educational purposes about issues including products and brands. In particular, SNS such as Facebook are some of the most popular and frequently visited web sites in the world (alexa.com) and, as such, marketers have intuitively recognized their potential in helping to achieve brand objectives (Van Den Bulte & Wuyts, 2007). Social media are becoming more important as an internet marketing tool given their wide adoption by the general public. Evidence suggests that in consumer markets, SNS have become "de facto modus operandi" (Mangold & Faulds, 2009: 359) for users to disseminate information about brands.

However, research into social media, and specifically SNS, is still at an embryonic stage, and interest is focused mostly on a B2C context. In particular, previous academic research with regard to SNS has examined privacy and ethical issues, the prevalence of SNS among groups (e.g. students, professionals), and the motivations for usage (Clark & Roberts, 2010; DiMicco et al., 2008; Dwyer, Hiltz, & Passerini, 2007; Pempek, Yermolayeva, & Calvert, 2009). Other research has examined how SNS generates word-of-mouth (WOM) in comparison with traditional marketing vehicles (Trusov, Bucklin, & Koen, 2009), how they generate revenue (Enders et al., 2008) and how they can serve as shopping channels (Cha, 2009). Despite the aforementioned benefits, B2B organizations seem to have realized SNS potential in supporting their brands later than B2C organizations. A time-line based on Google trends shows a growing interest in social media since 2004, while specific interest in social media in B2B only emerged in 2010.

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