

SOCIAL MEDIA – KEY ISSUE OF QUALITY SERVICES IN GLOBAL ECONOMY

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Abstract

The higher than ever information accessibility, as well as the increasing number of innovations and the rising level of global competition, pushed companies to adapt and evolve using a wide range of creative marketing strategies in order to attract and gain new customers, as well as winning their trust. Social media is regarded as one of the most powerful marketing tools of the 21st century, playing a significant role in creating value for organizations, as well as having a huge impact on the customer-seller interaction, creating quality services and products. Social media became a key issue of quality services in global economy.

The objective of this paper is to try and reveal the importance of integrating social media into a company's marketing strategy, taking into consideration factors such as customer satisfaction, perceived quality, loyalty, trust and other aspects. Furthermore, we will try to observe the effects a social-media marketing policy may have on the above-mentioned factors.

There is an increasing number of companies that are adopting a customer-centric point of view, trying to create and obtain value by actively integrating customers in their product or service development process. Nowadays, customers are well-informed, they have access to more alternatives and also have a clear idea of which products or services they are searching for. Therefore, they can take a more active, influential role in the process of value creation of firms through social media, which can result in building awareness, strengthening perceived quality, increasing brand loyalty and trust by actively contributing with ideas, thoughts and knowledge in a co-creation process.

Keywords

Social media, marketing, customer relationship, customer behavior, quality services.

JEL Classification

M15; M31; O3; Z00.

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Introduction

Today, customers can establish contact more quickly via new forms of interactivity facilitated by Web 2.0. Web 2.0 has changed the communication model from one-to-many, whereby only the company played an active role, to many-to-many, whereby the collaboration and participation of consumers becomes imperative (Kotler, Kartajaya and Setiawan, 2010). The use of social media among different industries has developed a technological mediated perspective and a “people-driven” economy (Qualman, 2009). Furthermore, social media platforms are important for customers and companies because products, services and information are known and evaluated by different users (Bagozzi and Dhorkia, 2006; Muniz and Schau, 2005). The existing literature offers different ways of describing social media characteristics. Jang et al. (2008) identify a number of social media characteristics: information quality, system quality, interaction and transparency.

Getting closer to customers is a top priority for CEOs, according to the IBM 2010 CEO Study. Globally, the use of social media is growing fast and businesses are have to adapt to customers' behaviour. But simply having a presence is not sufficient. Organizations need to know how to use Web 2.0 and social media because these new technologies give consumers more power and influence over the brand (customer relationship management). Clients are expecting to obtain quality services, customized, according to their demands. This is a strong reason why companies should accept to emerging social CRM as part of their present and future strategy. Social media platforms such as Facebook, Instagram, Twitter, LinkedIn have offered the opportunity for clients to discuss their online reviews, recommendations, agrees or disagree or dissatisfaction regarding different aspects such as product quality or customer service.

Marketing directors should know their audience and identify the benefits of social media to the organizations at all levels. Several of the benefits of social media usage include: customer relationship management, customer engagement, branding opportunities, and market intelligence. Another strong benefit of using social media is receiving feedback from customers – this helps the company to make strategic adjustments.

1. Literature review

Spreading the word of mouth still remains an important marketing tool for customers to learn about new products and services. New marketing strategies developed through the Internet, a revolutionary tool that took the businesses to a whole new level: the online customer experience became extremely accessible and globally utilized. Most of all brands today participate in Web 2.0 through a website, a blog, a Facebook page, Twitter, LinkedIn, or some other online space. Research suggests that blogging grew in popularity in the early 21st century—particularly among teenagers and young adults – but declined as social networking sites flourished (Lenhart et al., 2010).

Social media or technically called ‘Web 2.0’ are “online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities, and organizations enhanced by technological capabilities and mobility” (Solomon, 2013). Ellison et al. (2007) believes that social networking sites usage created relationships without having users connect face-to-face.

The new technology of Web 2.0 is a set of open source applications that facilitates the development of knowledge, experiences and the power of users in an interactive way that the users control (Constantinides and Fountain, 2008).

Web 2.0 represents a powerful environment. The statistics of Internet World Stats, 2012 reveal that: 70.2% of the population in developed countries uses the Internet, representing 32.5% of the world's population. The Internet has the highest penetration rate in North America (78.6%), Oceania (Australia and proximate islands, 67.6%), and Europe (63.2%), but Asia has the highest total number of users: over a billion.

Finally, the main types of social media presented above are depicted in figure 1.

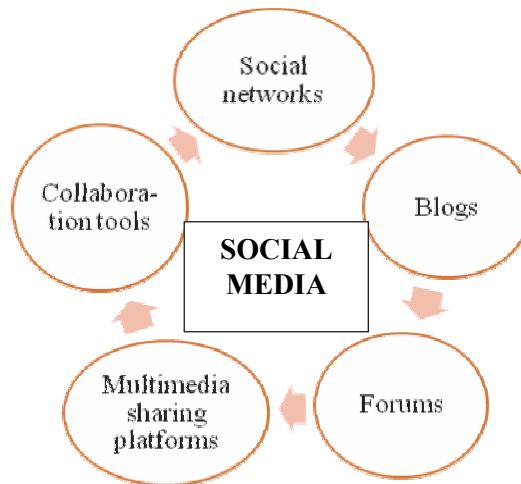


Figure no. 1 The main types of social media

Source: Authors

In this context, Clara Shih (2011) believe that those social networks are changing companies' interactions with their customers in four ways:

1. **Consistent experience** - for companies, this means better coordination across departments, message alignment and integrated systems.
2. **Ongoing feedback** – companies need to put in place new processes to listen carefully their customers' opinions.
3. **Action and response** – the nature of social web pressures companies to respond quickly to customers' demands.
4. **Measurement and accountability** – companies are realizing the importance of KPI's for measuring customer feedback.

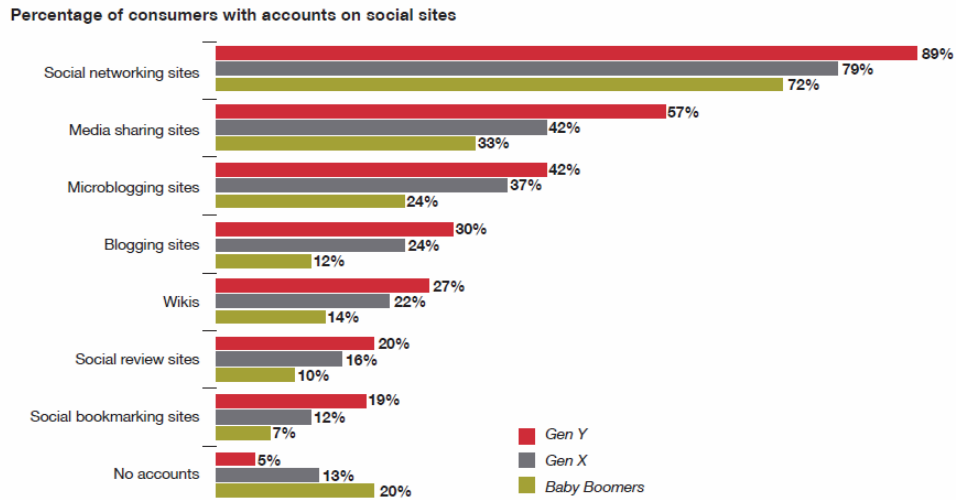


Figure no.2 Percentage of consumers with accounts on social sites
 Source: IBM Institute for Business Value, *From social media to Social CRM: what customers want, 2011*

2. Communication and building relationships

For the past decade, marketers have been on a new era of deep customer engagement. New functions such as social media management allow for relationships with customers to be built faster and in a way that is more durable. The past years have known an accelerated evolution of the social media phenomenon, customers referring to social networks, blogs or online review forums growing constantly. Customers are looking for objective opinions or advice for their decisions to buy. Social media provide a facile, simple, and relatively inexpensive tool for organizations to communicate customers all around the world (Kodish, 2015)

Companies, on the other hand, are looking forward in building "touch points". Some of them have built publish departments in order to feed the increasing demand for the content required by social media, web sites, multimedia sites, blogs and forums. For example, many brands, especially luxury ones, have built editorial departments to "socialize" their brands: building customer relationships and gaining trust and loyalty by producing blogs, digital magazines, and posting constantly on social networks – all effort to intensify both the depth and the frequency of interactions. (French et al., 2011).

Social media is not a junk email, social media has a high impact on consumer behavior and allows high quality interactions customer-customer and customer-company. Consumers love a bargain and companies should take advantage of social networks and use it as a powerful notification tool. On social media platforms, on forums, web-blogs customers can find useful reviews that are much more powerful as marketing tools than expert product reviews (Gillin, 2007). The influence of social media is increasing because of the fast expansion of the users.

Researchers believe that social media management creates value for the company, locating it where customers prefer to communicate. Moreover, engaging social customers who can share information to their extended networks: word to mouth. The idea of word to mouth generated on social networks as a distinct form of media is actually a form of marketing that must be earned, believes Michael Zeisser (2010). Through social media, customers are exchanging ideas over social networks and the information revealed should be used by the organizations to create products/services that satisfy clients' needs and generate profit for the company. Two way Communication and building relationships are one of the most important aspects of doing business and companies must take into consideration these important factors in order to remain competitive on the market (Kodish, 2015).

3. Quality Services through social media

Social media platforms such as Facebook, Twitter, Instagram, LinkedIn, offered the opportunity for customers to discuss their online reviews, recommendations, likes and dislikes regarding different aspects such as product quality or customer service. We can say that social media became a key factor in the customers' buying decision: clients are more and more informed, making researches of products and services through social media, before spending their money. In order to create quality products and services, gain trust and loyal customers, companies should listen to their customers, show interest in their customers' recommendations and show interest in their opinions and ideas. The easiest and less expensive way to this : integrating social media as part of the business or management. Social customer relationship management can build better relationships with customers, gaining trust and confidence for the organization.

Trust and loyalty

Social media represents a powerful tool in building successful customer-supplier relationships by establishing a direct and more personal communication with customers. We believe that companies should invest in social media in order to create their own digital brand and build strong relationships based on transparency and trust.

Trust can be defined as „the belief that the trustee will behave according to our expectation”(Hung et al. , 2004). According to Buttner et al. trust is a key issue in the commerce.

Organizations should know the reasons their clients are leaving them and should try to find solutions to keep them. Loyal customers represent the most important factor and the efforts should concentrate on them.

CRM and social media – combining a new technologies

Social CRM refers to companies that use social medias as a marketing tool in order to create a platform where clients participate interactively in collaborative discussions. CRM and social media serve better clients' need and interests, build them a suport, increase clients experience and help them choosing the right channels for a better collaboration. (Morgan, 2010).

Customer relationship management is about getting closer to clients and developing a better communication channel. Social CRM sustains the customer service, putting the customers first and using the social media account in a way to connect one to one, not just to push marketing materials to them.

Social media can be used as a customer service (CSR) tool for improving the quality of delivered services and/or products. CSR processes presume increasing personal contact avoidance with the customer by knowledge transfer to communities, capitalizing on customer experiences to enhance timely responses to crisis situations and complaints. Using Social-CRM, the services for clients are better managed; their requests are faster solved accessing blogs, social networks, blogs and forums.

Feedback

Customer feedback influences an organization's emotional climate and organizational health. (Kipfelsberger et al., 2016). Companies add value and gain health for their entire organization through both positive and negative feedback. Getting closer to customers became a priority for the organizations that have to adapt to this rise of social media.

Conclusions

In this era of new technology, social media is a must for companies that want to survive in a changing environment and marketplaces. Technological advancements and the development of social media help establishing a two-way communication.

Used as a marketing tool, a CRM system, a building relationship platform or even as a CSR, social media became a mass phenomenon. As studies reveal, is growing fast and expanding globally.

In this article, we tried to emphasize the importance of social media and its influence on consumer behavior. Traditional communication theory helps companies utilize social media in building strong, lasting and beneficial relationships with customers. Through social media, companies listen carefully to customers' opinions, providing on going feedback, acting and responding quickly to customers' demands. In order to obtain quality and customized services, organizations should connect with customers according to their mainstreams, taking into account habits and hobbies. As studies reveal, the numbers are growing and more and more users access daily social media tools.

Nevertheless, SCRM is a powerful new trend, combining social medias with customer relationship management in an intergrated system, generating a competitive advantage through its relational characteristic feature. Putting the customer first, social customer relationship management, is a hybrid tool, combining social media with CRM, in order to satisfy customers' needs.

The shift from a traditional transactional approach to one that focuses on relationships and online communication improving users' experiences and increasing profit and adding value for the company, will cultivate and upgrade connections and relations. This revolution called social media transforms companies and the entire management structure of the company that must be reconsidered. Organziatons should connect with customers according to their customs and habbits – through social networks - in order to obtain quality and customized services, satisfying their demands and requests.

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