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Purposes of the communication between companies and their Facebook followers

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Abstract

Introduction: Research on consumers' behaviour in online social networks is generating increasing interest among the business community due to the new and unexplored opportunities and threats of social networks, including the vast amount of data generated day after day. The objective of this study is to explore the use of Facebook as a source of valuable information about the interaction between Mexican telecom companies and their followers. **Methods:** The study is based on a qualitative approach, which involved the analysis of 2,000 posts (1,000 made by telecoms and 1,000 made by followers). **Results and conclusions:** the findings suggest that telecom companies use Facebook mainly for public relations and advertising and promotion purposes, while their users use this social network primarily to report incidents and problems and to make complaints and request information.

Keywords

Online social networks; digital conversation; customer service; social customer; telecommunications.

Contents

1. Introduction. 2. Theoretical framework. 3. Method. 4. Results. 5. Conclusions. 6. Limitations and future studies. 7. List of references.

Translation by Cruz Alberto Martínez Arcos, Ph.D. (Universidad Autónoma de Tamaulipas)

1. Introduction

Every day, millions of internet users around the world use online social networks to connect with their friends, share their opinions and participate in multiple conversations on a wide variety of topics. This phenomenon is also having a massive impact on the way companies and their brands are perceived and the way they communicate with their customers. Therefore, companies of all sizes and lines of businesses are tempted by the potential benefits of the massive adoption of these platforms. However, many executives are still unable to effectively identify the opportunities and threats related to the social networks, partly due to the lack of understanding of their structure and operation (Kaplan & Haenlein, 2010).

For many companies online social networks are an essential marketing tool and their key challenge is to identify and organise the appropriate mix of elements such as advertising, public relations, and promotions, which allow companies to always be present in the minds of consumers (Weinberg & Pehlivan, 2011). However, it is important to recognise that the scope of the opportunities offered by online social networking goes beyond the marked unidirectional nature of traditional marketing. It is now possible to establish an exchange of information and experiences. This involves refining the ability of companies to listen and respond to their customers' requests; and it is here where customer service systems come into play.

The irruption of customer service is not an issue that should be taken lightly. A growing number of consumers prefer to use online social networks to talk directly to companies more than the traditional channels, such as telephone, email and printed forms. Because of this, websites like *Facebook*, *Twitter* and *Foursquare* have the potential to become basic communication channels,

not only between individuals but also between consumers and companies. However, many companies still have not managed to fully integrate online social networks with their traditional platforms to manage interaction with customers (Geierhos, 2011). This scenario is an area of opportunity for organisations seeking to differentiate their services based on the understanding of the conversations generated in these social media.

2. Theoretical framework

Information technologies are empowering consumers, whose role is evolving from mere passive recipients of information to active content generators. Customers are taking over activities that were previously controlled by companies. This involves radical changes in marketing and customer services; which must inevitably force companies to better understand the volatile behaviour of the new generation of consumers, in order to create mutual benefits based on the use of online social networks (Heinonen, 2011).

Strutton, Taylor and Thompson (2011) suggest that one of the most noticeable differences in terms of behaviour between generation X consumers and generation Y consumers is the greater tendency of the latter to use online social networks. The ability to understand this generational transition of consumers is vital, since today's young internet users can help us to predict the characteristics of the future typical consumers (O'Reilly & Marx, 2011). The literature analysing these new "social consumers" has identified a set of attributes that distinguish them from the traditional consumers:

- a. They comfortably and quickly turn to social communication on the internet through a wide multitude of channels (Gibson, 2011). *Facebook*, *Twitter*, *YouTube* and *Foursquare* are only some examples of the platforms used by these customers.
- b. They expect organisations to have presence online in a wide array of platforms; including those that are not designed as traditional corporate channels, as it can be the case with Facebook. A company's consumers and competition can quickly realise its online absence (Fisher, 2009). This is a significant business challenge because customers communicate using the channel of their choice; and this does not necessarily coincide with the formal mechanisms that the company has defined for consumer communication.
- c. They use online communities and social networks to request advice and recommendations to guide their purchasing decisions. The opinion of other consumers can have greater credibility, empathy and relevance to consumers than the information contents created and disseminated directly by the companies (Gruen *et al.*, 2006).
- d. They use online social networks not only to guide their purchase decision, but also to engage in contact and conversation with the companies that provide them with products and services. Businesses can use online social networks as very powerful tools with quantifiable impact on the strengthening of customer- brand relations. Moreover, if this relationship is managed properly it can lead to the creation of brand communities that are capable of committing, integrating and engaging users in active and vivid experiences directly associated with the brand they represent (Jahn, 2012).

- e. They take into consideration what other users and consumers have to say even if they are strangers. In digital environments, consumers pay attention to content that has an apparent value for the community without giving much thought to its origin (Dwyer, 2007). This marks a substantial difference from the traditional word of mouth marketing, where the origin of the reference and the notion of proximity among participants are more relevant (Bearden & Etzel, 1982).
- f. They know that they can influence a company's brand image through social communications, without companies having real capacity to stop them, even if they react promptly (Greenberg, 2011).

3. Method

This study addresses the conversations between telecommunications companies and their users. This industry was selected because its services are continuous, i.e., they are meant to be active 24 hours every day, and people are likely to keep their telecommunications providers almost always in their mind. This situation leads to greater tendency to conversations between these companies and their users than in the case of industries whose services are not continuous.

Based on the previous, the objective of this research is to achieve a greater understanding of the conversations Mexican telecommunications companies maintain with users on Facebook pages.

In order to fulfil this objective the following questions were formulated: 1) what is the purpose of the posts made by telecommunications companies? And 2) what is the purpose of the posts made by users of the telecommunications companies? To answer these questions, this study adopted a qualitative methodological approach. Data were collected through consultations through Facebook Query Language (FQL); four Mexican telecommunications companies were taken into consideration for the study; and data were subjected to content analysis.

The list of companies under analysis was based on the ranking of the 500 most important companies in Mexico, published each year by *Expansión* magazine, leader in the field of business in Mexico. In the 2013 rankings, 24 companies were listed in the "Media & telecommunications" category. In the sample selection we excluded companies whose central line of business are media services such as television channels, publishing groups and radio stations, and end up with a representative group of telecommunications services: telephony (fixed and mobile), Internet, cable TV and convergent services. Another requirement in selection of the sample of companies was that the company had to have an official Facebook page that allows third parties to post on their walls. At the end of this selection process, the final sample was composed of the following companies: Cablemás, Iusacell, Telmex and Movistar.

Data collection was carried out with Facebook Query Language (similar to SQL), which allows the extraction of Facebook users' public data. We applied proportionate stratified sampling, which means that each stratum has the same sampling fraction (Levy & Lemeshow, 2008). This sampling strategy has been used in previous studies of content analysis of online social networks, in which the formal calculation of the sample size has not been executed because of the lack of a standard method (Sreenivasan, Lee & Goh, 2012; Chew & Eysenbach, 2010). In this case, for each company we

randomly selected 250 posts made by the same company and 250 posts made by its users. We selected these posts from those made within one year, between 1 September, 2012, and 31 August, 2013.

The content analysis technique was used to create categories to classify the posts made by companies and their users. Content analysis is a research method which consists in the subjective interpretation of contents through a systematic pattern and theme identification process (Hsieh & Shannon, 2005). This method is appropriate for this exploratory research study on the purposes of communication in online social networks. The same method has been widely used by other research works examining online social networks, and specifically Facebook (Hum *et al.*, 2011; Parsons, 2013; Woolley *et al.*, 2010).

4. Results

For the execution of this study, two coders were responsible for the classification of contents. The consistency of the coding was calculated based on the proportion of observations in which coders reported the same results, i.e., the percentage of concordance between the results of both coders. The general rule for this measurement establishes that a coefficient of 0.7 or greater is appropriate (Neuendorf, 2002: 145). For the purposes of the entire sample, the percentage of concordance was 0.753 and 0.908 for users and administrators, respectively, which indicate an acceptable level of agreement.

Table 1 shows, by way of summary, the different purposes of the posts made by users of the sample of telecom companies in their Facebook pages. In this table the frequency column presents the average number of posts belonging to each category, with respect to the 1000 posts under analysis. The min. and max. values refer to the maximum and minimum percentages obtained for a company in particular. It is important to clarify that the frequencies add up to more than 100% since the categories are not mutually exclusive.

Category	Description	Example	Frequency
Reporting of incidents and problems	User reports that a product or service is not working properly.	"Good morning, I want to report that my phone has no line, no incoming or outgoing calls"	44.2% (min. 37.4% - max. 52.4%)
Information request	User requests information about the products and services offered by the company.	"Can you tell me if the stores are opened today?"	33.7% (min. 22.8% - max. 49.0%)

Table 1 - Categories of user posts

Complaint	User shows discontent towards the company's products or services, or the company itself.	"Your Internet sucks [it doesn't work]!"	31.40% (min. 19.4% - max. 40.2%)
Compliment	User compliments the company's products or services, or the company itself.	"I'm very happy with the service"	2.1% (min. 1.0% - max. 3.0%)
Other	Any comment that does not fit in the above categories.	"Here's my participation. I hope I win! Thank you"	8.3% (min. 6.4% - max. 10.0%)

Figure 1 shows that user posts are associated mainly to the reporting of incidents and problems, requests for information and complaints. The relative importance of these categories varies from one company to another. Other purposes, such as compliments towards the company, have a marginal representation.

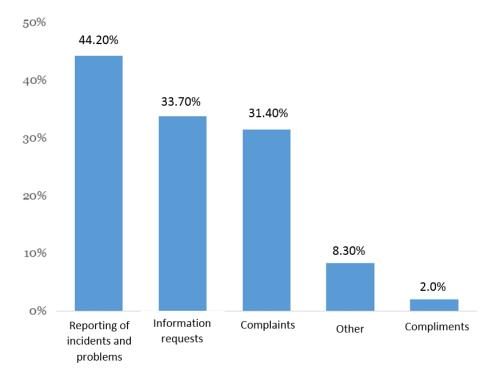


Figure 1 - Average frequency of user posts by category

On the other hand, table 2 shows the different purposes of the posts made by the sample of telecom companies. In contrast to the categorisation of user posts, the posts made by telecommunications

companies usually have a single purpose. For this reason, the frequencies obtained in this case do add up 100 since the categories are mutually exclusive.

Category	Description	Example	Frequency
Public relations	Communication of events, activities, messages and other ways to strengthen links with Facebook users. Is not directly associated with the acquisition of the company's goods or services.	"Good morning! It's almost Friday, so it may be time for you to begin to plan your weekend activities".	44.9% (min. 39.2% - max. 48.4%)
Advertising	Dissemination of commercial news or announcements that seek to attract buyers for the company's products and services.	"Think of a Smartphone, think of a plan. Click here and find out everything you thought."	37.3% (min. 26.4% - max. 43.4%)
Promotion	Communication of different types of stimuli developed by the company to make products and services more attractive to customers.	"Do you want an iPhone? We give it to you when you buy one of our plans".	16.1% (min. 5.4% - max. 32.0%)
Attention of incidents & problems	Support is offered for the resolution of problems related to products and services.	"If you need assistance our team is ready to help you 24 hours a day, 7 days a week from our Twitter account. Follow us!"	1.6% (min. 0.0% - max. 3.0%)

Table 2 - Categories of posts made by companies

Figure 2 shows that the posts made by companies are mainly directed at community-creation (socialisation), advertising and promotion. The relative importance of these categories varies from one company to another. The purpose of offering support for the solution of problems has a marginal representation.

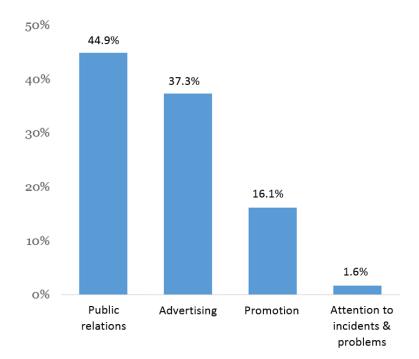


Figure 2 - frequency of companies' posts by category

5. Conclusions

Online social networks can be an excellent source of valuable information for companies. This study confirmed that it is possible to collect, analyse and identify the behaviour patterns of companies and their customers. This information could help companies to ensure that the activities they carry out in these media is aligned to their business strategy. The enormous amount of information generated by online social networks is a fertile field for a multitude of analysis tools and procedures.

Research shows that Facebook is a platform used for customers to report incidents and problems about products and services, request information about the company's offering, and make complaints. The overwhelming majority of the sample of posts had these purposes, while brand socialisation was secondary. This information has large implications, since it is a way to get direct feedback about the reception of products and services, and about incidents that could be impacting their quality, either negatively or positively. Moreover, it is important for users to realise that currently social networks empower them to be more critical and demanding towards the services they receive.

On the other hand, companies' posts mainly seek to strengthen the emotional bonds with "fans" of the brand, as well as to strengthen advertising and promotion effectiveness. Given this difference in the purposes of the communication between companies and their consumers, the most suitable suggestion for companies is to reinforce the use of online social networks as customer service platforms. In this way companies could maintain, or improve, their digital reputation and retain customers.

Although advertising, promotion and public relations are essential components of any online social networks management model (Weinberg & Pehlivan, 2011), customer service must not be treated as a secondary activity. Creating a profile on a social network and publishing content in it, without paying attention to what the public says is clearly insufficient. An unsatisfactory experience in any of the company's communication channels can lead customers to stop using the company's services or products, migrate to the competition or to tell other consumers or potential consumers about their negative experience. In either case, this could affect the profitability and survival of a business. Given this situation, we have concluded that, at least for the types of companies under analysis, having a poorly-managed presence in online social networks can be worse than not having any presence at all.

Online social networks represent an evolution from the traditional "negative word of mouth" to the "negative word of click" (Cook, 2012); the most significant difference between these concepts is that in the digital environment the voice of any protagonist can have great repercussions and immediate impact and this is just one click away. For this reason, social networks are transferring the absolute power of companies into the hands of consumers who are now better informed and have more options. There is no denying that there are now greater possible negative implications, even for the strongest brands and companies in the world. Now, the bad experience of a customer can mean the loss of hundreds or thousands of current or potential customers while in the past this could only mean the loss of a few customers.

One of the great differences that exist between traditional customer service channels and online social networks is that a considerable part of the communication is publicly exposed to other consumers and potential consumers. In the case of posts that reveal weaknesses in the quality of services and customer services, this information can be a weapon within the reach of the competition. This is particularly dangerous in the case of frustrated customers, who tend to be willing to spread very negative views about the company in question whenever the opportunity arises. This phenomenon can be described as "aggressive consumer activism" (Wollan *et al.*, 2011). These annoyed customers can be a source of unflattering opinions, which can become complicated if they are not monitored and answered in time.

For this reason, the management of online social networks oriented to customer service should be a goal for any business wishing to consolidate its digital presence. Customer service in online social networks is a business philosophy that requires the support of a technology platform, business rules, staff and processes (Evans, 2010). Aula (2010) maintains that the management of social networks must be closely linked to the management of reputation risks; and for this reason it should adopt a proactive approach that focuses on preventing, not resolving, reputation crises. It is imperative to create a response plan that establishes what must be answered, when it must be answered and, naturally, focuses on the identification and solution of the most urgent requests (Blanchard, 2011).

As mentioned, technology plays a very prominent role in any strategy to monitor online social networks. In this regard, there is wide variety of options, ranging from free or low-cost tools (such as email alert systems that can comfortably meet the needs of companies with low volume of mentions) to complex monitoring systems, which are capable of filtering and addressing significant volumes of mentions.

These latest tools are associated mainly to the development and implementation of Social CRM (Customer Relationship Management) in online social networks, which can help in the provision of an integral and personalised solution. However, we have to recognise that so far there is no solution capable of integrating systematically and technically all potential information flows, from all the existing online social networks (Geierhos, 2011).

In addition to the importance of technology, in cases in which massive conversations are managed in online social networks, the existence of dedicated staff or specialised equipment may be justified to serve a large volume of messages and identify situations with critical value for the business in order to handle them accordingly. In some companies the staff in charge of this work are known as "community manager". In any case, it is important to mention that this function should be performed by people that are linked to the world of customer service and have the necessary sensitivity (Evans, 2010).

6. Limitations and future studies

The results of this study should be interpreted according to its limitations. Some elements that could have had an impact on the development of this research are the following. First, despite the existence of multiple online social platforms, we only analysed the communications made via Facebook; while Facebook is the most widely used platform in many countries, we cannot guarantee that the communications between companies and their followers are similar in each of the other platforms. Second, the study only addressed public communications, but Facebook pages also allow private communication, which could not be observed here. Third, companies have the ability to delete user posts and these deleted posts, therefore, were outside the scope of the research.

Finally, online social networks and the study of the consumers' behaviour offer a broad overview for the development of any future research work. An area of research with huge potential is the effect of users' digital posts in the behaviour of other users. Moreover, this research can be extended to the similarities and differences between companies in other industries and in other countries, especially with regards to expectations about online services and assistance.

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