SOCIAL MEDIA: A CONCEPTUAL MODEL OF THE WHY’S, WHEN’S AND HOW’S OF CONSUMER USAGE OF SOCIAL MEDIA AND IMPLICATIONS ON BUSINESS STRATEGIES

Sweta Chaturvedi Thota, University of San Francisco

ABSTRACT

This conceptual paper attempts to understand consumer motivations behind using social media. A theoretical framework is used to explain what drives consumer usage of social media and the effect of usage on business performance and related metrics. The paper utilizes Hoffman and Novak’s (1996) 4Cs-Connecting, Creating, Consuming and Controlling-to suggest a dozen propositions regarding why, when and how consumer motivations drive consumers’ social media goals. A business example or a real-life scenario is used to substantiate each proposition. The propositions offer insights and tools for marketing managers as they figure out and evolve in their social media adoption and strategies on effectively connecting with potential and existing customers.

Keywords: Social Media, Brand Conversations, Showrooming, Webrooming.

INTRODUCTION

One of the biggest questions facing marketers these days is to figure out how to best connect with their people and existing customers (Stelzner, 2015). With the exponential proliferation of Facebook, Twitter, YouTube and LinkedIn and with an impressive 93% of businesses using Facebook, with the other tools following behind not too far away, the top questions that drive the marketers today are:

“Which social media tactic works best?” and “How to engage with customers to create that unique customer advantage?” and “Which social media tool will generate the highest return on investment?” (Stelzner, 2015).

While a whopping 92% of marketers in 2015 admit that social media is important to their business, up from 63% in 2014, the answers to the above questions remain unclear. This question becomes extremely important to delve deeper into as only 36% of the marketers possess less than 2 years of social media experience.

While the top two social media benefits realized by marketers are increasing exposure and traffic (2015 Analytics and Business Intelligence Survey), a question that immediately surfaces next is: are there more benefits by investing in social media? What would those benefits be and what are the conceptual underpinnings or theoretical models that underlie what these benefits could be? While executives know what social media is and understand its potent nature to augment word-of-mouth effects, a huge majority of these executives have no idea how to...
harness the real power of social media (Divol et al., 2012). This could be the result of a couple of seemingly apparent reasons for executives, marketers and non-marketers alike: consumers go across an ever-increasing number of platforms to discuss, seek and offer discussions on products and brands. However, it’s impossible at this juncture to gauge and predict which products will gain traction or get blasted in these conversations and when could a positive or negative product or brand conversation go viral. Many of these conversations could slow cook for several months whereas others gain traction at a lightning speed within a matter of a few hours. Also because of a plethora of social media platforms, marketers cannot accurately generate the effectiveness and success of any single platform. Because companies have not yet arrived at a single measure that assesses the financial benefits of engaging in social media where the overall picture of its effectiveness remains unclear, a good number of companies hesitate in spending resources on social media.

As some of these unsolved questions surface and as this broad area evolves and as marketers attempt to figure out the answers to the above questions, where the questions themselves might evolve every year, this paper attempts to delve into a conceptual level insight on the following issues: Why, when and how consumers use social media and how can marketers use this behavioural customer based analytical insight to better target customers? What functions do social media perform for them and what motivates consumers to explore social media; when and how would consumers use social media? Finally, we identify the impact of customer usage of social media on the impact of businesses to explicate marketing implications. This paper explores these enigmatic questions in an attempt to bring closure to this hugely under-researched area from an academic standpoint. It is hoped in this paper that if companies can find some answers to the above questions and identify where and how social media influences consumers, a more effective platform could emerge where companies could design effective marketing strategies which take advantage of social media and its unique ability to generate a one-on-one consumer engagement, targeting and relationship.

A discussion encompassing effective marketing strategies around data driven strategies is incomplete without a conceptual understanding of social media, the consumer motivations behind using social media. This paper adopts a demand side approach to arrive at propositions that attempt to enhance our understanding behind why consumers use social media.

**CONCEPTUAL AND EMPIRICAL OVERVIEW**

‘Why’ ‘When’ and ‘How’ Do Consumers Use Social Media

A deeper understanding of consumers’ use of social media to arrive at theoretically plausible and convincing models has been hailed as the need of the hour by academicians and managers alike. Specifically, a conceptual understanding of what motivates consumers to go to social media, the factors that engage and hook them on to social media and factors that lead to a consistent use of social media by consumers are all questions that need to be answered. The fact that the fundamental interactivity with social media is closely linked to the higher order goals: collaborate, create, collect, connect and consume (Hoffman and Novak, 1996) is an established one. The various levels of consumer engagement are intrinsically linked to consumer activities and online engagement with social media. This paper utilizes the 4Cs capabilities of social media to propose why, when and how consumers engage with social media. It is hoped that the
propositions in this paper will help explain why so many people spend so much time on social media, which is becoming increasingly popular. Next, we briefly discuss the 4Cs proposed by Hoffman and Novak (1996) before we utilize these motivations to arrive at propositions in this paper.

Hoffman and Novak (1996) proposed the 4Cs-Connecting, Creating, Consuming and Controlling-to evaluate how consumer motivations drive consumer’s social media goals. Connecting is a social goal and is linked with related needs with an intrinsic motivation to connect with others. Connecting is related to a positive evaluation of social media group to which the consumer belongs leading to a private collective self-esteem goal. Creating is a goal that contributes to a sense of self that result from identity self-esteem. Creating is linked with the goal of autonomy, competence and has an external locus of control that leads to higher social media involvement. Consume is a non-social goal that is intrinsically motivated and negatively correlated with autonomy and competence. Control goal is linked with social media knowledge and positively linked with autonomy and competence. Below, we incorporate the 4Cs to explain and propose why, when and how consumers use social media.

**Why’s of Social Media**

The motivations that drive the rationale behind ‘why’ consumers use social media are plenty. First, consumers like being “connect” with the real world with news about products and brands, the new products that are launched and whether there are issues and problems with current products. For example, a consumer may want to visit social media to want to know about the latest Android or Apple launches. The premise of this proposition lies in the “Social Capital Theory” that suggests that online consumers engage in social listening by reading the interactions that occur between other online consumers and companies who have invested into virtual customer service (Lee, 2009). Hence it is proposed that:

\[ P1: \text{Consumers use social media channels as a way to stay informed and connected with online news about brands and products.} \]

Second, consumers like to accomplish a level of control when they have an opportunity to demonstrate their social media knowledge by offering guidance and advice to other online consumers (P2). By providing guidance and advice to other consumers their autonomy and competence needs are met. For example, consumers love to act as opinion leaders and respond based on their knowledge and experience when a fellow consumer posts about the attributes to look at when buying a diamond ring. These control goals can be explained through the Online Knowledge Sharing Model (OKSM) proposed by Ma and Yuen (2011). Essentially, the model suggests that the motivations individuals have online to share knowledge are a internal desire to develop and tendency to maintain social relationships. This also aligns with Hoffman and Novak’s (1996) control goal where one of the social core motives of engaging in social media is to demonstrate social media knowledge. These arguments lead to the proposition that:

\[ P2: \text{Customers offer guidance and advice to other consumers through social media for altruistic and community-based reasons, as well as to maintain social relationships.} \]

Third, consumers create goals are met when they use social media to engage in a brand
conversation (P3). This leads to an involvement with the social media, generating positive self-esteem and identity goals. For example, a consumer who has just bought a Tesla car is very likely to visit the Tesla forum at http://www.teslamotorsclub.com/forum.php to participate and continue the conversation about his/her latest purchase. In contrast to previous research on brand communities, consumer engagement and content that businesses can only react passively (Algesheimer et al. 2005; Bagozzi and Dholakia, 2006; Porter and Donthu, 2008), Goh et al., (2013) found that marketers can actually transform their role from a passive and reactive party to a proactive and influential one. Specifically, marketers can better reap economic values from social media brand communities by actively engaging consumers in brand communities. Thus, it is proposed that:

**P3:** Customers use social media to continue and engage in brand conversations.

Fourth, the latest trend that’s driving consumer usage of social media is driven by the create goal where consumers like to participate and generate photographs of the newest and hottest looking products they bought (P4). The need to be there when a photography conversation is on is typified by the need to be involved with creation of newest photographs. For example, the launch of GoPro cameras generated thousands of pictures where consumers shared their pictures with this cool gadget and it was important for them to be creating and generating this conversation. This example can be explained by Festinger (1954), which suggests “people are generally motivated to evaluate their opinions and abilities and that one way to satisfy this need for self-evaluation is to compare themselves to others”. In addition, social media has proven to be an excellent outlet for creating and maintaining engaged relationships with customers through brand fan pages on social networking sites (De-Vries et al., 2012). On one side, companies can take an active role in placing brand posts such as videos, information and other material on brand fan pages. On the other side, customers can take an equally active role by being fans of the brand, indicating that they like the brand post, commenting on it—positively or negatively and sharing it to propagate the brand (De-Vries et al., 2012).

Social media serves as a medium for consumers to validate their social status through posts of personal possessions that are deemed the newest and hottest looking products in the market (Dubois & Duquesne, 1993). Since social media encompasses many formats such as videos, pictures and blogs and photographs facilitate the fulfilment of create goal as photographs are an easy and quick way to demonstrate a consumer’s engagement with newest products, it is proposed that:

**P4:** Consumers use product photography about the newest and hottest looking products to generate and share information.

Fifth, consumers love to satisfy their autonomy and competence needs through a control of engaging in word-of-mouth (WOM) with others. For example, the popular Facebook feeds on “Quick Hairstyles for When You're Running Late” where various consumers can post their inputs on hairstyles make them satisfy their knowledge and competence needs. While in-person WOM product referrals are usually exchanged in a unilateral direction between two individuals in an enclosed manner, online interactions allow the whole Internet community to view the information exchange (Duan et al, 2008). Social media WOM facilitates the much sought-after
control goal of disseminating information to the general public resulting in visibility and instant recognition by broader audiences.

**P5:** Consumers use social media to disseminate word-of-mouth to public and friends.

Sixth, consumers’ motive to consume relevant information to make better decisions is fulfilled by seeking information to learn and compare the current on-going online deals. For example, a consumer who is planning to purchase a pair of women’s running shoes could be visiting sites such as http://www.runningshoesguru.com/to find out about which running shoes to purchase and the best places to buy these shoes. Thus, consumers today having comparative pricing data right on their phones and are actively shopping around even as they browse retail stores. Whether it’s the phenomena of “showrooming” where consumers go into stores to physically see a product only to buy it online at the lowest price, or that of “webrooming” where consumers walk into a store having thoroughly done all their research and know exactly what they want, shopping is changing at a rapid pace.

Specifically, the advantage of social media on the retail industry is that it allows consumers to read product reviews, either from peers or credible sources such as market mavens who specialize in a particular item. This proves to be a time-saver, as an individual skips the cognitively demanding step of analysing online deals that are fraught with information overload (Silverman, 2001). Instead, they can tap into product reviews from consumers who have already done the strenuous and time-consuming analysis (Wiedmann et al, 2001).

**P6:** Customers use social media to engage in “showrooming” and “webrooming”: Consumers compare and seek online deals in a more time and cost-efficient manner in comparison to offline searches.

Seventh, Social Care is an evolving area where companies are increasingly using social media to take care of customer needs and complaints. It is inexpensive and facilitates interaction and quick responses by both the company as well as the customer. Research shows that one in three social media users prefer social care to contacting a company by phone (Redsicker, 2013). Among the existing social networks, consumers use a wide variety of social media platforms such as a Company’s Facebook page, companies’ Twitter handle and companies’ YouTube channel for social care. It is not surprising then that 42% of consumers who complain on social media expect a response within an hour, and about 32% expect a response within thirty minutes and these appear to be becoming the norm. For example, Virgin America promises a quick reply through its Facebook’s Instant Messenger within one hour when a consumer posts a message on their Facebook page at https://www.facebook.com/VirginAmerica/info/?tab=overview. The consume goal of a consumer would motivate the usage of such a page to solve issues, problems and customer services. Companies are thus expected to be available round the clock to help customers.

The new norm of social care and round-the-clock availability is a great opportunity for companies to cut down costs and be efficient. For example, instead of employing a customer service agent to dedicate themselves to handle one customer on the phone, a company could use a service agent to handle multiple customers at one time. Similarly, a company’s Facebook page could offer ‘how-to’ articles on fixing issues as well as build an online customer forum where customers co-create help tools. This could facilitate customer engagement with the company as
well as involvement when a company could potentially launch advocacy programs to reward customers who demonstrate engagement and help to other customers.

It is not surprising then that Canhoto and Clark’s (2013) investigation showed that online customer service benefits include increased customer satisfaction through timely responses from companies, directly engaging with consumers through personalized tweets and providing tangible support where problems were solved. However, Huang’s (2010) research suggests that online consumers primarily see companies involved in social media in a positive light only when they are seeking customer service.

P7: Social care is a customer motivation for using social media: consumers use social media to avail social care benefits of round-the-clock availability and seek customer benefits through resources such as a company’s Facebook page.

Eighth, consumers are motivated by the goals of consume and control when they engage in Social Listening which relates to learning about brands and complimenting them. For example, Facebook users frequently post their liking and compliments about brands they like. For example, it is not only common to see a like post by Facebook users for brands such as Audi or the latest SUV launches by Volvo, or Target Store but also rave about their love for such brands. These examples are in line with Clark et al. (2009) research on the persuasive effects of online customer reviews.

P8: Social listening is a customer motivation for using social media: Customers use social listening, in order to listen and learn about the quality of products and brands.

When’s and How’s of Consumers’ Usage of Social Media

This section offers rationale and propositions that stem from when and how do consumers use social media. On a build up for Proposition 9, consumers have increasingly started to engage in “Social TV” which has become one of the latest phenomenon’s that drives when consumers use social media and how really do they use it. Twitter, Facebook and Snapchat are labelled as three of the largest contributors to this phenomenon that has completely revamped how consumers interact with social media and share their thoughts and experiences (Metcalf et al, 2008). Shin (2013) argues that this is an adaptive mechanism “in an attempt to recapture the social aspects of TV lost since the advent of multiple- screen households”.

Consumers typically spend about 43 minutes each day watching TV and then are driven by the create goal of participating and getting involved with social media when share their experiences and thoughts about news, issues and brands (from TV ads) online. Social TV prolongs the conversation on brands and political conversations ad leads to increased word-of-mouth.

For example, the number of brand mentions about O₂, the commercial brand of UK’s telecommunications service provider, Telefónica exceeded 120,000 on the day of the company’s largest network outage with negative tweets about the brand reaching an estimated 1.7 million people. While O₂ reflects a success story by changing these negative behaviours and perceptions in just a few days by reaching each customer individually and providing extensive updates through social media (Lorenzan, 2013).

In addition, social media is a very important instrument of culture change and a driver of
acculturation strategies and consumption choices. Specifically, Kizgin et al. (2018) suggest that businesses use product endorsers that fit with immigrant consumers’ cultures. Thus, businesses would benefit from using mainstream opinion leaders in their digital marketing efforts when they want immigrants to assimilate to the new culture. However, when it comes to driving immigrants’ separation tendencies, it is better to use experts and opinion leaders from their respective cultures. The above recent research is extremely noteworthy given that social networking has now become more mainstream and influences culture (Pookulangara and Koesler, 2011).

This research makes a significant contribution to consumer acculturation research by showing that social media is a vital means of culture change and a driver of acculturation strategies and consumption choices.

**P9:** Consumers share information and experiences with others through social media while watching television, essentially creating a cyber-living space for individuals to interact in.

Next, the premise behind “Social Ads” is that people are driven by the consume goal and pay close attention to ads posted by a friend (P10). For example, users are likely to pay attention to an ad if someone on their social network brand posts an ad about donating for victims of Nepal Earthquake. Such ads are perceived as more relevant, less annoying and fitting one’s personal tastes and interests. Not surprisingly then, consumers do not mind social ads if they are customized to suit their personal tastes and needs. This is a new platform for creating brand visibility and that one-on-one connection with customers—a tool that was completely out of question with traditional media, which consumers had come to hate (Redsicker, 2013). While the old mantra in advertising was that the entertainment value is the driving force into the positive perceptions of advertisements (MacKenzie and Lutz, 1989), the interactivity value of ads on social networking sites is really what drives a brand’s popularity and success (De-Vries et al., 2012). One of the major ways this happens is when users forward ads to their friends online or comment on ads posted by companies or checks out ads that their friends posted.

**P10:** Consumers engage with Social Ads: consumers tune in and pay close attention to shared and posted ads by friends on their social networking sites.

Eleventh, consumers are always satisfying their consume goal to and utilize social networks to check out the latest buzz on products and brands to follow up with actual in-store products and brand. Taking an inside-out approach for Proposition 11, Chobani, the leading yogurt brand, tapped into the lifestyle of its consumer base by engaging in on-going conversations that were creating a buzz on social media. The brand generated excitement and engagement by incorporating in their conversation their knowledge of their target’s social media habits. The result? Chobani successfully provides specific content to its consumers—which included recipes, snack ideas and tips on staying fit (Marshall, 2012). Consumers reciprocated by their connect goals of relatedness needs and an intrinsic motivation to connect with the brand and others.

It is well known that consumers use brands as a means of self-expression and rely on brands with a desirable brand identity to express their own identity. In this pursuit, consumers lean towards brands that are convergent with their self-expression and identity so as to express a unique image about their personal lifestyle (Cătălin and Andreea, 2014). Superimposing this
research on consumers relations with brands on social media, recent research shows that consumer brand involvement drives consumer brand engagement (CBE) on social media and that consumer “self-brand connection” and “brand usage intent” are the key CBE consequences (Hollebeek et al., 2014).

P11: Consumers engage with social media to check out the product and brand buzz to follow up with actual in-store products and brands.

Literature on social media marketing and barriers/magnets to engaging with social media is important to mention here to discuss brand connections and CBE. It is known that in non-social media settings in general, consumers are reluctant to transfer information that falls under the category of bearing social stigma, embarrassment or shame (Frenzen and Nakamoto, 1993). This contention undergoes a change in the context of social media and internet forums which provide anonymity and facilitate information. Along that vein, there are variables that facilitate or discourage CBE. For example, Chen, Fay and Wang (2011) show that product quality has a positive correlation with the number of positive online reviews. But when internet usage matures and internet becomes accepted by mass consumers, people do not post as many online reviews for premium-brand image products. This suggests that as internet becomes more commonplace, it ceases to become a motivator for posting reviews and does not stay as a means for demonstrating one’s expertise or social status.

Emotional contagion is defined as “exposure to an individual expressing positive or negative emotion can produce a corresponding change in the emotional state of the observer” (Pugh, 2001). This change is seen as a bi-directional transfer of emotions between recipient and initiator (Stock and Hoyer, 2005). Leading to our last proposition on Emotional Contagion, which could potentially build up brand buzz, hype and success or literally kill a brand, how do consumers react to a product or brand when they are emotionally charged? The control goal explains consumer reactions when an emotional connection—whether positive or negative—with a brand is generated.

Starting with tuning into viewing a brand when an emotional cord is struck, record 30 million consumers tuned in to Dove’s Real Beauty Sketches in a week when this social media campaign became viral. This campaign was also single-handedly responsible for adding 15,000 new YouTube subscribers in two months. Or when consumers get emotionally charged in a negative direction, brands could be treading dangerous waters because of social media engagement (Libert and Tynski, 2013). For example, Lane Bryant faced considerable negativity for their #PlusIsEqual campaign in September 2015.

To cover the negativity up, the brand announced to the consumer: “whatever your opinion may be, nows the chance to make your point” in their #AskLaneBryant hashtag. The already upset social media users immediately jumped on the brand on the models it uses for its ads and the fact that they hire thin women in their stores and offload “slimming” information to customers (Bussel, 2015). One of the social media users went up in arms against the brand when she wrote: “Why do you hire thin women to work in your stores and then apparently encourage them to tell me about how "slimming" stuff is?” More anger manifested in pointed responses such as: “Why do fat customers over a certain size have to order online? Almost as if we’re too fat to visit a brick & mortar” or “Why do you refer to your customers as "Real Women" as if slender women are somehow imaginary?” Clearly, consumers pursue their control goal when
they engage in voicing their opinions. Whether it’s simply following a trending brand as in the case of Dove Sketches or an active response from consumers, the reactions of emotionally charged consumers on social media clearly have the potential to shape branding in ways unknown before the advent of social media (P12).

\[ P12: \text{Emotional Contagion drives consumer usage and involvement with social media: emotional contagion explains consumer actions on social media—whether it is following a trending brand or voicing a strong opinion.} \]

![Figure 1](image-url)

**A CONCEPTUAL MODEL OF SOCIAL MEDIA: WHY AND WHEN DO CONSUMERS USE SOCIAL MEDIA TO MAKE PURCHASES AND THE CONSEQUENT BUSINESS OUTCOMES**

**SUMMARY AND MANAGERIAL IMPLICATIONS**

This paper utilizes these goals to propose why would consumers use social media and when and how would they engage with social media (Figure 1). The paper mainly focuses on consumer motivations behind using social media. These motivations do impact business outcomes and firm strategies. However, the focus of the current paper is purely on understanding...
consumer motivations. It is extremely important to arrive at this conceptual framework that helps explain what drives consumer usage of social media and the effect of usage on business performance and related metrics. It is hoped that with an appreciation of the theoretical rationales that drive consumer usage of social media, managers could devise effective marketing tools around the development of their social media campaigns and strategies. Future research may consider testing the model and its propositions empirically so as to develop a better understanding of the model.

The paper highlights the proliferation of social media that has led to customer empowerment in that organizations no longer have that dominance over customers. Brands can only facilitate or mediate a brand conversation, rumour or negative brand publicity, but no longer control any of these important social aspects that are inextricably linked to a brand’s social image. One of the strongest cases highlighting customer empowerment through social media is the unforgettable case of Gap logo change announced by Gap Inc. in October 2010. The debuting of the new logo a week before the company actually planned to change to the new official logo faced immediate customer backlash and millions of angry customers, who created a Twitter account that was set up in protest against the logo.

This highlights the lesson of finding that right opportunity for crowd sourcing through social media, engaging with online community appropriately and using such opportunities to the firm’s advantage. Brand managers and advertisers must realize that while creating a brand image and advertising will continue to be important, the long-term success of a brand lies in online social interactions that create loyal customers. Businesses must utilize social media to not only, connect with the customers to trigger brand conversations and opinions, to assess what consumers say, think and feel about their products, services or ideas. Starbucks is the most engaged social media brand for a few years now. While the brand has its presence literally at every corner in the real world, the brand ensures that it shouldn’t be satisfied with just a dominant retail presence so that it doesn’t meet the fate of the dominant retailed DVD chain Blockbuster that managed to anger its loyal customers through its “late fee” penalties. Starbucks successfully adopts many of the propositions of the conceptual model proposed in this paper and keeps its customers engaged by making its deepest marks with

On Twitter, Facebook, YouTube, Foursquare, Mobile apps and with its own social network, My Starbucks Ideas.

It is hoped that marketers and brand strategists will be able to borrow and adapt from the propositions offered in the proposed conceptual model of social media and implement strategies that makes online and social consumers tick.

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