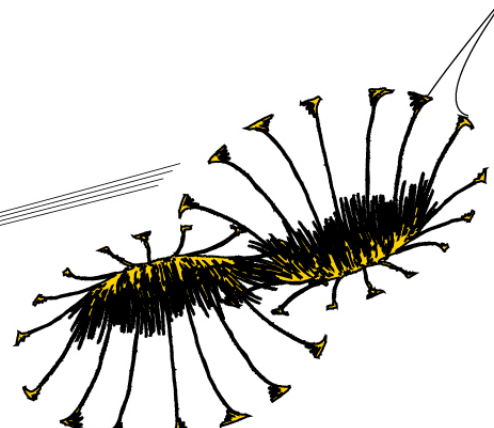





# Master thesis

## Towards a Social Media Strategy Canvas - Investigating The Key Components of Social Media Strategies



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Social media, social media strategy, social media strategy key components, strategy development

**Titel**

Towards a social media strategy canvas – Investigating the key components of social media strategies

**Summary**

Social media offers various business opportunities for organizations. Nevertheless many organizations face difficulties regarding the successful use of social media. Research shows that a strategic approach helps organizations achieve business opportunities and reduce risks regarding social media. However, due to the limited knowledge many organizations have about social media a strategic approach is difficult. Therefore the aim of the present qualitative study was to investigate key components of social media strategies in order to design a social media strategy canvas. To examine these key components, theoretical and practical knowledge was used. Based on a literature search a list with 11 key components was developed. Based on interviews with social media executives of four organizations and two social media experts possible missing components and the practical relevance of the components found in the literature was investigated. In practice nine of the 11 components found in the literature proved to be relevant, namely content, resources, partners, goals, engagement, social media channels, customers, and evaluation. The components resources as well as monitoring were not found to be relevant. Based on the results a social media strategy canvas consisting of the nine key components was designed and evaluated by social media executives of two organizations.

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## Introduction

Within the last few years, social media, such as Facebook, Youtube or Twitter, has become an integral part of our everyday lives (Kaplan and Haenlein, 2010). The number of people that are connected through social media rises every day. While in the year 2011 1.22 billion people worldwide used social network sites at least once per month, the number increased by 13.4 percent to 1.97 billion people in 2014. Forecasts predict that in the year 2017 2.55 billion people will use social network sites, which is one in three people worldwide (Emarketer, 2013).

Through societies' growing use of social media it became also relevant for both, non-profit and commercial organizations (Effing, 2012; Mangold and Faulds, 2009). Social media is defined as *'a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content.'* (Kaplan and Haenlein, 2010, p. 61).

There are several business opportunities social media offers to organizations. The use of social media enables organizations to share information, connect people, create knowledge (Kaplan and Haenlein, 2010; Wu, Sun, & Tan, 2013), build a personal relationship with customers, strengthen customer loyalty towards an organization (Bottles and Sherlock, 2011), create new marketing strategies (Kaplan and Haenlein, 2011), support new product launches (Kaplan and Haenlein, 2012), get a competitive advantage (Deephhouse, 2000), influence customers brand perception, enhance an organizations share value (Paniagua and Sapena, 2014) and in the long run increase an organizations' revenue (Klaus, 2013).

Nevertheless there is a high level of uncertainty among managers about the amount of effort and money that is allocated to the use of social media (DesAutels, 2011; Kaplan and Haenlein, 2010; Weinberg and Pehlivan, 2011). This high level of uncertainty results in poor decisions, which are made without understanding the effects of social media use on business performance (Kaplan and Haenlein, 2010).

In order to achieve business opportunities and reduce risks associated with the use of social media, a strategic social media approach is suggested (Kaplan and Haenlein, 2010; Klaus, 2013; Paniagua and Sapena, 2014). A strategic social media approach *'[...] will exploit the potential benefits and provide the community with the advantages of social media, such as reaching potential new members and on the other hand, it regulates the downsides of use, such as reducing the impact of social media attacks toward the community'* (Effing, 2014, p. 146). It can furthermore help to reduce uncertainty about social media use and provide directions regarding social media practices that support the overall business goals (Kaplan and Haenlein, 2010; Klaus, 2013).

However, due to the limited knowledge many organizations have about social media, a strate-

gic approach is difficult (Kaplan and Haeinlein, 2010; Berthon, Pitt, Plangger, & Shapiro, 2012). Although the topic attracts growing attention in the literature (Kietzman, Hermkens, McCarthy, & Silvestre, 2011; Kaplan, 2012; Effing, 2014; Gallagher and Ransbotham, 2010; Berthon, Pitt, Plangger, & Shapiro, 2012) the knowledge is still limited and there is uncertainty about key concepts. To help address this gap in knowledge, the present study attends to design a canvas that visualizes the key concepts of social media and supports the development of a strategic approach to social media.

A canvas is a conceptual model that presents theoretic knowledge in a way that it can be used by organizations. It visualizes the most relevant concepts of a topic and explains their relationships. Aim of a conceptual model is to help organizations develop visions and strategies, facilitate the monitoring of existing strategies, and encourage organizations to redesign and adapt strategies (Persson and Stirna, 2001). The idea of a conceptual model in the form of a canvas, which can be used as a 'tool' to support organizations design a strategic social media approach, is based on the development of the business model canvas. The business model canvas is a strategic management and entrepreneurial tool, which helps to visualize business models (Osterwalder, 2004).

To develop the social media strategy canvas both, theoretical and practical knowledge were used. A literature study was conducted to find key components of social media strategies. Interviews with social media executors and social media experts were conducted to analyze the relevance of the factors found in literature and attended to possible missing factors of influence. Based on implications from both, the literature research and the interviews, the social media strategy canvas was developed.

### *Scientific and Social Relevance*

The development of a social media strategy canvas is relevant with regard to both, scientific and social aspects. As the strategic use of social media is a relatively new research topic, knowledge about the topic is limited. The knowledge gained in the present study may contribute and deliver new insights to the present knowledge. Furthermore, a social media strategy canvas can fill the gap between theory and praxis. It brings the scientifically researched content of theoretical social media strategy models into a practical form that can be used by organizations. Such a practical tool can help organizations modify or design a social media strategy that helps to exploit the possibilities and reduce the risks of social media use. It may also serve as basis for a software-based management tool that improves the use of social media in moving, uncertain, fast changing conditions even more. Such a software based management tool can guide organizations through the development of a strategy and helps to focus on the important aspects of a social media strategy.

In summary, the development of a social media strategy canvas based on a theoretical social media strategy model fills a research gap in that it serves as an example for a new type of research, helps to increase the knowledge about the strategic use of social media in organizations, supports organizations in modifying or designing a successful social media strategy, and can be the basis for a software-based management tool.

### *Research Questions*

Aim of the research was to investigate the key components of social media strategies in order to approximate the designing of a social media strategy canvas. Therefore two research questions were posed. The two research questions were:

- **What are the key components of social media strategies?**
- **How can their relation be described in a canvas?**

### **Theoretical Framework**

To identify key components of strategic social media use, a literature study was conducted. Different social media strategy models were compared and components were analyzed. The selection of the models was based on their relevance, extensiveness, and newness. The models are namely the honeycomb of social media (Kietzman et al., 2011), the 4 I's of mobile social media (Kaplan, 2012), the social media strategy design framework (Effing, 2014), the 3-M framework (Gallaughier and Ransbotham, 2010) and implications from 5 social media axioms (Berthon, Pitt, Plangger, & Shapiro, 2012). All components mentioned by the authors were written down and compared. Components that were mentioned by at least two authors were regarded as key components. Based on this analysis, 11 key components were found. All items that relate to the strategic use of social media but are regarded as no direct part of it were excluded. The key components and a short description are presented in table 1; a summary of the components proposed by different authors and how they relate to the 11 key components can be found in table 2.

Key Component	Description
Content	Describes the kind of planned and spontaneous content that is uploaded
Policies	Guidelines regarding the policies and rules regarding the use of social media
Resources	Describes material as well as granted work-time needed to use social media
Partners	Portrays the relationship with internal and external social media executors

Investments	Describes the financial costs of social media use
Goals	Outlines the goals of social media and how value is created
Engagement	Describes how customer engagement is enhanced
Social Media Channels	Gives an overview over the social media channels used by an organization
Customers	Describes the characteristics of the target group
Monitoring	Describes the process of monitoring short term effects of social media use
Evaluation	Describes the evaluation of the results of the social media use

**Table 1 Description of the Key Components**

### *Content*

Organizations need to decide what kind, amount, and frequency of information they share with their followers in social media networks (Effing, 2014). The more an organization knows about conversations in social media, the better they can react and even influence conversations. The amount of communication varies from channel to channel as they facilitate communication differently (Gallaughar and Ransbotham, 2010). Thereby it is important that the shared content fits to the social media channel (Kietzman et al., 2011).

### *Policies*

Policies contain general guidelines for the use of social media that all responsible persons need to know (Effing, 2014; Berthon et al., 2012; Kietzman et al., 2011). Guidelines can prevent employees with little IT and communication skills from damaging the reputation of the organization through inappropriate social media use (Berthon et al., 2012). Furthermore organizations need to think about the way they deal with sensible user information and need to take care of privacy settings (Kietzman et al., 2011).

### *Resources*

An organization has to define the resources that are needed in order to execute their desired strategy. However, there is no universal definition of the term, which leads to uncertainty. While Effing (2013) includes social media investments and social media partners, other authors see them apart from resources (Berthon et al., 2012; Kietzman et al., 2011). In the present paper resources contain expertise or training that is needed, quality control of messages (Effing, 2014) and needed technology (Berthon et al., 2012). Social media investments and partners are treated as independent components.

### *Partners*

‘Partners’ include both, internal as well as external social media executives. Internal partners are employees that are responsible for social media (Kietzman et al., 2011; Effing,

2014; Berthon et al., 2012); external partners are professional consultants that support organizations with social media use (Kietzman et al., 2011). It is important that an organization clearly defines responsibilities (Kietzman et al., 2011). All social media executives should have IT and communication skills and be able to develop relationships with customers (Berthon et al., 2012; Kietzman et al., 2011).

### *Investments*

Social media investments include all financial costs with regard to the social media use of an organization (Effing, 2014). That can be investments that enhance the efficiency of a social media strategy, like costs for technology, training, or work time of employees or consultants and investments that focus on the value creation of a social media strategy, like costs for marketing activities or customer binding (Berthon et al., 2012). It is important that expectations regarding investments are clearly defined. In order to gain positive results from investments, they need to fit to the social media strategy (Gallaughier and Ransbotham, 2010).

### *Goals*

Goals build the basis for a social media strategy. They should be defined right at the beginning when a social media strategy is designed (Effing, 2014). An early definition of the goals is important because they influence other components of the social media strategy. The goals of the social media strategy can be financial as well as non-financial. They should fit to and support the overall business goals of the organization in order to reach conformity (Effing, 2014; Kietzmann et al., 2011).

### *Engagement*

Organizations need to design a recognizable social media presence that contains interesting information or objects (e.g. videos, pictures, sounds) in order to enhance customer engagement (Ransbotham and Gallaughier, 2010; Kietzman et al., 2011). Organizations can start discussions, develop games, or present projects customers can get involved in (Kaplan, 2012). Furthermore it is important that organizations see the relation with their social media users as a ‘friendship’ based on trust. Aggressive advertising and other disturbing activities may lead to a lower engagement of users (Kaplan, 2011; Berthon et al., 2012).

### *Social Media Channels*

Social media channels differ in appropriateness and effectiveness for disparate or complementary communication goals (Gallaughier and Ransbotham, 2010). There are differences in the extent to which users can see that other users exist, where they are, and if they

are available. Social media channels differ also in the amount to which they share such information with their users. Furthermore the popularity of social media channels differs between countries (Berthon et al., 2012). Organizations need to understand these connections (Kietzman et al., 2011) in order to reach the highest amount of customers (Effing, 2014).

### *Customers*

Customers include different groups of people that organizations can reach by a social media strategy (Effing, 2014), namely customers, partners, and staff (Gallaughier and Ransbotham, 2010). Also, organizations that use social media need to deal with different groups of customers and their individual manner of communication (Berthon, Pitt, Plangger, Shapiro, 2012). In order to design the social media presence in a way that different types of customers are addressed, it is important to reconsider different group characteristics (Kaplan, 2012; Kietzman et al., 2011; Effing, 2014).

### *Monitor*

An organization needs to listen and learn in order to use social media successful (Berthon et al., 2012). Monitoring short-term effects of social media use helps an organization to analyze the effectiveness of content and adjust it directly (Effing, 2014). A firm that monitors communication and interaction can decide when to mediate the customer dialog. Therefore contextual analysis skills as well as judgement are needed. Another opportunity firms have is to monitor the social media activities of competitors to gather knowledge (Gallaughier and Ransbotham, 2010).

### *Evaluation*

Organizations have two possibilities to measure the success of social media use, namely key performance indicators and financial returns (Effing, 2014). Key performance indicators include likes on Facebook, retweets or followers (Kietzman et al., 2011; Effing, 2014), whereas financial returns focus on pure monetary gains. Evaluating the results of social media use helps to estimate to what extent social media goals are reached and to adjust the social media strategy in case of weaknesses (Effing, 2014).