

Social Media Marketing as Customer Retention Strategy

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The emergence of Social Media has created a great place of interaction and collaboration among people. Nowadays, the world is interconnected through more than 200.000 social network sites. Consequently, there are many new marketing opportunities for companies as it is possible to interact with customers. Nevertheless, many companies still do not see the benefit of Social Media and see it rather as a threat than as an opportunity. Consequently, many companies are unaware of the impact of Social Media or miss the importance of it and have therefore not developed any plans and goals.

The purpose of this study is to develop a model that explains companies how to use Facebook as a tool to gain Customer Retention. More precisely, the author reviews the customer point of view and attempts to transform their wishes and needs into guidelines for companies. As a result, companies can easily identify what their customers want and help achieve a higher Customer Retention. In order to find out what customers are thinking a questionnaire was conducted. Here, specific questions and opinions are retrieved and transformed. Furthermore, existing models and guidelines have been reviewed and analysed to find their key strengths. Both the questionnaire and the key strengths of different models have been merged in order to find an optimal solution.

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Keywords

Social Media; Social Media Marketing; Social Media Strategy; Consumer Empowerment; Customer Retention

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1. INTRODUCTION

Since the emergence of Web 2.0, communication and interaction between individuals has become easier than ever before as nowadays, consumers are connected through “hundreds of different Social Media platforms” (Hanna, Rohm & Crittenden, 2003). Consequently, there is a lot of information exchange about companies and “communication about brands happens, with or without permission of the firms in question” (Kietzman, Hermkens, McCarthy & Silvestre, 2011) since it is not possible to restrict the scope of Web 2.0 and its content. Especially for that reason, Social Media became a marketing tool of growing importance for companies to promote their business and products, to be in contact with its customers, and to monitor customer opinions and reviews. Hence, many companies have their own Social Media appearance on Twitter, Facebook and other Social Media platforms. With those pages companies actively take part in the Social Media environment, create and gather content, and engage and interact with customers (Howard, 2014). Most of the time, Social Media is used by firms as a tool to achieve brand engagement, brand awareness and word-of-mouth (Hoffman & Fodor, 2010). To reach this, the main objectives are monitoring different platforms, engaging and interacting, and creating and gathering content (Howard, 2014).

Constantinides & Fountain (2008) claim that “the mainstream online consumer has noticed that Web 2.0 applications offer new and previously unknown possibilities and empowerment not only in the form of information sourcing but also as forums of dialogue and confrontation of producers and vendors with their social, ethical and commercial responsibilities”. This information leads to the understanding that communication has become much more complex as companies have to take responsibility and have to transform negative input into positive if they want to remain their Customer Retention and positive image. Further, companies have to actively take part in Social Media and provide input, i.e. creating own postings and responding to peoples’ postings. To gain this, firms have to monitor Social Media activities, participate actively in it, and show their customers that they are able to learn and understand the customers’ concerns. Additionally, Cooke and Buckley (2008) explain that the consumer market is an adaptive system and that researcher need to analyse the interaction between consumers and producers for a better understanding of what the consumers’ value for the companies is. One of the factors to analyse is Customer Retention which is linked to the creation of brand awareness that is according to the Oxford Dictionary when customers become familiar with a product or brand.

However, companies have to consider that they are not performing mass marketing where all consumers are seen as a bulk of people but are marketing to individuals that are all interconnected and may influence each other. Thus, people who would never meet in the real world can affect each other’s decisions (Darban & Li, 2012). Furthermore, due to the magnitude and outreach of Web 2.0, there are several possible actions and reactions to an input, similar to a “pebble in a pond - the ripple effect reaches far and wide” (DiMauro & Bulmer, 2013, p.5). Consequently, the nature and extent of marketing exchanges are more or less dictated by consumers (Hanna et al., 2011) and therefore, the new aim is to build a relationship and thus, the new challenge is to see consumers as individuals rather than segments (Pires, Stanton & Rita, 2006).

Problem Statement

Even though most companies already take part in the Social Media environment many of them still do not know how to use Social Media correctly so that the highest Customer Retention

can be gained. “With Social Media you must have a plan, goals, initiatives, and a mission” (Howard, 2014) but many companies, i.e. executives, are unaware of the impact of Social Media or miss the importance of it and have therefore not developed any plans and goals. This ignorance occurs as many older employees did not grow up with the usage of the internet and see it therefore as a threat rather than an opportunity and are “unable to develop strategies and allocate resources to engage effectively with Social Media” (Kietzman et al., 2011). Another fact is that firms frequently disregard or mishandle the opportunities and threats offered by creative customers (Berthon et al., 2007) and as a consequence, overlook important factors.

For that reason, the following business problem arises:

Companies lack the knowledge of how to successfully use Social Media Marketing to increase Customer Retention.

The customers’ input is not effectively analysed and used and as a result, important insights are lost. Furthermore, many employees still do not see the need for Social Media activity and do not know why it would be an advantage in terms of communication, Customer Retention and brand awareness. Consequently, companies miss important opportunities and are therefore not able to compete in the fast growing environment and lose competitiveness. Hence, a critical literature review combined with a questionnaire will be conducted. The questionnaire shows the customers’ point of view and is finally transformed with the help of the literature into a model that shows how to use Social Media effectively.

Research Question

Thus, the following research problem will be examined throughout this paper:

How should a company use Social Media to enhance Customer Retention?

To help answering the above mentioned problem, the following sub questions will be studied:

1. Why should Social Media be used to improve Customer Retention?
2. What does a company need to consider before implementing Social Media?
3. What does a company need to consider while using Social Media?

This paper concentrates on the Social Media platform Facebook as the “user engagement level on Facebook is much higher than the engagement level on Twitter” (He, Zha & Li, 2013) and the conducted questionnaire revealed that 98.1% of the respondents use Facebook but only 21.8% use Twitter. Accordingly, companies should focus on Facebook as more users are active there.

In the first section of the paper a brief introduction to the topic was presented, the research problem was elaborated and settled with a research question and lastly, three sub questions were introduced. In the following section, the methodology will be explained whereby this part is subdivided into a literature review and a questionnaire. The literature review aims to give a general understanding of the situation while the questionnaire tries to identify the customers’ point of view. After the methodology, the gathered data will be analysed and thus, all sub questions answered. Further, with the help of the sub questions and the questionnaire a model will be developed that helps companies to implement and use Social Media in an effective way. Afterwards, a discussion and conclusion will be given in order to point out the most important findings. Finally, the paper will conclude with limitations and further research.

2. LITERATUR REVIEW

To start with a basic initial situation, the key words are described by the current state of art literature, found through Google Scholar and the snowball method. Mainly, the literature has been found using the key words *Consumer Empowerment, Customer Retention, Social Media and Social Media Marketing*. To restrict the information mass only articles from 2004 onwards have been taken into account while searching via Google Scholar. Nevertheless, through the snowball system literature from 1990 onwards has been taken into account. Consequently, the last 25 years of research are covered and transformed into a critical literature review. In total, 24 academic papers, 8 books and 4 articles have been reviewed.

2.1 Social Media

The emergence of Social Media has changed the whole world. Suddenly, it is possible to interchange with people from all around the world in only seconds. Everyone is talking about Social Media and therefore, there are many different definitions in circulation. However, all describe the same phenomenon in different words. Kaplan and Haenlein (2010) define Social Media 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”. Therefore, Social Media is a “new generation of tools and services” (Cooke & Buckley, 2008) whereby it is possible to “collaborate and share information online” (Cooke & Buckley, 2008). In the beginning of the internet, only dedicated enthusiasts, semi-professional web builders and corporations with serious budgets (Cooke & Buckley, 2008) were able to publish and exchange information via the web, so Social Media is a huge development of the internet.

As the term Social Media is really broad, many different tools and applications come under the heading of Social Media and consequently, there are “hundreds of different Social Media platforms (Hanna et al., 2003) leading to the fact that it is “not easy to discern among the different types of Social Media platforms” (Hanna et al., 2003). Thus, the literature tends to describe the different types of Social Media rather than the phenomenon itself. Nevertheless, all definitions have in common that Social Media is based on a “combination of people, processes and technology” (Mousavi & Demirkan, 2013). Moreover, it is mostly understood that Social Media websites are about experiences and not about the website itself (Wyshynski, 2009). By virtue of the many different kinds of Social Media platforms, a lot of content is gathered and one can simply say that Social Media is about creating, influencing, and sharing (Hanna et al., 2003) content.

2.2 Social Media Marketing

With the expansion of Social Media among customers more and more companies participate actively and try to use the new space to market their brands and products. Consequently, the term Social Media Marketing has arisen in the meantime as “traditional push marketing methods are incompatible with social networking” (2007). They are incompatible because firms want to act as moderators instead of observers (Godes, Mayzlin, Chen, Das, Dellarocas & Pfeiffer, 2005) and therefore, new methods and approaches need to be developed and applied. With the emergence of Social Media a new way of communication has arisen and therefore companies need to adopt their communication strategies adequately. This includes that companies have to change from broadcasting to two-sided communication, i.e. marketers should encourage their customers to actively participate in discussions or blogposts and thus, create a dialogue. Next to this, several articles (Hanna et al., 2011; Constantinides, Lorenzo Romero & Gómez Boria,

2008; Kreutzer & Hinz, 2010) agree to the fact that “marketing can no longer solely be about capturing attention via reach, instead, marketers must focus on both capturing and continuing attention via engagement” (Hanna et al., 2011), even though Social Media Marketing is still a “trial-and-error process” (Constantinides et al., 2008).

In general, one can say that Social Media Marketing uses the Social Media platforms to get in touch with their customers or potential future employees. Key characteristics and therefore, the most important factors to establish Social Media Marketing successfully are the dialog with the users, authenticity, forthrightness, transparency and the ability to accept criticism and to act appropriate (Raddatz, 2010). Furthermore, the overarching goal is to establish a long-term relationship with the customer, the generation of loyalty and trust, as well as the improvement of brand image and name recognition (Kreutzer & Hinz, 2010, p.10). Consequently, Social Media Marketing is not about posting random stuff but about having an elaborated campaign with different steps to undertake (Howard, 2014) developed through Social Media Strategy. These steps should include different text and picture postings as well as stimulating discussions instead of randomly posting facts or issues. With this planned acting it is possible “to actively influence consumer-generated brand stories and their impact on brand performance” (Gensler, Völckner, Liu-Thompkins & Wiertz, 2013). Furthermore, “the behaviour of the firm must shift from a reactive to a sense-and-respond approach” (Day, 2011) as “decisions are driven by current customer requests and behaviour signals about their changing needs” (Day, 2011). This indicates that Social Media Marketing is more sensitive and open for reactions from the external environment and is therefore more capable of being influenced as well as open for new approaches and ideas. Moreover, Social Media Marketing is highly dependent on a well-conceived Social Media Strategy.

2.3 Social Media Strategy

It is commonly known that companies need strategies to achieve their objectives and to stay competitive as corporate strategy is one of many force multipliers of a corporation (Gaines-Ross, 2010). Further, those strategies include different steps and actions in the short- and long-term and are meticulous planned. The same applies to the Social Media usage of firms as Social Media Marketing is more than posting random posts (Howard, 2014).

All Marketing Strategies, traditional as well as the new ones, struggle with the phenomenon of rapid cognition. Gladwell (2005) stated that the mind only takes about two seconds for jumping to conclusions. It is therefore important that the first impression leaves a mark that is worth a second look. Hence, powerful and effective strategies are needed. To gain this, Social Media Strategies need to focus on the consumer decision-making process of Kardes, Conley and Cline (2011) where the different stages of deriving to a decision are explained. Here, Social Media content should focus on the first three steps, namely the need recognition, information search, and evaluation of alternatives as in these steps the consumer can be influenced, informed and adhered to the brand. Nevertheless, there are some crucial differences between traditional and new strategies – nowadays, the content and actions are defined by the connectivity of the company’s customers and interactivity. Further, Social Media Strategies are bottom-up as consumers expect to be actively involved in the media process which requires more intimacy and engagement (Hanna et al., 2011). Even though a lot of effort has to be put into Social Media Strategies, they do “not require astronomical budgeting” (Hanna et al., 2011) as most web pages are for free and only the

opportunity costs have to be paid, unlike in traditional marketing where the platform has to be paid as well.

Generally, a firm can distinguish between active-passive and reactive-proactive (Mousavi & Demirkan, 2013) strategies, or also known as consumer-centric or company-centric strategies (Pires et al., 2006). In consumer-centric strategies, the focus lies on listening to the consumer and responding accordingly to the demands while the company-centric strategy tries to influence consumers in a way that the company wants (Gensler et al., 2013). This happens through the creation of branded artefacts, remarkable icons and social rituals, so that the consumer will support the firm and takes part in the marketing process (Gensler et al., 2013). However, both types have to undertake the same steps in the beginning, i.e. constant monitoring of own and competitors' Social Media presence, establish a benchmarking, mine the Social Media conversations and finally analyse those conversations (He et al., 2013). Moreover, both types of strategy need to keep the "conscious rational model of advertising" by Penn (2006) in mind which states that "the most important brand responses are emotional as most of our decisions are unconscious" (Penn, 2006). Further, companies should abandon analysing every ad response as the collected "brand response is more important than the ad response" (Penn, 2006) itself. Thus, even when there are some negative ad responses, ultimately the brand response of the whole campaign is crucial.

2.4 Consumer Empowerment

Consumer Empowerment is a newly implemented term that emerged with the establishment of Social Media as power shifts from the company to the consumer (Pires et al., 2006). This process happens due to the interactivity of the digital environment and the fact that customers nowadays are able to connect, share, collaborate and create spheres of influence (Singh, 2005; Walmsley, 2010; Hanna et al., 2011).

According to Krishnamurthy & Kucuk (2009), "consumer empowerment is a necessary condition to achieve consumer activism goals in markets." Consequently, the internet enables consumer empowerment on technological, economic, social, and legal dimensions (Kucuk & Krishnamurthy, 2007). Nevertheless, companies get according to Pires et al. (2006) more empowerment in their decision-making as there are more options and opportunities and therefore flexibility within each action. However, this empowerment leads to an uncontrolled consumer power as it gets impossible for individual businesses to restrict search processes and therefore, to minimize the possible choices to consumers through their use of Social Media (Pires et al., 2006). The rising consumer empowerment can be clearly seen in the fact that stories written by consumers and published in Social Media have a greater impact on other consumers than stories spread by companies through traditional channels. This phenomenon arises because the usage of Social Media is dynamic, ubiquitous, visible and available in real-time, i.e. the story is current (Henning-Thurau, Malthouse, Friege, Gensler, Lobschat & Rangaswamy (2013).

2.5 Customer Retention

When it comes to the question of how to measure whether a customer will stay with the company one can distinguish between three concepts – Customer Retention, customer loyalty and customer satisfaction (Homburg & Bruhn, 1998, p.8-10). All three concepts are interrelated as "customer satisfaction is a direct determining factor in customer loyalty which, in turn, is a central determinant of Customer Retention" (Gerpott, Rams & Schindler, 2001). Consequently, it is "a mediator in the satisfaction-profitability link" (Nitzan & Libai, 2011). Both customer loyalty and customer satisfaction have been discussed

deeply in literature while the phenomenon Customer Retention has been rarely discussed before the millennium (Henning-Thurau et al., 2010). Therefore, this concept will be explained more intensely.

Customer Retention encompasses a certain degree of fuzziness as it is more a theoretical construct than a direct observation (Gerpott et al., 2001). Nevertheless, it is commonly agreed that the marketer has to take the active role (Henning-Thurau et al., 2010). Whether a customer stays with a firm depends on the "service quality, in terms of both functional and technical, and customer relationship" (Ahmad & Buttle, 2002). The aim of this concept is to improve the customer service quality and satisfaction (Zeithaml & Bitner 1996, p.176), and to maintain the established relationship between a company and its customer (Gerpott et al., 2001) through subsequent purchases, i.e. prolonging the customer's contract or contact to the company. Another possibility to gain Customer Retention is when the customer himself decides to continue purchasing products from the business in the future (Gerpott et al., 2001) and thus, becomes loyal and stays with the company. However, there is one big issue that needs to be considered when planning to gain Customer Retention. At an average of 15 percent the loyalty to a brand is gained through social interaction between the consumers without any effort by the company itself (Kreutzer & Hinz, 2010, p.11). This leads to the important understanding that the easiest way to tie customers to a business is to connect them with each other (Mühlenbeck & Skibicki, 2008, p.93; Kreutzer & Hinz, 2010, p.11) so that first bonds can originate.

2.6 Social Media Frameworks

When taking a deeper look to the literature, there are many authors who have already developed frameworks or strategies on how to implement and use Social Media in the most profitable and sustainable way. Nevertheless, each model is missing some components and most of the frameworks can be combined with each other. Moreover, companies who use Social Media consciously mix those frameworks and strategies and use only specific parts of them and therefore "do not make use of any precise Social Media strategies" (Schrader, 2014). The most common Social Media models are the SMS7 Framework by Effing (2013), the 10-step model by Othman, Bidin and Hussain (2013), the 4-step approach by Hays, Page and Buhalis (2013), the Honeycomb framework by Kietzman et al. (2011) and the Web-Markting Mix by Constantinides (2002).

The SMS7 Framework by Effing (2013) consists of 7 steps to build a Social Media Strategy. First of all, the goals have to be set and it has to be clear who the target audience is. After defining the target audience it needs to be decided which Social Media channel is used and which resources are needed. The fifth step is to develop policies for the correct usage of Social Media. Finally, all activities have to be monitored and an activity plan has to be developed.



Figure 1: SMS7 Framework, Effing (2013)

Ohtman, Bidin and Hussain (2013) developed a step-by-step model for using Social Media. Their 10-step-model starts with searching for the purpose why Social Media should be implemented, i.e. for what the Social Media presence will be used. The second step is already to listen to the online conversations of the company's customers and to analyse the resulting trends and opportunities. Further, companies should set goals that are measurable and find the key influencers. The sixth step says that now a content strategy needs to be developed with consideration of the beforehand mentioned steps. After defining the strategy, tactical planning is required so that the creation of content can happen. Finally, the company has to engage and facilitate in their Social Media environment and measure the outcomes.



Figure 2: 10-Step-Model, Ohtman et al. (2013)

The model of Hays et al. (2013) is more compromised than the other models as it only contains four steps. The author shortens the whole process and defines as a first step that the user has to be attracted. Secondly, the company has to find a way that the user is interested and wants to participate in the conversation. When this is achieved, the task of the business is to build up brand loyalty, so that Customer Retention can be gained. The final step is to give useful and customized information to the users so that they stay with the company and become loyal.

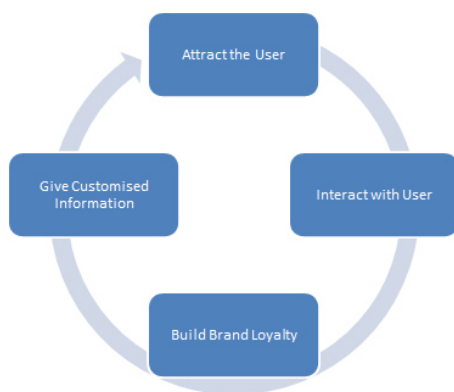


Figure 3: 4-Step Model, Hays et al., (2013)

The Honeycomb Framework by Kietzman et al. (2011) defines seven functional building blocks on how to use Social Media. The identity block describes the “extent to which users reveal their identities in a Social Media setting” (Kietzman et al., 2011). This might contain information about data privacy and tools for self-promotion. The second block, presence, shows whether users are available and creates the reality, intimacy and immediacy of the context. Thirdly, sharing defines the “extent to which users exchange, distribute and receive content” (Kietzman et al., 2011). The fourth building block is called relationship. This contains how the users are related to each other and how the structural properties can be managed in a network. Fifth, conversations describe the way users communicate. Further, opinions and discussions are created.

The sixth building block is called groups and shows how users form communities. Important factors are membership rules and protocols. The last building block is called reputation and is defined as “the extent to which users know the Social Media standing of others” (Kietzman et al., 2011).

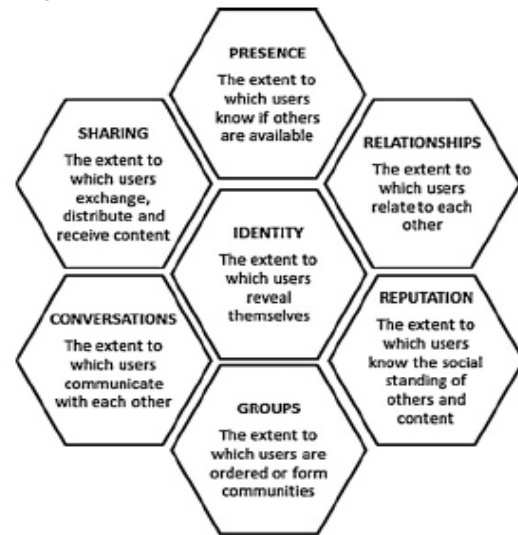


Figure 4: Honeycomb Framework (Kietzman et al., 2011)

The last model, the Web-Marketing Mix Constantinides (2002) “identifies the online marketing critical elements” (Constantinides, 2002). Here, the author distinguished between four groups, i.e. the strategic level, the operational level, the organizational level and the main technological and administrative issues. “Each group is labelled by a word beginning with the letter S namely the Scope, Site, Synergy and System” (Constantinides, 2002).

The first S, Scope, has a strategic character as it describes the strategy and system of an online venture. It includes the market analysis, potential customers, internal analysis and the strategic role of web activities. The second S, Site, describes the web experience of customers. Therefore, customer oriented content needs to be available and all possible questions of a customer need to be answered. The third S, Synergy, aims to integrate the different offices and third parties. The last S, System, is responsible for technology, technical requirements and web site administration.



Figure 5: 4S Marketing-Web Mix (Constantinides, 2002)

3. METHODOLOGY

3.1 Data Collection

To get insight how customers think about companies that are active on Social Media, a questionnaire is conducted. It is believed that the questionnaire will help understand the

customers' point of view on Social Media and Customer Retention Media and therefore help companies to find out how to use Social Media in order to improve Customer Retention.

The questionnaire was created via the online tool "qualtrics.com" and has closed as well as open questions. Answering the survey takes approximately 10 to 15 minutes. This qualitative questionnaire contains 51 questions and has been spread out via Facebook. As the survey was conducted in a group of four students it contains 5 sections – a general section and for each student a section with her specific questions. Therefore, only 15 of 51 questions are relevant for this research and the others will be ignored. Within the 15 questions, there are 3 general question about age, gender and nationality, 3 general questions about Social Media usage and 9 company related questions.

Within a timespan of one week 422 people started the questionnaire but only 211 answers have been recorded. Therefore, the dropout rate lies at 50%. In total, 211 persons answered the questionnaire whereby the main group of respondents are students (77.25%). Next to this, more women (56.4%) than men (43.6%) have answered the questionnaire. Moreover, 62.01% of the respondents are German and therefore, the later introduced model is mainly for German companies, due to possible differences culture and behaviour.

3.2 Outcomes of the Questionnaire

The first, very important finding is that almost every respondent is active on Facebook (98.1%) while only 70.14% are active on YouTube. Next to this, some respondents are active on Instagram (46.45%) and Xing/LinkedIn (45.02%). Surprisingly, only 21.8% of the asked persons are active on Twitter and 13.27% actively read blogs. This finding supports that the focus of this paper should only lay on Social Media Marketing via Facebook, as the other channels are rarely used. Next to this, it became obvious that online customer reviews and peer group influence are the most important factors when choosing a product or a brand while the marketing efforts of a brand itself are of secondary importance. This finding is supported by the answers to the question which content is more reliable as 59.72% think that both company and user generated content is equally important and needs to be matched, while only 25.59% believe that user-generated content is trust worthier than company-generated content.

The specific section of the questionnaire aims to find out what the customer wants from a company on Facebook, e.g. the amount and content of postings or what they think is missing in postings of companies or brands. For that reason, 9 questions have been elaborated.

First of all, it is important to understand, why a user "likes" a company or brand page on Facebook. Most of the respondents state that they simply like the company or brand itself (54.98%) or want to retrieve information about the company or brand (46.92%). Next to these two main reasons, people "like" a company or brand page to get special offers, job offerings, motivational tips (especially from sport brands) and behind the scene information. According to the questionnaire, people favour postings in the form of pictures (82.46%) as they are catchy and mostly self-explaining. Video and text postings are less liked (42.65% and 38.86%) as both are more complex. To watch videos, one needs to turn on the sound which proves to be difficult in the public as it distracts other people. The disadvantage of text postings is that they are mostly too long and therefore often skipped. Furthermore, it was generally agreed that companies should generate at least once a week (33.18%) up to 3 times a week (32.23%) a posting. Those

postings often contain much different information, so that one question was which information is most important to the user. 66.36% want to see information about the company or the brand itself as well as about their products and 62.56% like especially special offers, lottery or coupon codes so that they benefit from their "like". Next to the favoured posting content, plenty of people are still missing some content. Here, the questionnaire found out that 54.03% often miss the service factor, i.e. a direct online support, e.g. via a Facebook chat and customer intimacy (36.02%) as Social Media aims to build relationships. Furthermore, some respondents mentioned that they would ask the company or brand to include price information, the availability of products and product specifications.

Even though a company or brand page has many likes it increases its reach with the help of its consumers that like, share or comment postings. Therefore, one question asked which of those methods is preferred or applied by consumers. Surprisingly, 45.5% of the respondents state that they never share, comment or like any company or brand related posting and only 49.29% like postings of companies or brands. A small amount shares (5.21%) or comments (7.58%) postings of companies. Nevertheless, the majority thinks that being active on Facebook helps companies to promote their products. The majority (64.93%) agrees that people become aware of companies they did not know before and 59.24% think that Facebook is a good and easy way to stay informed about a firm without too much effort. Next to this, some respondents mentioned that being active on Facebook helps companies to market their products as Social Media is more personal and therefore more intimate, resulting in better relationships with the customer. Furthermore, it was mentioned that Facebook is a widespread platform which reaches a lot of people and increases therefore easier the recognition value of a company or brand. Nevertheless, 74.41% admitted that the purchasing decision was not influenced by the Facebook activity of the company or brand but on the other hand, they became aware of special offers or companies itself due to their Facebook activity. Consequently, Social Media Marketing can only be seen as a supporting factor rather than a key driver in the buying process but as a key driver in Customer Retention.

When taking a closer look to the genders, it becomes obvious that there are some remarkable differences in opinions. 119 women and 92 men answered the questionnaire and in three questions there are differences in the answers that might be interesting to discuss. First of all, women and men prefer different Social Media channels. Both genders are active on Facebook (95.65% of male respondents and 100% of female respondents) and YouTube (72.83% of male respondents and 68.07% of female respondents) but then the percentages change. While 56.30% of the female respondents are active on Instagram only 33.70% of the opposite gender uses this website. The same applies to the Social Media application Pinterest. Here, 27.73% of the female respondents' use this application while only 9.78% of the opposite gender uses this page. Another difference between men and women is what they wish to post companies on Facebook. Women prefer special offers, lotteries and coupon codes (69.75%) while men want to be informed about the company, the brand or product itself (63.04%). Here, companies can specifically generate their Facebook content in order to satisfy the needs of their target groups. Another important difference is that women prefer companies to post something once a week on Social Media (36.13%) while men think two to three times a week is more appropriate (32.52%). Generally, both women and men agree that a company should post information at least once a week but not often than three times a week (men 60.87% and women

68.91%). Only 3.36% of the female respondents and 6.52% of the male respondents say that a company should post information daily.

Next to this, there are differences between women and men about the reason they “like” a company or brand page. The majority “likes” a page because they simply like the company or brand, but there are special reasons as well, differing per gender. Men “like” a company page because of good commercials and job offerings while women prefer motivational tips (especially of sport brands), behind the scenes information and videos of how to use the product, created by other users and posted by the company. Here it becomes clear that men have a different focus than women. While women are more concentrated on lifestyle, men focus on career and future information. The same works as well for the questions, what a company should add in their Social Media presence. Both men and women want companies to integrate a direct online support, e.g. via the chat function but next to this, men and women have other ideas what companies should include in their postings. Male respondents would like to have honest and self-critical product and company information included while women focus on sustainability and benchmarking. Moreover, some male respondents mentioned that most postings are too long and suggested to only give short information with a link for more information.

The above mentioned differences between female and male respondents show that companies need to consider whether their target group is male or female as both genders have different attitudes against what a company should post.

4. ANALYSIS

This part of the paper aims to understand the relation between Customer Retention and Social Media. In the first section, the question why Social Media should be used to gain Customer Retention will be examined, followed by the question what to consider before implementing Social Media. Afterwards, it will be discussed what a firm has to consider while using Social Media. To answer these questions, the above mentioned questionnaire was conducted. Here one has to identify that the topic addresses companies while the survey addresses consumers and thus, answering company questions with consumer data. This happened due to the fact that the customers’ point of view as well as behaviour will be explained to companies, so that they are able to understand their customers better. Hence, companies can use the new understanding to change their Social Media Strategies accordingly as no one knows better how to interact with customers as the customer itself.

4.1 Why should Social Media be used to gain Customer Retention?

With the help of the questionnaire it became obvious that Social Media is more a supporting rather than a marketing tool itself. Only 25.59% of the respondents admitted that they bought a product because of the company’s Facebook activity and only 10.43% answered that they did not know the business before and bought the product due to their Social Media presence. Therefore, Facebook can only be seen as a tool to create awareness itself and to inform customers instead of promoting products or services to potential customers. Nevertheless, as a promoting tool Social Media has the perfect conditions as “it has never been easier to turn people into ambassadors that spread the world about brands, products and services” (Bode, 2014 cited after Oracle, 2012). Another argument for Social Media as a retention tool is that it enables “spontaneous and easy two-way or multiple way interaction” (Gupta & Brooks,

2013, p.16). Furthermore, Facebook is a wide spread platform and reaches many people in seconds of time while it, thanks to the network effect, enables companies to reach people they would not have reached with traditional commercials. Next to these facts, Social Media should be used to gain Customer Retention as it was originally created for exchanging content. Nowadays, people exchange as much content as never before and connect among them and create a huge network of relationships. These relationships are used for information exchange and with the help of information exchange companies have the chance to become popular as “customer who are active on Social Media platforms can now easily spread the word about a company to thousands of users and possibly influence their opinion” (Bode, 2014 cited after Mangold & Faulds, 2009). Further, due to this network and its relationships it is guaranteed that firms are able to generate customer intimacy to a large extent. Here, customers get real-time support of the company, are informed about everything possible while the firm is able to fix problems faster than ever before. Further, companies are more flexible and “generate feedback” (Schrader, 2014) through their Social Media actions.

4.2 What does a company need to consider before implementing Social Media?

When implementing Social Media, companies have to pay attention to many factors that are not included in their strategy. The most important issue companies have to understand is that Social Media is not a marketing tool but a tool for Customer Retention and is thus only a supporting tool. When companies are aware of this fact they need to adapt their whole strategy accordingly. Moreover, it is significant to realise that Social Media Marketing is still a “trial-and-error process” (Constantinides et al., 2008). Next to these two very essential understandings, there are many things a company has to think of. First of all, it should be questioned why Social Media should be implemented. It is obvious that Social Media has advantages otherwise no company would investigate in it. Nowadays, customers “regularly read Social Media sites as part of their information gathering routine” (DiMauro & Bulmer, 2013, p.3). When doing so customers are reading consumer-generated as well as company-generated content and search for valuable information. Here, the questionnaire says that 59.72% of the respondents think that both customer and company-generated content is equally important and thus, search for both. When they cannot find the searched company on Social Media this might have negative consequences as consumers have to rely on customer generated content and cannot merge it with company information. Consequently, “companies, which participate with online social networks, have a greater opportunity to impact on consumers’ purchase decision” (Darban & Li, 2012). Further, having a Social Media presence gives opportunity to reach far more people than with traditional marketing methods as Social Media consists of huge networks and users influence each other. Companies should take advantage of the network effect as according to the questionnaire online customer reviews and the influence of peer groups are more important than the marketing of a brand when choosing a product. Consequently, a good Social Media presence is necessary to get into contact with users, so that they have the opportunity to engage with the corporation and give positive reviews and recommendations. Generally, one can say that being active on Social Media platforms gives “enormous benefits” (Bode, 2014).

Another point companies have to consider is why a user “likes” a company or brand page on Facebook. Here, the questionnaire found out that people have different motivations why they “like” such a page. The majority (54.98%) simply likes the

brand page because they like the firm or brand. 46.92% of the respondents answered that they want to retrieve simple information about the company, e.g. product releases. Other answers were that people only “like” a brand page to get special offers like coupon codes, job offerings, motivational tips (especially from sport brands) or behind-the-scene-information. Consequently, a company should think about these factors before implementing Social Media as the possible content of future postings defines the success of Social Media Marketing.

4.3 What does a Company need to consider while using Social Media?

Using Social Media as a marketing tool can be compared to walking a tightrope. There are a lot of things companies have to consider and keep in mind to not miss any opportunity or to offend their customers. Nevertheless, there are also some issues that need to be considered that are easier to handle. First of all, a firm has to take a look at its target group. There are differences in the genders when it comes to the reason why they “like” a page. Men “like” a company page because of good commercials, job offerings and information itself while women prefer special offers, motivational tips (especially of sport brands), behind the scenes information and videos of how to use the product, created by other users and posted by the company. Here, companies have to clearly focus on their target group in order to satisfy their preferences. Next to the gender differences, firms generally have to research what their customers want to read on their Social Media page. According to the questionnaire, 66.36% want to see information about the company or the brand itself as well as about their products. Further, 62.56% like mainly special offers, lottery or coupon codes so that they benefit from their “like”. Next to the content, companies have to consider the type of posting. Generally, people prefer pictures (82.46%) or short texts (38.86%) with an included link to more information as this kind of posting is easier to read and can be conceived while scrolling.

Another point worth considering is that many companies lack the knowledge of how to handle Social Media and thus, miss important information or services on their Social Media page. At this time, companies should implement a direct online support as Social Media is more about Customer Retention than marketing itself. Hence, having a high service orientation helps customers to solve possible problems and as a consequence, to be satisfied with the firm. A positive side effect is that the company contrasts with other firms and thus, probably becomes more popular. Other factors to consider are a constant maintenance of the servers as well as a continual market research to keep up with the newest trends. Furthermore, the Social Media responsible has to hold regularly meetings with the team as well as with managers to discuss the content, as “there is content that is regularly posted [...] and special content is created in order to encourage fans to interact” (Schrader, 2014). Also a very important factor companies have to be aware of is that Social Media is a 24 hour service and “people expect quick responses and immediate information” (Howard, 2014). A last, very significant point to be aware of is that there are hundreds of companies out there who are all competing. Thus, one has to stand out the mass in order to generate brand awareness, brand loyalty, Customer Retention and thus, profit.

5. CUSTOMER RETENTION MODEL

All models mentioned in the literature review have different approaches on how to handle Social Media correctly. Nevertheless, 46% of all corporations have only a sketchy idea of Web 2.0 and its components. Moreover, 75% of corporations using Social Media have huge weaknesses in the planning and

execution of Social Media Marketing activities because the responsible persons have insufficient comprehension about the mode of action. Therefore, they are also not aware that Social Media Marketing requires a long-term commitment (Kreutzer & Hinz, 2010, p.24). Due to this reason, this paper tries to combine relevant parts of the mentioned frameworks with new ideas into a model that makes it easier for companies to use Social Media correctly. Moreover, a questionnaire was conducted to find out what customers think about company pages on Facebook. Among others it was asked what for posting styles they prefer, i.e. links, texts, videos or pictures, and what content a company should post. The aim is, to take a look at the customer point of view and to transform the customer’s desires into a model that helps companies to gain Customer Retention. The developed model is based on Facebook and can only be partly applied to other Social Media platforms.

To be more precise, the following model is based on the outcomes of the questionnaire as well as on five already existing frameworks. These frameworks are the SMS7 framework from Effing (2013), the 10-step model from Ohtman, Bidin and Hussain (2013), the 4-Step Model from Hays et al., (2013), the Honeycomb Framework from Kietzman et al. (2011) and the 4S Marketing-Web Mix from Constantinides (2002). Some steps are adopted from those frameworks while other steps are created with the help of the answers from the questionnaire.

The Customer Retention Model is separated into four phases, namely pre-phase, action-phase, post-phase and long-term phase. Each phase contains several steps to undertake and each step has various sub items that need to be considered. For an easier understanding, the graphical representation of the model only shows the main steps while the sub items will be explained in more detail in the text. A detailed handout of this model with a checklist for companies can be found in the appendix.

5.1 Pre-Phase



Figure 6: Customer Retention Model Phase 1

The first phase, called pre-phase, deals with five objectives that need to be defined before the company starts acting in Social Media. These objectives include building a system, investigation of a market analysis and research, the creation of an identity, the creation of Social Media policies, and the creation of a functioning crisis plan.

Before being active on Social Media, a system needs to be built, i.e. experts for Social Media as well as computer scientists have to be employed. Both are of high importance as they are responsible for everything to run smoothly. Computer scientists are needed to run the servers and maintenances as well as for programming. “Mobile use generates 30% from Facebook’s ad revenue [so it is] worth to consider how your content looks on mobile devices” (Cooper, 2013, p.2). Further, they have the responsibility to guarantee that the homepage as well as the Social Media page runs smoothly without any bugs. For

example, one task is to create working QR-codes and fast linkages between the company homepage and the Social Media appearance. To employ a Social Media expert is as well significant as for many companies Social Media is still a “trial-and-error process” (Constantinides et al., 2008) and therefore, someone who has the knowledge and skills for running this department needs to be in charge. Next to these two key figures, all departments need to be connected so that it is possible to exchange information gathered from Social Media. Here, the Social Media manager should directly report to the management while the departments should report to the Social Media department and the Social Media department should report back to the other departments. This is of great importance as for example, the HRM department can instruct the Social Media team to post job offerings, or the other way round, the Social Media team can report to specific departments’ issues mentioned by users. This mutual reporting enables a customer friendly company which encourages customer feedback and implements it.

After building a working system, the company needs to investigate a market analysis and research in order to define its target group. The target group information should include the gender, age and income group as each of these groups have different interests. After identifying the target group, it needs to be researched what those customers expect from the business as well as the competition needs to be examined.

The third step is to create an identity, i.e. how the company wants to be seen in the Social Media environment. The identity is the character of a firm and therefore, the factor that distinguishes the company from its competitors. Companies should try to create a friendly atmosphere and be informal while being in contact with customers, as this strengthens the relationship and creates more intimacy. Here, companies need to define what content they want to post. For this, some questions can be asked: “Does the company want to be serious and post information?” or “Does the company want to be casual and post lotteries and fun facts?”

The next step is to define Social Media policies, i.e. how to behave in certain situations. These policies include among others the response time to comments by users, how insulting comments are threatened and how to behave as a company in the Social Media environment. Each policy needs to be adapted for the firm’s situation and needs to be declared to the responsible persons.

Finally, a crisis plan needs to be developed. This plan has to contain worse-case situations like system break downs or “shitstorms” as well as the regulation of who is responsible for answering customer requests after office hours. Generally, it should include regulations of how to handle negative comments by users, who is in charge of the Social Media presence after office hours - as Social Media requires 24 hour attention, how to react in worse-case situations and (if for the company applicable) most important, how to deal with emergency situations, e.g. technical failure of products. This part is extremely important as “people try to fill in information about what’s going on as things unfold” (Howard, 2014) and the first contact point is the Social Media presence of the company.

5.2 Action-Phase

After building the basic prerequisites for a Social Media presence, the action-phase can start. Here, the content will be strategically developed, users need to be attracted, online reviews of customers need to be monitored and reactions need to be fast and helpful. All points of the action-phase are equally

important and there is no specific succession, each step needs to be realised with care as well as frequently

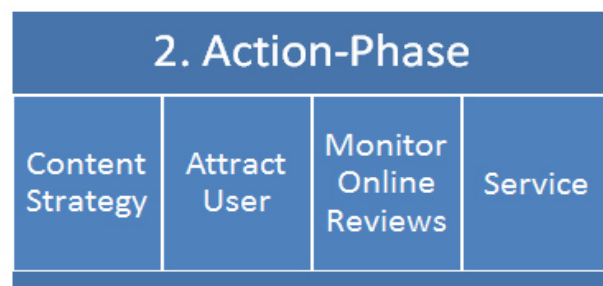


Figure 8: Customer Retention Model Phase 2

The content strategy unifies several steps to undertake. Here, a two-week pre-planning is necessary where all postings are planned. This means, the content of the postings needs to be prepared, the order of the postings, as well as the point of time of each placement. At this time, the content needs to be adapted to the target group and the type of posting should be well-considered. Normally, users prefer pictures or short texts with a link for more information. Taking the content of the postings into account, there are different opinions. Especially men prefer information about the company itself and product information while women like coupon codes, behind-the-scene-information and motivational tips. Besides, the majority of postings should be correlated and a golden thread should be discernible. The time when the posting goes online needs to be considered as well. Here, one should take a look at the target group and analyse when most of the users are online. Further, at least once a week but not more often than three times a week the business should create a posting. Next to these points, the postings need to be connected with other marketing or company related undertakings, so that there is an affiliation between the Facebook page and the company itself. Moreover, Facebook postings might be connected to other Social Media platforms, for example Instagram or YouTube. Unfortunately, it is not unusual that conditions change and unexpected situations occur. Therefore, deviations are possible and when this happens, the initiative of each Social Media employee is required.

The next argument “Attract the User” is strongly related to the content strategy. Here, the overarching goal is to attract the user in such a way, that he or she stays with the company and actively participates in the Social Media environment, i.e. likes or shares postings and participates in discussions. To gain this, it is significant to have the right content as well as type of post and thus, it should be made sure that the content strategy is correctly designed. Further, next to informational content it should be focused on additional content, for example lotteries, coupon codes or user-generated content to attract users. The user-generated content is one of the most important factors in this step as averaging 15% of brand loyalty is achieved through social interaction between customers (Kreutzer & Hinz, 2010, p11.). Consequently, brand stories generated by consumers have more impact than stories spreads through the traditional channels (Henning-Thurau et al., 2010). Next to user-generated stories the firm should allow and encourage discussions but terminate them in case it gets out of control. This gives users the chance to give feedback as well as it gives the company the change to expand its purview as the network of the commenting user sees the comments in the news feed at the right corner of Facebook. The last point here is to be a friend rather than a marketer. Consumers need to be seen as opportunity and thus personalised interaction and relationship building is essential (Pires et al., 2006). This can be achieved through informal

language (in the German language there are different forms of addressing people, so companies should use the casual “Du” rather than the polite “Sie”) to create a more familiar atmosphere. Further, objections and suggestions need to be taken seriously so that the user feels welcomed and endorsed.

The step “Monitor Online Reviews” needs to be taken carefully into account. Customer reviews are more credible and relevant than company-generated information and thus, consumers look online for product and company information (Bernoff & Li, 2008). Accordingly, those reviews need to be positive in order to persuade the customer to buy the products. Nevertheless, customer reviewing platforms often have safety measures, so that only customers can comment a product or business. Subsequently, reviews cannot be faked and customers need to be influenced positively to give positive feedback. To get this positive feedback, bad reviews need to be analysed and the addressed problem needs to be solved. To start with, the review should be commented by the company and help should be offered. Furthermore, the problem should be fixed within a predetermined timespan. To find out whether the problem is widespread the problem should be posted on Facebook with the comment, that it will be solved immediately and that (if necessary) there are free replacements, repair or other forms of compensation. With this reaction, customers can see that the company tries to fix the problems and is willing to exonerate the customer.

The last step to undertake in the action-phase is “Service”. “People expect quick responses and immediate information on most Social Media” (Howard, 2014) and as a consequence, companies have to offer 24 hour service via Social Media. This service has to cover comments of users and private messages and can only be realised when having a real time helpline, i.e. the chat function of Facebook that is constantly monitored. Next to questions, requests or notations also updates, compliments or tagged people have to be commented, so that there is an active involvement of the company. Moreover, the firm should always offer its help or advise but not in an intrusive way but rather as a friend that tries to help. Finally, for the sake of good will the company has to be accommodating as there are always negative comments and statements of disgruntled customers in the Social Media environment.

5.3 Post-Phase

After the action-phase, a company has to process the undertaken steps and has to research whether their actions are effective or not.

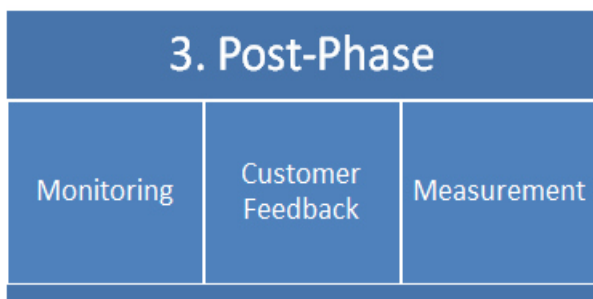


Figure 8: Customer Retention Model Phase 3

The last phase is called post-phase and the company has to monitor its competitors, its own Social Media presence and its customers, has to evaluate feedback and measure the overall outcome of its endeavour. The whole Social Media environment needs to be steadily monitored in order to predict future trends, opportunities and threats. After a specific timespan, the Social Media activities need to be measured. To measure its own

Social Media success different guidelines can be developed but the easiest way is to pre-set goals that have to be established after a given period, for example increasing the total number of “likes”. When these goals are reached one can say that the Social Media presence is successful, the other way around this cannot be said. Here, different factors are necessary to analyse. Factors to analyse are among others the kind of posting, time of posting (in holiday period normally less people are active on Facebook) and the content itself. To identify possible demerits customer feedback is essential. This can be gained through comments and non-reactions of users as well as through particular feedback sheets.

5.4 Long-Term Phase

Of course, the action-phase and post-phase are ongoing cycles and need to be reconsidered on a regularly basis. Further, the “Market Analysis and Research” step of the pre-phase needs to be included in this ongoing cycle as it lays the foundation if the whole procedure. Consequently, the “Market Analysis and Research” step is only in the beginning in the pre-phase and transfers later into the action-phase. As both the action-phase as well as the post-face are never-ending processes, both are pooled into one cycle, called the long-term phase. Accordingly, all steps have to be worked over and if necessary improved or aligned.



Figure 9: Customer Retention Model Long-term Phase

To sum up, the model has four phases in total, the pre-phase, the action-phase, post-phase and the long-term phase. Each phase contains several steps to undertake. After proceeding the first three phases, the model changes into the long-term phase as parts of the pre-phase are not needed anymore due to the fact that they are already established. Thus, the long-term phase inures.

6. DISCUSSION & CONCLUSION

"Communication about brands happens, with or without permission of the firms in question" (Kietzman et al., 2011) and thus, companies need to actively try to influence users to communicate positive impressions about a company. To reach this, good reputation is necessary which is built through loyal customers, good products or services and a good marketing strategy. As nowadays the internet is a huge place for exchanging information and opinions, companies have to take part in it. In order to do this a sufficient Social Media Strategy is needed. Nevertheless, many companies, i.e. executives, are unaware of the impact of Social Media or miss the importance

of it and have therefore not developed any plans and goals as they are “unable to develop strategies and allocate resources to engage effectively with Social Media” (Kietzman et al., 2011). Thus, companies depend on experts who advise them what to do and how to do it. Hence, many scientists have elaborated models and guidelines about Social Media. Nevertheless, most of those models only cover parts of the whole. Therefore, a new model was developed in order to combine existing models with new insights of customers gathered through a questionnaire.

Throughout this research it was found out that the Social Media Marketing itself has not a big impact on the purchasing decision as most people tend to trust their peer groups and online customer reviews. Consequently, Social Media is rather a tool to create Customer Retention. With this knowledge, the new model could be built in a complete different way than already existing models as it takes another point of view. The model itself contains four phases each with specific steps to undertake. The model concentrates on the customers ideas about what a company should post. Most of the respondents answered that they “like” a brand page because they simply like the brand or because they want to retrieve simple information like product information or opening times. Further, special offers, coupon codes or job offerings are favoured. Another important finding is that women and men prefer different things and companies need to adapt their Social Media presence accordingly. Women prefer special offers while men want to retrieve simple information.

In general one can say that a company has to define its objectives and then simply follow the steps in the model in order to achieve good Social Media Marketing results. Companies need to understand what customers want and therefore, interact with them and engage in conversations and build relationships. Some things are obvious, e.g. that users prefer pictures and short texts instead of videos, links and long texts because pictures and short texts are uncomplicated and easily understood. Nevertheless, there are as well hidden demands that are harder to find out and which are only detected when engaging with its customers. A good example for this is that women (70.56%) think that customer and company generated input is equally important in order to form an opinion while only 45.65% of the male respondents share this opinion. For 38.04% of the male respondents user-generated content is much more important. Accordingly, companies have to align their impact and strategy.

To sum up, companies challenge the question of how to successfully use Social Media in order to retain their customers. Throughout this research it became clear that there are many things to consider and that there are many factors that cannot be calculated or controlled. Nevertheless, with preliminary planning and a good strategy firms can learn to assess their customers and thus create an environment that stimulates Customer Retention. To give companies an idea how to do so the Customer Retention Model was developed.

7. LIMITATIONS

Even though this is an in-depth research, there are some limitations to this study. First of all, the time span was very limited, i.e. the whole process of researching, collecting data and finally writing this paper was done within 10 weeks. Next to this, there were no professional tools available, as only Google Scholar, Scopus and Google’s free software for developing questionnaires were available to the student. Moreover, based on the fact that the questionnaire was developed by students, it might be possible that weaknesses in validity and reliability occur as well as statistical mistakes. Secondly, only a limited number of scientific literature has been

researched thus, there might be some contradictions with already existing literature. Furthermore, the developed model is only applicable to Facebook and is a theoretical framework that has not been tested in e.g. a case study. Moreover, for developing the model the questionnaire was required. Here, some limitations arise. The age ranges from 16 to 63 but most of the respondents are at the age of 20 to 25. Thus, not all age groups are equally represented. The same occurred for the country of residence. Most respondents are from the Netherlands, Germany and the US, but some are from Turkey and China as well. Because of this, there are huge differences in culture and thus, there might be variances in handling Social Media in the business environment.

8. FURTHER RESEARCH

While writing this paper it became clear that there still are plenty of missing links. There are many researches about Social Media, its impacts and the correct usage. Nevertheless, in most of the papers Social Media is referred to as an own marketing tool even though case studies refute this and affirm that Social Media is rather a medium to gain Customer Retention. Therefore, it would be interesting to know why there is such a gap between theory and reality. Moreover, the interrelation between the amount of Social Media activity and Customer Retention needs to be studied more deeply. Here, literature suggests that more effort gains more Customer Retention but there are cases where less activity obtains more awareness. Another influencing factor is the content of a post. It is questionable whether customers “like” a company page because of their interesting and informative postings or only because of special offers or lotteries. Consequently, it should be researched if there is an impact of special offers, coupon codes and lotteries on Customer Retention.

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9.4 Websites

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9.5 Figures

Figure 4:

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11. APPENDIX

11.1 Questionnaire

1. What is your gender?
 - Male
 - Female
2. What is your nationality?
3. What is your current main occupation?
4. Which Social Media platforms do you use?
 - Facebook
 - YouTube
 - LinkedIn/ Xing
 - Instagram
 - Twitter
 - Pinterest
 - Blogs
 - Other
5. What is most important when choosing a brand?
 - Online Customer Reviews on other websites
 - Peer group influence (family/friends)
 - Marketing communication of the brand
 - Comments by other users under posts of the brand on Social Media platforms
 - Celebrity
 - Nothing bothers me - I make my own choices
6. Which information about a company/brand/product is more relevant to you?
 - both are equally important
 - user-generated, e.g. reviews
 - company-generated, e.g. official product information
7. Why do you "like" a company/brand page on Facebook?
 - I like the company/brand
 - Information about the company/brand
 - to demonstrate my interest in the company/brand
 - Interesting postings, e.g.: _____
8. What type of postings do you prefer to see from a company/brand?
 - Pictures
 - Videos
 - Texts
 - Links
9. How often should a company post something on Facebook?
 - once a week
 - 2-3 Times a Week
 - 2-3 Times a Month
 - Once a Month
 - Daily
10. What would you like companies to post on Facebook?
 - Information about company/brand/product
 - Special offers, lottery, coupons
 - Information about actual industry-related issues
 - Non brand/company/product/industry related information.
11. What would you like companies to add in their postings?
 - direct online support, e.g. a chat
 - customer intimacy
 - relevant information, e.g. : _____
12. Do you like, share or comment postings of companies/brands?
 - I like postings
 - None
 - I comment postings
 - I share postings
13. Do you think being active on Facebook helps a company/brand to promote its products?
 - Yes, people become aware of companies/brands they did not know before
 - Yes, people stay informed without any effort
 - No, before a purchase I search for other information, e.g. reviews or website of the company/brand
 - No, I am not interested in postings of a company/brand
 - Yes, _____
14. Have you ever bought a product because of the company's Facebook activity?
 - No
 - Yes. I already knew the company
 - Yes. I did not know the company before
15. Have you ever defended/supported a company/brand/product on Facebook?
 - No
 - Yes, _____

11.2 Handout Customer Retention Model

Pre-Phase

- Build System
 - Employ computer scientists
 - server maintenance
 - in-app programming
 - linkage between Social Media presence and website
 - Employ Social Media Manager
 - Head of Social Media Department
 - someone with Social Media Skills mostly young professionals)
 - Connect departments
 - Social Media Manager reports to CEO
 - Social Media Department reports to all other departments
 - general status updates
 - specific topics, e.g. customer feedback or complaints
 - All Departments report to Social Media Department
 - Social Media Department can post information
 - E.g. job offerings, product releases or call-backs
- Market Analysis & Research
 - Target group
 - age
 - income
 - gender
 - Identify demands and desires of target group
 - Research Social Media Presence of Competitors
 - Analyse their Social Media Presence
 - “likes”
 - amount of postings
 - content of postings
- Create Identity
 - reflects character of company
 - informal language
 - “be a friend“
- Social Media Policies
 - response time
 - how to handle insulting comments/discussions/postings
 - how to behave in Social Media Environment
 - informal language
 - respond to every comment
 - how to respond to specific comments
 - how to handle negative comments

- Crisis Plan
 - Worse-case situations
 - how to handle a shitstorm
 - what happens in case of a system-breakdown
 - how to handle emergency situations
 - E.g. accidents, technical failure
-

Action-Phase

- Content Strategy
 - two-week pre-planning
 - prepare content of postings
 - prepare point of time of posting
 - create an order and a golden threat
 - decide on form and content of posting
 - pictures and short texts
 - men prefer information
 - women prefer coupon codes and specials
 - connect posting with other marketing activities
 - connect postings to other social media channels
 - be prepared to have changes in conditions
 - be prepared to spontaneously generate content
 - initiative of each Social Media employee is required
- Attract User
 - create additional content
 - Specials, coupon codes, etc.
 - encourage users to create content
 - User-generated brand stories
 - encourage discussions
 - be a friend rather than a marketer
- Monitor Online Reviews
 - analyse negative reviews
 - solve the addressed problems
 - post “easy” problems on Facebook
 - show how they are handled
 - possibility to find out whether this problem occurs more often
 - offer free replacements, repair or other forms of compensation
 - provide an apology

- Service
 - offer 24 hour service
 - offer direct customer support
 - via chat function
 - via skype function
 - respond to every private message and comment
 - offer help and advise
 - in a friendly way, not intrusive
 - be accommodating, there are always negative comments
-

Post-Phase

- Monitor
 - 24 hour monitoring
 - competitors
 - environment
 - customer
 - trends
- Customer Feedback
 - analyse
 - identify problems and solve them
- Measurement
 - pre-set target goals and try to reach them
 - take a look at “likes”
 - take a look at profit history