Communication in the Digital Era and Online Corporate Communications Strategies - Untapped Opportunities for Businesses in Romania

Andreea Pachitanu (former Ionescu)
Marketing Faculty, Department of Marketing, Bucharest University of Economic Studies
No 13-15 Mihai Eminescu Street, Room 1405, 1st district, Bucharest
+40744.651.036
andreea.ionescu@mk.ase.ro

Abstract
Concerning academia and theoretical research, social media and big data are two of the areas of interest with the fastest growth among marketers. The direction of research, however, is heavily oriented towards the use of various social media instruments or to the specific used tactics, rather than towards their deep understanding and towards the understanding of their place in the strategy of organizations’ integrated marketing communications mix. For this reason, the author considered as very interesting and relevant the exploration of online corporate communications strategies and the untapped opportunities for businesses in Romania, as a research direction of the present paper. When considering the use of social media (including big data) by organizations present in Romania, they must not only think about consumers or the marketing objectives strictly related to them, but rather to the overall processes of the company and about all the ways in which social media can help develop the new products, supply chain management or customer relationship management. The companies’ access to a large volume of relatively inexpensive data about consumers’ choices, preferences and buying behaviour, enables them to develop valuable skills and actually places them in a favoured position to succeed in developing the brand equity and influence consumers’ purchasing behaviour through social media.

Keywords: Marketing, digital media, social media, online communications, strategies, opportunities, challenges

JEL classification: M31

Introduction

At present, media have become more and more fragmented, being in a permanent state of change. For this reason, the marketing and communication specialists must face, more than ever, taking decisions related to the strategic communication of organizations that they represent (Macnamara and Zerfass, 2012, Falkheimer, 2014). From the
beginning of the digital era, of the Internet and especially of social media, marketers’ possibilities to develop the brands they are managing by using these new media have been dramatically extended, but, on the other hand, this has created complexity issues in integrating communication programs (Young, 2014, Cornelissen, 2014).

In turn, social media is evolving continuously, occupying a more and more important place in organizations’ marketing communication, becoming a very strong communication channel and substantially eliminating or modifying the role of other traditional forms of communication used by the organizations, following their interactive, individualized and receptive nature. Moreover, from the users’ perspective, social media plays a more and more important part, allowing them to interact and communicate with whomever they want, in real time and without space barriers (Lin et al., 2014).

The explosion in popularity of social media has also changed the landscape of contemporary marketing and has created huge opportunities for all types of companies and brands. The attention given to the various social media instruments has started to change fundamentally the way in which brands are seen by the public, as well as the manner in which the public interacts with them, which forces in turn marketing specialists to adopt new techniques and methodologies to manage existing relationships and getting ready for the future, at the same time (ResearchandMarkets, 2009, Laroche et al., 2013).

Moreover, the hype around big data, has gathered even more attention to social media issues and their use by companies. Big data is “high-volume, high-velocity and high-variety information assets that demand cost-effective, innovative forms of information processing for enhanced insight and decision making.” (Gandomi and Haider, 2015) Furthermore, according to Gandomi and Haider (2015) and Fan et al. (2014), the current popularity of the buzzword “big data” can be attributed to the promotional initiatives by IBM and other leading technology companies who invested in building the niche analytics market.

Concerning academia and theoretical research, social media is one of the areas of interest with the fastest growth among marketers (Scott, 2015), but the direction of research is heavily oriented towards the use of various social media instruments or to the specific tactics used, rather than towards their deep understanding and towards the understanding of their place in the strategy of organizations’ integrated marketing communications (Schultz and Peltier, 2013, Tuten and Solomon, 2014).
For this reason, the author considered as very interesting and relevant the exploration of online corporate communications strategies and the untapped opportunities for businesses, as a research direction of the present paper.

The present paper is a conceptual one, based on the desk research of the current relevant academic literature on social media and its strategic uses by modern organizations, with a direct impact and emphasis on the companies present on the Romanian market.

**Building a social media strategy and strategic use**

When considering the use of social media by organizations, they must not only think about consumers or the marketing objectives strictly related to them, but rather to the overall processes of the company and about all the ways in which social media can help develop the new products, supply chain management or customer relationship management (Kilgour et al., 2015). In this way, the organization manages not only to strengthen the relationship with customers, employees or stakeholders, but also achieve other types of organizational objectives, at the same time (Ngai et al., 2015).

To underline the strategic importance of social media use by organizations, Bernoff and Li (2008) have proposed five distinct categories for the objectives of social media strategy: (1) Listening, (2) Talking, (3) Energizing, (4) Supporting and (5) Embracing, arguing that these objectives can have direct connections with other departments of the company, in addition to Marketing, such as R&D, Sales, Operations and Customer Care. This view is shared by Brodie Brodie et al. (2007) and Rodriguez et al. (2015), who argue that social media integration into existing operations and treating it as a strategic tool for the company, can bring significant benefits to it through its proper exploitation.

However, many organizations still use social media more as a tactical tool than a strategic one. For example, a company may choose to use Facebook by creating an official page, imagining that this will attract and convince consumers interested in becoming fans of the brand. An essential detail for the correct approach to social media is that its value does not lie in its multitude of instruments, but rather in how they are used (Culnan et al., 2010). To maximize effectiveness, organizations need a strategic framework for developing and implementing appropriate
actions in social media (Bernoff and Li, 2008, Culnan et al., 2010, Ngai et al., 2015).

From the point of view of an organization, social media strategy requires planning, specific actions and continuous management of information. Therefore, Culnan et al. (2010) argue that in order to get the benefits and desired value from the use of social media, companies need to develop an implementation strategy based on three main pillars: (1) Mindful Adoption, (2) Community Building and (3) Absorptive capacity. This strategic framework is presented below (Table 1).

<table>
<thead>
<tr>
<th>PLANNING (Mindful adoption)</th>
<th>CONCRETE ACTIONS (Community building)</th>
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<td>• Tool selection</td>
<td>• Reaching a critical mass of persons</td>
<td>• Capacity to recognize and acquire new knowledge</td>
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<td>• Management responsibility</td>
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<td>• Identifying indicators for measuring value</td>
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Source: Culnan et al., 2010

“Mindful adoption”, as shown in the above table, refers to the planning stage of the social media strategy and emphasizes the need for a thorough in-depth analysis before starting the implementation of the outlined plan. This pillar of the social media strategy implementation consists of selecting the specific instruments to be used, sharing the responsibility of social media management, identifying targets and indicators to be used in measuring the value and assuming a proactive role in managing the potential risks of social media use by organizations.

The second pillar of the social media strategy of an organization, “community building” refers to the concrete actions one should take: creating interesting content for consumers and achieving a critical mass of users. This critical mass of users can be quite easily achieved through opinion leaders; therefore, by searching and targeting them, the organization can better capitalize on its presence in social media, bearing in mind that these opinion leaders can create more online word-of-mouth
(eWOM) when talking about certain brands or products in general (Parida, 2011, Pasternak et al., 2015).

The third pillar of the social media implementation strategy of the organization is “absorptive capacity”, which is closely linked to information management and company’s internal activities: the ability to recognize and acquire new knowledge, monitoring the various used social media tools and the allocation of the necessary resources and personnel to ensure a good management of the information collected. The online environment and social media in particular offer such a large volume of information (both structured and unstructured) that most of the companies nowadays find it practically impossible to track, manage and act on all this information (Shah et al., 2015). Therefore, setting up a separate team which is responsible for the social media strategy represents a necessary and very important part in the online success of an organization.

The importance of social media to modern organizations

Using integrated marketing communications, modern organizations seek to influence consumer behaviour and improve brand equity by creating meaningful experiences and building communities around these brands, both online and offline. In this way, organizations manage to meet the overall marketing objectives, such as creating and strengthening brand image in the minds of consumers, sales growth or increasing shareholder value (Keller, 2009, Chaudhuri and Holbrook, 2001). Due to the lack of or at best insufficient empirical evidence to demonstrate and quantify the benefits and contribution of social media to the overall performance of companies, a barrier was basically created to its broader acceptance by top executives, which in turn impedes the proper implementation of social media in companies, resulting in a vicious circle (Michaelidou et al., 2011, Valos et al., 2010, Murdough, 2009).

But this does not mean that social media is less important to the company’s integrated marketing communications mix, or that it does not provide real support to other forms of promotion such as advertising, public relations, word-of-mouth marketing or direct marketing. By using social media, organizations can benefit from direct, transparent and interactive communication with their target audience, thus the entire integrated marketing communications mix becoming faster, cheaper and more efficient in transmitting the brand’s messages. As Keller and Fay
(2012) very well emphasized, it is essential that organizations realize that social media enables communication with and transmit promotional messages to a much larger audience than traditional forms of marketing, in a much shorter time and with lower costs, details which not only make it very relevant and useful to large multinational companies but also to small and medium enterprises, or even governmental and non-governmental organizations.

Social media have become so powerful and widespread among consumers that organizations can no longer afford to ignore them, or consider them a fad or a toy of the young generation. A living proof of this is the incredible consumer adoption speed and penetration in global consumption of social media tools. If the radio has needed 38 years to reach 50 million consumers, television 13 years, and the Internet three years, Facebook has reached the same number of users in one year, and Twitter in just 9 months (Chui et al., 2012). Underestimating the influence social media has on consumer behaviour is a big mistake that companies should not make. This conclusion is reinforced by the vast majority of authors in marketing and particularly online marketing, be it practitioners or members of academia, even Philip Kotler, considered one of the leading marketing thinkers of the twenty-first century (Kotler and Keller, 2011). From my point of view, this is best highlighted in a book by Eric Qualman (successful author and lecturer on topics of digital leadership, one of the top Forbes 50 most influential people in social media), called “Socialnomics: How Social Media Transforms the Way We Live and Do Business “(voted by the American Marketing Association as one of the best books of 2010), which uses true and very relevant statistics to depict the reality of social media use (Qualman, 2011):

- In the top of the largest populations in the world, Facebook ranks third after China and India, followed by Tencent (the largest Internet provider in China) and WhatsApp (instant messenger)
  - Over 50% of the world’s population is under 30 years old
  - 53% of “Millennials” would prefer to lose their sense of smell than the technology they have access to
- Worldwide, more people own a mobile phone than a toothbrush
- Today, 1 in 5 couples meet for the first time online
- The word “selfie” (take your own picture, usually with a mobile phone) became a word included in the Webster English Dictionary
• “Grandparents”, the older users, are considered to be the highest growth segment on Twitter
  • 53% of Twitter users recommend products in their tweets
  • 93% of the buyers’ purchasing decisions are influenced by social media
  • 90% of consumers trust the recommendations of acquaintances, while only 14% trust advertising.

  All these statistics keep true even in more recent research (Perrin, 2015, Statista, 2016, Caffey, 2016)

  An important feature of social media communications, which organizations should be aware of, is that they generally do not provide immediate results, but they require the allocation of specific resources, both financial and man resources, as well as investing continuous efforts in this direction for assuring success. This challenge continues even after the organization has established a presence in the online environment, through social media, as it must support interactivity, build reputation and gain the users’ trust, interest and commitment. Only by building a long term relationship with consumers, based on credibility and trust, organizations can capitalize on the many undeniable positive effects of social media marketing.

  Basically, what social media managed to achieve was to transform word-of-mouth marketing into “world-of-mouth” marketing (Qualman, 2011), taking the word-of-mouth phenomenon to another level and making it easier to spread globally, objective and easily accessible. Due to this characteristic of social media and the possibility for users to be more efficient and benefit from all the previous experiences of their social networks, consumers accepted more easily the disadvantage of losing a great part of their data and personal information confidentiality, by using these new tools.

  An extremely interesting fact highlighted by a McKinsey report on social media and its future is the great still untapped potential: there are between $900 million and $1.3 billion yearly value that can be created by social technologies in four industry sectors (financial services, consumer goods, professional services, social sector), one third of the overall spending of consumers can be influenced by social media purchases, 3% of companies reported substantial benefits from using social media for all their stakeholders (consumers, employees, shareholders, partners) (Chui et al., 2012).
Although there is a growing interest for social media, especially from advertising agencies, the current social media level of knowledge and use is still incipient, with businesses having limited initiatives and tight budgets for these activities, which are actually more experimental and uncorrelated or just copies of successful campaigns from other countries, and not part of a consistent marketing communications strategy, based on predefined objectives.

Romania has 8 million Facebook users, over 1.7 million LinkedIn users, and more than 350,000 local Twitter users, of which only a fraction are firms with a constant activity, according to blogger Cristian Manafu, founder of Evensys and organizer of the first social media marketing and communications conference in the country, which took place in 2011 (Manafu, 2015). Without a doubt, Facebook is the social media phenomenon of the moment, also attracting the attention of the marketing and communications community in Romania. For this reason, more and more organizations want to include this social media tool in their campaigns, and the number of companies with official pages on Facebook is continuously growing. However, most companies in Romania still do not fully exploit the extraordinary potential of this social network, most often limiting their actions to the simple creation of the page, or posting disparate content, using the network like a traditional media channel (e.g. TV, radio, print) by transmitting unilateral information.

Another important aspect of the social media landscape in Romania is the involvement of companies, and in order to study this involvement and its evolution longitudinally, Biz Magazine launched eight years ago an yearly top called “top social brands”, recognizing and rewarding the most representative companies in social media, with a sustained presence and which enjoy the highest visibility among consumers and experts. On the top rankings this year are Vodafone (leader for seven years), Samsung (kept its rank for the third consecutive year), Coca-Cola (dethroned Avon), Telekom (entered the top this year at No. 4) and Lidl (Sandulescu, 2015). As shown in Figure 1 below, this top brings together 75 of the most active brands in social media. Awarded companies did not only have the best campaigns in 2014, but also the most coherent communications mix, relevant to their target audience as well as fine-tuned and original strategies. What should be noted about this list is that from year to year, the number of participating companies increases, while those already included in the top are stepping up their presence and
involvement in social media, which is a clear indicator of the continuous development of companies’ interest in social media, as well as a clear signal of the evolution of social media in Romania.

Taking into account Romania is among the top 10 countries according to the increase rate in the number of people with a Facebook account, organizations have become more interested in interacting with their target audience through social networks and social media in general, but this will be effective and successful only if social media marketing benefits from a strategic approach, having as intermediate steps the constant analysis of the impact on marketing communications and of the company in general, as well as measuring the efforts needed to produce the desired results (Ionescu, 2012). At the moment, organisations implementing this approach, regard social media as a unique opportunity to improve the overall performance of the company, sometimes even meaning the transformation of the way products are developed and marketed, or the creation of internal processes and procedures in order to ensure dissemination of information gained through social media to
relevant departments, and even redefining the concept of customer value
for companies’ marketing experts and top executives.

In a comprehensive study, conducted annually by Michael Stelzner,
founder of Social Media Examiner, among more than 3,700 marketing
experts from all around the world (including the U.S., Canada, Australia,
India, and the U.K.), he identified a number of advantages for social
media use in the marketing strategy of companies (Stelzner, 2012,
Stelzner, 2015):

- It increases the company’s and the brand’s exposure
- It increases the company’s website traffic
- It nurtures the development of a loyal fan base of the brand
- It provides valuable market information
- It generates potential consumers
- It helps achieve better search engine rankings
- It contributes to new partnerships development
- It contributes to the establishment of a revolutionary and innovative
  way of thinking
- It helps to increase turnover
- It contributes to lowering marketing costs

Of course, there are many other potential company benefits of using
social media as part of the integrated marketing communications mix,
and I would like to mention just some of them: increasing brand
awareness, creating a good image for the company, developing its
reputation, as well as building consumers’ trust in it, developing a
relationship with them and benefiting from their real time feedback.

There are also disadvantages and risks of social media misuse, which
companies need to be aware of when establishing a presence in the online
environment, some of the most important being:

- Additional resources (time, money, human resources) are needed to
  establish a business presence in social media. These costs are in vain if
  the organization does not maintain a constant degree of interactivity with
  consumers and does not consistently post original and relevant content
  (which in turn requires effort and resources)
- The possible loss of credibility and confidence among consumers. This
disadvantage is closely linked to the one above, the company could lose credibility in the eyes of consumers if it does not maintain a constant
degree of interactivity, or respond in real time to comments, requests or
complaints from them.
• Generation of negative content about the company. It is essential to realise that the organization does not have total control over social media tools and much less over user-generated-content. This content can be both positive and negative, so the company is exposed to public attacks by dissatisfied customers. The company must manage these moments of crisis, which can have profound negative implications to its image, taking into account that online content spreads a lot more quickly, regardless of space or time, and can even directly impact the sales volume and market share.

As asserted by (Brito, 2013), the confluence between the paid, owned and earned media helps build a strategy which strengthens the organization’s ability to withstand disruptions caused by the new technologies. The companies’ access to a large volume of relatively inexpensive data about consumers’ choices, preferences and buying behaviour, enables them to develop valuable skills and actually places them in a favoured position to succeed in developing the brand equity and influence consumers’ purchasing behaviour through social media (Canhoto et al., 2013).

The four pillars of social media success are Monitoring, Analytics, Engagement and Reporting, having as foundation Collaboration & Workflow pillar (uberVu, 2011). Moreover, the company uberVU explains that these four pillars follow each other in a feedback loop, thus allowing companies to observe social media and receive guidance by understanding the available data, taking a decision and acting accordingly, and based on its impact to improve future actions.

Conclusions

Although social media is not a panacea for all marketing objectives, nor one for all the challenges that modern companies must face, I consider it is an element of the integrated marketing communications which cannot be overlooked or discarded anymore, a trend that will intensify in the future for all organizations, a necessary strategic element, but not sufficient to ensure the success and performance of a company by itself. It is also true that the story told by a product or service will be more important or as important as the tools used for communicating it, therefore in order have a consistent approach towards marketing communications, organizations must learn to listen before acting, so that they can overlay the conversation generated in social media over the
brand discourse. Moreover, companies must understand that nowadays they address a different type of consumer (especially in the 15-29 years age group), one who does not read newspapers anymore (at least not on paper), speaks more on the mobile phone than on the fixed one, trusts friends, colleagues or family more than experts, uses the television mostly for video games, perceives the Internet as a social experience, wishes to be listened to, heard and have the freedom to express oneself, with whom you must find a common language, and use the tools which are available to him and he uses frequently.

Living in a “culture of the individual” one can observe people’s inclination towards building virtual identities, the most striking characteristics of the individual in this type of society is self-preservation and the perception that time is the most precious resource. Considering these things, as the author also pointed out in previous works, social media offers us a very seductive solution: the opportunity to interact and discuss with each other, to participate in communities, to develop our skills and abilities through “serious games”, such as simulations and case studies, to remain interconnected regardless of time and space barriers and to be always updated with new information (Ionescu and Ciceo, 2013). It is therefore clear that new strategic and tactical marketing approaches must be developed so that companies’ efforts continue to be relevant, can be integrated with social media features and be in tune with their effects on customers.

References


