MARKETING COMMUNICATION 2.0: LEVERAGING MULTIMEDIA BRANDS THROUGH SOCIAL MEDIA NETWORKS

ABSTRACT Social technologies allow interactive personal communication with company stakeholders. Research on the adaptation of social media for branding and marketing communication is still in its early stages, as well as the development of implementing concepts and guidelines. The paper explores potentials and risks of adapting social media strategies for multi-media branding and marketing communication. Based on the analysis of changes in media usage it derives strategies how companies can integrate social media into their branding and marketing communication strategies. After thoroughly discussing opportunities and risks of different strategies, the paper closes with an outlook on upcoming trends.

KEYWORDS
Branding
Marketing
Social media
Relationship management
Strategic management

BAUMANN, SABINE Professor, Institute for Media Management and Journalism, Jade University, Germany
1. INTRODUCTION

With the emergence of web 2.0 technologies communication has been changing tremendously in recent years, becoming more dynamic and moving from broadcasting to personalised dialogue. In this context companies are required to constantly re-evaluate information structures and flows in order to create competitive advantages. The audience, and in particular young users, can no longer be reached just via traditional channels but prefers so-called lifestyle media, providing the desired content at the right time, the right place and on the preferred medium. Thus, social networking sites have become relevant channels for digital natives and immigrants.

Besides well-known social networking sites addressing the largest possible number of users, there are platforms covering specific topics regarding an industry or shared interests such as LinkedIn, Xing, or TripAdvisor. Beyond that, consumer sites specialise in collecting and bundling evaluations and complaints, for example Ciao, Get Satisfaction, Ripoff Report or The Better Business Bureau Complaints Portal.

Depending on the changes in media usage and the resulting requirements companies must develop relevant concepts for social media communication. This paper introduces potential strategies to include social media into multimedia branding and marketing communication and assesses their feasibility. It thoroughly describes the necessary requirements for their implementation within the company and discusses their opportunities and risks.

After establishing the basic terms and ideas about social media and social media networks the paper gives an overview of the perceived changes in media usage and customer expectations. Then it presents significant aspects of communicating in social media networks and the challenges for corporate communication. Based on these results it describes, categorises and evaluates integration strategies for multimedia marketing and branding. The paper concludes with summarising remarks and a brief outlook on current trends.

2. DEFINITION OF TERMS

2.1. SOCIAL MEDIA AND SOCIAL MEDIA NETWORKS

The term social media is not defined consistently in the literature as either the focus lies on social interaction\(^1\) or the technical implementation in the internet\(^2\). Generally, definitions refer to a variety of digital media and technologies attributed to web 2.0\(^3\) that allow geographically distant users to produce and share content with each other\(^4\). Increasing social interaction and collaboration in social networks alter traditional media


monologues (one to many) into socio-medial dialogues (many to many). Users share their knowledge consuming or producing, some emerging as prosumers combining both functions. Other users relate to existing content adding additional items, comments, evaluations or recommendations, thus forming social relationships. Over time the relationships develop into a network structure with constantly evolving numbers and forms of links. A social network can be represented through a social graph consisting of a set of nodes linked by so-called edges. Nodes can represent members of a social media platform, the edges the social relationships between them. If an edge simply indicates that a relationship exists between two nodes it is called undirected. For flows of information between two nodes, i.e. if one member influences another, the direction can be represented by a directed graph. The amount of information or the intensity of the influence is added by labelling the respective edge. Another significant key figure is the completeness of the network. It indicates the number of existing links in relation to the maximum number of links in a network (if all nodes were linked with each other). The higher the completeness the faster information can spread in a particular network. Besides the number of links their form plays an important role because the stronger two participants are connected, e.g. through similarities in their wants, the higher the probability of passing on information and/or exerting influence.

Social media networks characterise a “new kind of access and (self-)organization” gradually dissolving the incline between sender and recipient in the traditional communication model. The emerging structure shows a much higher complexity and contingency which in turn create new challenges for professional and everyday life.

Nevertheless three principles increase interconnectedness even further. Exponential growth of computer capacity accelerates the expansion of social media networks. Network effects, i.e. the increase of the value of a network with a growing number of participants, support this development. Beyond that, the transaction costs for cooperation in networks are usually lower than in analogue business processes.

Mass and social media differ in a number of ways. Content production and distribution with social media technologies is easy and inexpensive while traditional media such as newspapers or TV require special resources and expert knowledge. Mass media focus on the linear communication of a broadcast or article; social media apply the long tail principle as well as a high real-time factor to generate attention and reach. Although social media can and want to reach a large number of people depending on their particular objective, many types of content are only directed at a small group of recipients or even just a single person.

By now, a considerable variety of web 2.0 platforms is available for social media communication such as

---

7 Cfr. Ibid, p. 70.
9 Cfr. Ibid, p. 70.
10 Cfr. Ibid, p. 70.
11 Cfr. Ibid, p. 70.
12 Cfr. Ibid, p. 70.
13 Cfr. Ibid, p. 70.
14 Cfr. Ibid, p. 70.
15 Cfr. Ibid, p. 70.
16 Cfr. Ibid, p. 70.
17 Cfr. Ibid, p. 70.
18 Cfr. Ibid, p. 70.
weblogs, micro-blogging, social networks, social network aggregators, wikis, opinion and evaluations platforms, social tagging services, event portals, newsgroups, forums, instant messenger, content sharing sites (photos, videos, music etc.), tag clouds, network games and virtual worlds. All platforms have in common that they provide the networking facilities to produce and share content.

2.2. MARKETING AND BRANDING COMMUNICATION

Marketing and branding communication refers to the instruments and measures a company uses to communicate with its current and potential customers as well as stakeholders with an interest in the company and/or brand. Stakeholders are groups or individuals who can influence the realization of company goals or whose own objectives could be affected by company activities. Management, employees and owners form the group of internal stakeholders, while customers, suppliers, competitors, state and general public are called external stakeholders. Hence, corporate communication administers the communication processes between the company and its internal and external environment.

Companies are required to design their corporate communication, including marketing and branding, such that all stakeholders receive the same, coherent messages in order to achieve a high level of trustworthiness, cultivate a positive image and company reputation, develop strong brands and hence to ensure continued existence. Although marketing and branding communication primarily addresses customers, the diversified and individualized environment demands a more varied approach as stakeholders usually interact in different roles with a company, including those of internal stakeholders.

Corporate communication is to fulfill three fundamental functions: the representation function aims at the image and reputation of the brand or company, marketing conveys information on the products and services offered in order to enhance sales, and the dialogue function directs information exchange with company stakeholders. The convergence of the so-called TIME industries (telecommunication, information technology, media and entertainment) has affected the playing field through online and mobile media and their interactive services. As a consequence the traditional communication functions blur, overlap and need to be addressed simultaneously using multimedia communication.

The challenge is, while acknowledging tensions between the three functions, to find a balance where marketing and branding do not adversely affect reputation or stakeholder communication.

---

3. CHANGES IN MEDIA USAGE AND CUSTOMER EXPECTATIONS

A number of modifications in media usage are spurred with continued spreading of web 2.0 technologies and migration to digital platforms growing with double-digit rates\textsuperscript{23}. Changes in consumer habits are also driven by the demand for greater control over the content they consume\textsuperscript{24}. The consumer is no longer a passive receiver of content but an insistent participant in the selection process\textsuperscript{25}. Advances in digital technology such as mobile internet, online communities, content-on-demand and uploading self-generated content enable the new control. Growth in mobile access from any location through mobile devices increases market penetration of high-end devices such as smart phones, tablet PCs or ebook readers which all combine access and mobility\textsuperscript{26}. However, the changes do not only concern the way digital content is being consumed but extend well into social interactions and relationships. Online communities and social networks allow for an uncomplicated exchange of user-generated content across the internet. Twitter or instant messaging services have become components of everyday life. Advertisers view the huge collective buying power on these interactive platforms as very attractive targets for marketing campaigns\textsuperscript{27}. The assumption that media usage can be categorised based on age or education is increasingly misleading. The well-known classification into digital aliens, digital immigrants and digital natives\textsuperscript{28} conveys a notion of clearly distinguishable categories. The picture, however, is more diverse with different generations influencing each other on different levels. The continuously emerging Net Generation – youth that grew up digital – not only intuitively uses new media technologies but also expects business models emphasising a more personal two-way relationship between themselves and companies\textsuperscript{29}. Furthermore, this generation exercises a vast influence on their parents and grandparents assisting them in their efforts to use the new media and communication platforms. This influence increases also because the older generations have become more value conscious with the difficulties of the economic downturn\textsuperscript{30}. Consumers now prefer so-called life style media which provide the desired content at the right time and place on the preferred medium\textsuperscript{31}. This includes the ability to side-load, i.e. consuming the same content on different platforms. Besides added control consumers expect value from the use of media products and services\textsuperscript{32}. Increasingly, cost-benefit judgements drive the decision between alternative ways to consume media.

\textsuperscript{25} Cfr. Wertime, Fenwick, op. cit., p. 31.
where users opt for low-cost or free alternatives, often in return for accepting advertising, or choose paying premium fees for high-quality content. The key issue in these decisions is the availability of substitutes of comparable quality. Usage of social media is growing over-proportionately compared to other web applications. Currently, three quarters of internet users worldwide visit social networks and almost 22% of internet time is spent on social media platforms. Most of the growth is generated by Facebook with the age group of 35 to 49 years growing particularly fast. Close to half of all internet users have an account with a community site, profiles set up for leisure and private purposes make up 90% of all profiles and professional communities taking only a 10% share. Younger users prefer sites such as Facebook or MySpace, participants older than 30 years career networks such as LinkedIn or Xing.

For the analysis of social networks those users are of particular interest who have a particularly extensive network and frequently communicate about a wide range of topics. The size and scope of the network is a good indicator for the potential of a participant to function as a multiplier. A high number of links combined with many communication activities increases speed and reach for the dissemination of information. Current studies indicate that the size of personal networks is largest for better-educated men with an above average income. There are no significant age related differences. Besides demographical attributes the usage motive is closely related to the topic spectrum of network users. Participants interested in entertainment regularly talk about low-cost consumer products, cars and furniture while information and news seekers rather communicate about politics, finance, telecommunication or computers. Consumers willing to purchase access e-commerce and online-banking sites and, depending on the complexity of the product or planned transaction, engage in dialogues with other users. Their topics include insurance, finance, living, DIY and sports equipment. Contact seekers converse preferably about alcoholic drinks, coffee, sweets, and computers.

Social network users also diverge in their value systems. These differences express variances in age and life situation. Younger users favour fun, action and self-actualisation while with growing age society-related values such as environmental protection, justice, status or security gain higher importance. Brand messages should correspond to customer values. Younger audiences like fashion, design, and new technologies whereas as they grow older they also accept messages on perfection, elegance, fitness, family, responsibility etc.

---

34 Cfr. PwC, op. cit., 2010a, p. 32.
38 Franz points out that besides social media face-to-face communication and telephone are used by members of a personal social network. Face-to-face is still the most commonly used method, while the telephone is about to be overtaken by social media. FRANZ, Gerhard, “Word of Mouth und klassische Werbung”, Medio Perspektiven, No. 1, 2010a, pp. 30.
40 Cfr. Franz, op. cit., 2010a, p. 32.
4. IMPORTANCE OF COMMUNICATING IN SOCIAL MEDIA NETWORKS

Against the background of increasingly complex products and services that require additional explanation social media provide excellent research capabilities for potential buyers enhancing the information supplied by the seller. From the participants’ points of view social networks reduce complexity, because the network constituents can join their competencies and accelerate their own decision making processes by using communication and cooperation within the network. Beyond that, many non-codified, informal pieces of information regarding companies, products, services or people are often only accessible in informed networks.

Long before the appearance of social media recommendations by friends and business partners were already treasured; word-of-mouth is one of the oldest methods to receive trustworthy information on the quality of people, companies and their supplies. Since recommenders in a personal social network do not (normally) have a commercial interest, their information is perceived as more valuable by recipients. Studies have shown that word-of-mouth communication does in fact have a strong influence on purchase decisions and buyer behaviour. Moreover, the attention level is raised considerably if a topic has been communicated in a personal setting. Recent studies indicate that the number of positive recommendations correlates with company success.

However, social media can also create extended forms of commercial interaction when customers join in their complaint efforts or combine buying power to negotiate better deals. Meanwhile, there are hardly any industries immune against social media activities because customers look for information on almost any product or service ranging from commodities to daily use products. Social media uses are not limited to customers but they are also used by other stakeholders such as business partners, owners, investors, or job applicants.

47 Cfr. Radi, Posselt, op. cit., p. 112.
49 KOLLER, Peter-Julian, ALPAR, Paul, “Die Bedeutung privater Weblogs für das Issue-Management in Unternehmen”, in ALPAR, Paul (Ed.), Web 2.0. Eine empirische Bestandsaufnahme, Vieweg+Teubner, GWV, Marburg, 2008, pp. 33, investigated how large German corporations are covered in the blogosphere. The car industry, retailing and telecommunication were received the most frequent coverage but other industries such as transport, industrial goods, media, chemical goods and banking are increasingly discussed in blogs. The topics include the companies in general, products and management. Although more than half of the comments were neutral, a third of the contributions were negative with respect to these topics. Media, telecommunication and transport are criticized more often than other industries.
Traditionally two departments in the company organisation, often are run as separate entities, communicate with stakeholders. Marketing addresses customers and corporate communication all other groups of stakeholders, e.g. owners, employees or the general public. Both departments use (mass-)media to convey their messages but apply different types of content, selecting the communication channel deemed most appropriate for the situation. Communication is not always coordinated between the entities potentially leading to undesired interference.

Web 2.0 and the resulting means of social media communication have deeply changed the context of corporate communication because they permit transparency, participation and decentralisation. Modular structures replace the fixed systems, introducing new communication standards with users taking partial control of communication processes. The new media challenge both corporate communication and marketing because they demand novel forms of address. Instead of giving a direct impulse to a mass audience the objective is now to include messages on brands, products, services or company into the personal communication with social network participants, thus creating individualised dialogues. If successful, users pass on content to their friends and/or recommend the product or brand. Overall, communication and advertising in social networks resemble sponsoring in that brand and company move to the background.

A theoretically unlimited number of people collaborates, evaluates, selects, categorises, combines and syndicates content on social media platforms. User interaction determines the resulting product of the communication process as well as its quality assessment. Thereby, information becomes a collective and cooperative good that is administered and developed as a peer product applying the open-source-principle. This also means reorganising established classifications and categories because social media do not combine content in sequential hierarchy structures, e.g. regarding particular places or subject areas, but allow (almost) unrestricted linkages. As a result, the organization modes of company and market that allocate resources through hierarchical management structures or the price mechanism are being complemented by the mode of social media. The latter coordinates the production and distribution of information goods in self-organising processes.

Another challenge of communicating in social media is the immense diffusion speed and reach of information. A single posting on the internet can accumulate into a resonating wave that increases with a growing number of content sharers. Companies need to be prepared to

---

react adequately to the situation: stakeholders do not only demand immediate but also personalized information. Constant monitoring of the information circulating in social media therefore is a must. The earlier the detection of an adverse development, the less significant the scope of the problem, and the easier it is to resolve. Otherwise a company may find itself in a defensive position difficult to leave.

Social media transform all messages sent by companies or directed at them into opinion-orientated communication offers, embedded into a network of social links that eventually assess their meaning and value. Both, processes and information are fully transparent. Companies are well advised to take good care which information is to be published and how. In any case they should refrain from false, incomplete or incorrect information because it will be inevitably detected, commented on and turned back at the company. Any company not communicating truthfully endangers its reputation and hence its communicative capital. The dynamic interactivity of social media may even result in a loss of defining power with respect to its own identity if the perceived image created by stakeholders deviates further and further from the company’s perception of itself. Reconstruction of image and reputation is a time-consuming and costly process.

Management of communication in social media networks affects all functions and expressions of corporate communication and marketing. The company becomes a part of these networks and must integrate into the interactive processes with its stakeholders. Information is no longer an asset that needs to be protected but becomes a dynamic good whose usability and productivity increase the more people use it in their creative processes. The company is only one of many members in the network and therefore cannot predict, let alone control, how its contributions will be applied by the heterogeneous and diverse network constituents. Over time the interpretation authority of company information is passed on to the social media participants.

Stakeholders expect an individual and personalised dialogue on all channels of integrated media platforms. In this context the traditional duality of corporate communication and marketing seems to be an obstacle, hence demanding closer collaboration and eventual integration. The division between external and internal corporate communication also becomes obsolete because owners or employees can be present in social media both as internal or external stakeholders. All employees, not just those of corporate communication, are strategically important communication partners and should be used as intermediaries.

---

54 Cfr. Wertime, Fenwick, op. cit., p. 147. Meckel, op. cit., pp. 481 examined several cases where companies were caught using undercover social media campaigns and severely punished by the users.
Corporate communication and marketing have a variety of options to incorporate social media. As outlined above, these must be included into an integrated concept that adequately represents the company, its brand(s), and products and services. The following sections describe the general process and the application for marketing and branding.

6.1. INTEGRATION PROCESS FOR SOCIAL MEDIA

Network communication strategies need to address a number of issues\textsuperscript{58}. In a first step those networks need to be identified which have a core meaning for the company’s communication activities. These networks are then analysed regarding properties, positions, structure and dynamics. Investigation of properties uses data mining to identify specific patterns of attribute distributions. Structure analysis determines network density and connectedness between network participants. Position analysis examines node features and their position within the network. Of particular interest are the closeness of two nodes, whether a node lies on a communication route between two other nodes, and the intensity of data flows. Finally, dynamics analysis compares networks over time showing changes in nodes, relationships, attributes etc.\textsuperscript{59}

The next step determines how a company can become part of its relevant networks. This depends on the degree of centralization. If centralization is high there are central participants. Of particular interest are central communicators who also have high position power as they can be used as information disseminators. In a network with low centralization, a so-called chain, there are no central figures and therefore all members have to be addressed individually.\textsuperscript{60} Furthermore, information and communication flows in the network are analysed regarding their strength and stability to distinguish stable relationships (strong ties). Beyond that, identification of structural holes could provide competitive advantages if other participants are not connected with each other\textsuperscript{61}.

\textsuperscript{58} Cfr., also regarding the following paragraph, Meckel, Will, op. cit., pp. 298.
\textsuperscript{61} Müller, Gronau, op. cit., p. 247.
From a company perspective it is especially important to determine the personal interfaces of the different networks constituting the communication arenas with its stakeholders (including journalists). Usually there are only few people with central power positions between the networks who have a high communicative influence.

Targeted planning, implementing and controlling of communication in social media networks require the ability to measure activities and their effects. This includes quantity, i.e. how often and how long a specific topic (company, brand, product, etc.) has been discussed, by participants. On a qualitative level the communication mode for a topic can be positive, negative, or neutral. Unfortunately there is currently no generally accepted measurement system available for social media networks but several approaches are being discussed in the literature. Furthermore, automated measurement is still in its early stages, with predictive indicators and algorithms still under construction.

Finally, it needs to be noted that companies cannot create or impose networks. Furthermore, the decision of who belongs to a network is not taken by company representatives or communicators. Successful networks grow over time and need constant cultivation to unfold their full potential.

### 6.2. SOCIAL MEDIA MARKETING AND BRANDING

Social media marketing refers to a form of online marketing that aims at reaching branding and marketing objectives more effectively by participating in a variety of social media. The overall objective is shared with general marketing and branding, namely to interact with target groups in the market to generate attention for brand(s) and product(s) and to entice them to purchase. The general campaign set-up and process of social media marketing follows the established approach. However, the promotion mix also includes social media to enhance the effects of the traditional channels through forms of word-of-mouth communication.

Word-of-mouth communication must be an integral part of marketing campaign planning and implementation to fully exploit its potential. Viral effects need to be initiated with a strong impulse through traditional mass media channels such as TV or radio to achieve the necessary reach and contact dosage. Media selection should weigh those channels higher that address subject specific networks with high communication density. Companies are also advised not to limit their activities to a single social media platform but to use different kinds such as brand communities, news groups, evaluation portals, price search engines etc., to benefit from their diffusion scope and speed. It is essential to monitor the effects throughout – and well beyond – the campaign to be able to interfere and correct if necessary.

Eventually, the information exchange through viral processes is to generate concrete product and brand recommendations that once transferred to a personal communication level finally become part of daily life. Company messages and usage experience should match; otherwise negative signals adversely affect purchasing probability. Targeted communication in social media must address those participants with a high level of activity and...
power who can be used as brand communicators. After all only a small group of people produces content on a constant basis, most users rather consume content that is already available. If multipliers in a strong brand community can be won over, other network participants may be convinced through branded entertainment. High trustworthiness of personal dialogue communication complements advertising messages but the one-sided influencing potential of ads reverts to the background and becomes less obvious. Viral marketing, however, always bears the danger that crowd wisdom discloses the campaign as an advertising trick, in turn creating a negative brand effect. On the other hand, if sender and message of a campaign are hidden too well, there may be a viral effect but no benefit for the company or brand.

Special attention should be paid to wording and tonalities of campaign content because users detest and reject marketing speak and in particular prefabricated text modules. Instead, tonality and phrasing of the messages should reflect recipient preferences as well as the brand values.

However, it also needs to be noted that social media are limited in their influencing potential. The number and dynamics of networks make it difficult to discover the opinion leaders relevant for the company subjects. Not all topics are suitable for viral marketing and consumers increasingly hesitate to pass on commercial content to their friends. Branded content must therefore be highly innovative and offer value to senders and recipients.

Social media provide companies with additional multimedia communication options. However, they have changed communication with stakeholders as processes become not only more dynamic but also move from mass communication to individual dialogue. Customers demands such as „My time is prime time“, and „Don’t interrupt, discuss“ are obvious expressions of the current environment.

The challenge for corporate communication and marketing is that in social media they address a large and invisible audience – like in mass communication – but with the significant difference that the audience expects an interpersonal and informal communication and wants to participate in active dialogues. If a company succeeds in making their stakeholders share their (positive) opinions with others it can develop strategies for a deeper multi-level-communication. This requires the implementation of guiding principles regarding authenticity, openness, dialogue, user benefits instead of advertising, and branding as customer experience. Weaknesses in online communication such as lacking transparency, incomplete information or even dishonesty will be disclosed and hence, negatively affect company reputation.

However, social media also bear limitations. Without automated monitoring and evaluation the number of networks and their dynamics is impossible to handle on

---

a broader scale. Not all topics fit into viral marketing and consumers become more reluctant to disseminate commercial content. Regardless of the problems companies must be present in social media. Otherwise they could well find themselves excluded from communication and fall behind their competitors. It is also important to monitor communication on company-related topics to discover potential effects at an early stage to prepare fast and trustworthy responses, also in crisis situations. Currently several trends emerge in the communication arena. Media usage continues to evolve with mobile gadgets offering ever more functionalities. In social media video sharing experiences high growth rates, complementing textual information. Consumer expectations further increase with respect to personal address and individualised content they can consume on any device, in any format, anytime and anywhere, in other words: high tech, with high touch.