

Social Media Marketing Strategy in Organisations: A South African Case Study

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ABSTRACT

Business has passed the exploratory stage of social media adoption where the focus was on trying to determine how best to use the social media platforms within an organisational context. The need is now for effective business strategies to support the use of social media with internal processes to manage the day-to-day operations of social media. This shift in thinking has forced businesses to focus more critically on their social media strategies. The knowledge gap identified in academic literature is the limited amount of research conducted on social media strategies to support the effective use of social media technologies in organisations. This paper reports on research in progress that aims to fill this gap. Due to the emergent nature of the social media strategy phenomenon, the grounded theory method (GTM) is used with the aim of developing a substantive theory that will help increase our understanding of this particular phenomenon.

Keywords: Social Media; Strategy; South Africa

INTRODUCTION

Social media can be defined as a group of online communication applications used to send and receive messages and media files in real-time through the Internet and web based platforms. These applications can be used by both the general public and by business where marketers can use social media to effectively engage with consumers at significantly lower costs than traditional media like television and print media (Haenlein and Kaplan 2010; Broughton, Cox, Foley and Ledermaier 2013). Only a very limited number of academic studies have been done on the social media phenomenon. Even less research has been done on the use of social media within communication and marketing (Kim et al., 2010; Akar and Topu 2011). Even though business users are unclear on how to incorporate social media into their communication and marketing strategy (Jaffrey 2011), nascent signs are there that some businesses are starting to see the valuable role social media can play in reaching their consumer base. To achieve this, business needs to understand how social media will fit into their overall communication and marketing strategy. Recent Information Systems (IS) academic literature places an emphasis on the need for more research into strategies that would support the use of social media within an organisational context (Haenlein and Kaplan 2012; Vuori 2012; Hermkens, Kietzmann, McCarthy and Silvestre 2011; He 2012).

This study is conducted within South Africa. A growing trend has seen South African retailers using social media platforms more to communicate and engage with their customers or market their products and services (Berry, Bolton, Bridges, Meyer, Parasuraman and Seiders 2010). Popular social media platforms in South Africa are: Facebook, Mxit and Twitter. A survey conducted by World Wide Worx (2014) shows that in 2014 the number of South African users per social media platform was as follows: Twitter was 5.5 million, Facebook was 9.4 million with Mxit at just over 6 million [Mxit is a South African mobile social network with the majority of users located in South Africa. Other key markets that use Mxit include India, Nigeria and Indonesia (Mxit, 2014)]. South African organisations have shown a strong move towards the use of social media where: Facebook is used by 93% of major brands, Twitter by 79%, Youtube by 58%, LinkedIn by 46% and Pinterest by 28%. Although 91% of the respondents to the survey that addressed these issues acknowledged the importance of social media as a business tool, only

19% indicated that they were getting some value out of their social media investments. This low percentage indicates that organisations are still struggling with the use of social media within an organisational context and much more knowledge generation and learning is needed to help organisations embrace social media as a business tool that can add real business value (World Wide Worx 2014).

The tentative steps taken by South African organisations into exploring the use of social media platforms provides significant research opportunities into answering the what, how and why questions related to the use of social media in a South African context. The above points do make a convincing argument for conducting IS research to explore and better understand the social media phenomenon and its use as an online communication and marketing channel. The current research would add benefit in addressing our current knowledge gap, extending our academic knowledge and academic literature as well as providing practical relevant information to business and IS professionals who are using social media as part of a marketing strategy. The research objective is to better understand the role of an online social media strategy in facilitating use of social media within an organisational context supporting the communication and marketing business objective. This research objective is to be achieved through the conduct of a grounded theory methodology study around organisations that are engaging with social media marketing. Research into social media has taken place from the perspective of various disciplines which includes sociology (Kluemper and Rosen 2009; Parra-López, Bulchand-Gidumal, Gutiérrez-Taño & Díaz-Armas, 2011), marketing (Michaelidou, Siamagka and Christodoulides, 2011; Weinberg and Pehlivan 2011) and information systems (Kaplan and Haenlein 2012; Vuori 2012). The focus of these prior studies has largely been descriptive. The noticeable gap in the recent discourse on IS theory development is that the IS community have not adequately engaged with the methodological aspects when it comes to social media research and theory-building (Urquhart & Vaast, 2012). Given the inductive nature of this study, the paper begins with an outline of the research methodology chosen after which initial findings are presented and discussed before the paper is concluded.

RESEARCH METHODOLOGY

Grounded theory methodology (GTM) can be defined as "an inductive, theory discovery methodology that allows the researcher to develop a theoretical account of the general features of

a topic while simultaneously grounding the account in empirical observations or data" (Martin and Turner 1986: 141). Grounded theory is a "general method with no explicit correct epistemology" in which "all is data" is consistently expressed (Glaser and Strauss 1967; Glaser 1978; 1998). The objective of grounded theory is to develop theory and not test theory (Glaser and Strauss 1967; Glaser 1978). Strauss and Corbin (1990; 1998) add that through a meticulous exploration of the accounts of the phenomenon the researcher is able to create a rich description of a phenomenon. This meticulous exploration takes place through interviews, observations, archival materials and quantitative data sources.

The three overarching principles of GTM that underpin the theory development process are the principle of emergence, constant comparative analysis and theoretical sampling (Glaser and Strauss 1967). This theory development process continues until theoretical saturation is achieved for each category identified during the research process (Glaser 1992). Analytical and theoretical memos play an important role during the constant comparison exercise, emergence and theoretical sampling to achieve theoretical saturation (Glaser and Strauss 1967; Glaser, 1998; Charmaz, 2006). The memos also help researchers capture their thoughts and make sense of what is emerging from the data needed for conceptualisation and theory building (Lehmann 2001; Gallupe and Lehmann 2005). The flexibility of GTM is one of its greatest assets (Birks et al. 2013).

Various approaches to GTM have been used in IS research, with the evolved (Straussian) GTM quite popular (Matavire and Brown, 2013). This popularity stems from the fact that it is a systematic approach, with analytic techniques useful for novice researchers to be able to develop theory relevant to practice (Strauss and Corbin 2008). Straussian GTM is also a very relevant research approach for IS researchers studying process and change within an organisational context (Poole and Van de Ven 1990). Strauss and Corbin (1998) suggest the use of a paradigm model to frame a grounded theory. This paradigm model illustrates the core action/interaction concerned with a phenomenon, as well as the causal and contextual conditions that influence it, and the consequences of the action/interaction.

Data Collection

The intention in this study is to gather data from a number of case organizations where social media marketing strategies are being employed. Thus far, fieldwork has been conducted in a single case organisation using multiple methods of data collection, including in-depth, face to face, semi-structured interviews, observations and official company documents – in text and video format and company policy documents. The sample included individuals responsible for supporting the company’s online social media accounts as well as those responsible for the company’s online social media strategy. Interviews were held with the Social Media Manager; Senior Management responsible for design, implementation and management of social media strategy; those professionals responsible for the organisation’s social media accounts.

Combining the grounded theory method with case studies is challenging since “theory development prior to the collection of any case study data is an essential step in doing case studies” (Yin 1994: 28). Yin’s point seems to negatively impact the emergence of theory using the grounded theory method (Glaser 1998). For this reason, when a researcher decides to combine a case study with the grounded theory method, it is important for the researcher to highlight which methodology drives the investigation (Fernandez 2003). For this research study, GTM is the driving methodology with in-depth case studies supporting the research study (providing the empirical data for the research). Eisenhardt (1989), Orlikowski (1993) and Dubé and Paré (2003) and Pare (2004) highlight that GTM can be used and is compatible with case study research.

Data Analysis

The data analysis process was achieved through coding where coding is defined as “extracting concepts from raw data and developing them in terms of their properties and dimensions” (Strauss and Corbin 2008:159). Three types of coding are mentioned by Strauss and Corbin (1998) – open coding, axial coding and selective coding. Open coding involves the process of identifying concepts and grouping them into categories; axial coding involves delineating the relationships between categories; and selective coding involves trimming away excess categories so as to delimit the emerging theory to only those categories strongly linked to the core category of the theory (Strauss and Corbin, 1998). This paper reports on the outcomes of open coding and

the initial stages of axial coding, whereby salient concepts have been identified and classified as action/interaction; causal; contextual or consequences (Strauss and Corbin, 2008).

FINDINGS

Case Description

A retail company was selected as the initial case. The reason for selecting the company is that it is one of the biggest retailers in South Africa with its Head Office located in the Western Cape. The company has a very visible online presence using Facebook, Twitter, Instagram, Pinterest, Google Plus, Youtube and LinkedIn as part of their online social media strategy. Facebook and Twitter is the company's most active social media platforms with close to 450 000 followers on Facebook and Twitter just over 176 000 followers as at October 2014. For reporting and analytics they use Radian6, SocialBackers and Facebook Insights. The company has had a formal social media strategy for the past three years and the strategy supports the company's communication and marketing business objectives. The company retails in Foods, Clothing – Men, Women, Kids and Babies, Homeware, Beauty Products and Financial Services. The coverage across seven social media platforms and its online visibility makes the company a good case study.

Atlas.ti was used as the qualitative data-analysis software tool to code the interviews, official company documents – in text and video format and to capture theoretical memos. During the open coding exercise about 150 concepts emerged through the iterative coding cycles. The interviews and previous memos were re-analysed with the goal of arranging concepts into recurring themes. Out of these themes, stable categories emerged that covered most of the data. These are reported next in accordance with the categories articulated in the paradigm model.

Action/Interaction Category

The core category that emerged viewed the process of social media strategising as a *collective storytelling* relationship between the company and their customers. This circular *collective storytelling* relationship consists of the *co-creation* of digital content where both the customer and company contribute towards creating digital content through the *use* of online social media all encompassed within the social media strategy.

Causal Conditions

The conditions leading to the co-creation of digital content and use of social media are: *Strategy Failures, Breaking down of Departmental Barriers (Silos), Structure in a Dynamic Environment, Education Intervention and Improving ROI measurements of Social Media.*

Strategy failures have been identified as: not speaking with one voice (problems with *creating synergies*), not being able to effectively plan amongst the teams supporting the business campaigns and inappropriate or incorrect information being posted online. These *strategy failures* impact the company's brand negatively by customers posting negative comments online. To overcome these challenges there is need to *break down departmental barriers (Silos)* and *provide structure in a dynamic environment like social media.* *Educational inventions* are needed to help grow the overall understanding of social media within an organisational context and its use for communication and marketing. In order to raise the profile of social media within the organisation there is need to find ways of *Improving the ROI of Social Media.* In an attempt to do just this, the organisation has started creating KPIs specific to the organisation to help better measure ROI.

Contextual Conditions

The contextual conditions that exert the greatest influence on the co-creation of digital content and use of social media are: *Digital and Social Media Integration, Business Alignment with Social Media, Business Campaign Initiatives, Social Media Team, Digital Content Team, Social Media Platforms and Reporting Tools and Discussing Social Trends linked to Brand.*

The *social media team* and the *digital content team* support the social media strategy. Digital content and social media forms a very close relationship being described as social media being part of digital content which speaks to *digital and social media integration.* *Social media aligns with business* and plays a supportive role in *business campaign initiatives.* The support is in providing visibility for the marketing campaign by using social media to share content and communicate with their customers. Through co-creation the company and customer will *discuss social trends linked to the brand* and tell *collective stories* which drive *brand awareness.*

Consequences

The consequences of the co-creation of digital content and use of social media are: *Brand Awareness, Content Sharing, Establishing Synergies, Customer Engagement, Manage Online Reputation and Building Community Relationships*.

Brand awareness is to promote a positive online image of the company through the use of social media. An increase in *brand awareness* is created by the organisation through *content sharing* with the focus on sharing relevant and the best content. Through *customer engagement* the organisation is able to join in on online conversations and respond to their customers through the process of co-creating online content. This circular exercise of co-creation and technology use helps the organisation through collective storytelling to manage the company's *online reputation* and *build community relationships*. The online conversation needs to be seamless and on all the platforms being used the message should be delivered as one voice. For this reason it is important to *establish synergies* amongst those stakeholders using social media. Experiencing challenges in *creating synergies* amongst these stakeholders would result in a decrease in the effective use of social media which in turn will negatively affect *brand awareness, content sharing, audience engagement, company's online reputation and community relationships*.

DISCUSSION

Based on the empirical findings social media is defined as a platform where customers can speak directly to the company and the company will respond accordingly. The online conversation will happen in real-time and the platforms enable a better conversation with the focus on customer engagement, interaction, communication, customer services and relationship building. The social media strategy is seen as supporting the company's communication, relationship building and marketing objectives through the use of multiple social media platforms. The foundations of the social media strategy are: Brand Awareness, Content Sharing, Establishing Synergies, Customer Engagement, Online Reputation Management and Building Community Relationships with a focused outcome on building brand loyalty. The social media strategy encourages the appropriate use of social media to build brand loyalty and to protect brand reputation.

To further progress the research, data will be gathered from additional cases, so as to validate the findings in alternative contexts, and through the grounded theory methodology processes, the

theory will be further developed and refined. At the same time literature around the key emerging themes will be collected, so as to make clear how the emergent theory fits in to the body of knowledge, and to highlight its contribution. Literature will be weaved into the discussion of the key findings, as was done by Strong & Volkoff (2010).

CONCLUSION

Social media has become an important communication and marketing tool within an organisational context. Organisations at the beginning stages of understanding how to use social media, however are struggling to find the best fit for social media within the organisation (Tanuri 2010). This challenge is underpinned by a South African study done in 2014 highlighting that although 91% of the major brands in South Africa acknowledge the importance of social media as a business tool, only 19% of the respondents indicated that they were getting some value out of their social media investment (World Wide Worx 2014). Much more knowledge generation and learning is needed to help organisations embrace social media as a business tool that can add real business value.

To start addressing this knowledge gap IS researchers have indicated that appropriate online strategies are needed to facilitate the role of online social media platforms within the organization. This study attempts to start addressing this gap. According to the empirical findings the principle foundations of the social media strategy are: brand awareness, content sharing, establishing synergies, customer engagement, manage online reputation and building community relationships. The digital content team and the social media team support the social media strategy. What is interesting is that social media is seen as integrated into digital content. Interestingly the customer is in control of this relationship with the company. The research contributes to our academic knowledge and practice and can provide guidelines to management who intend to use or are currently using social media and the role a social media strategy could play in supporting this organisational use within a communication and marketing context.

Future research involves further refinement of the emergent theory through applying GTM principles, and then comparing the developed theory to existing literature and theoretical understanding to highlight the contributions made to better explanation and understanding of the phenomenon.

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