1

Chapter 1

Understanding Blockchain's Role in Social Media Marketing:
A Review of Academic Literature and Social Media Discussions

1

Ashish Prithviraj Ramlakan
Victoria University, Australia

Sardar M. N. Islam
Victoria University, Australia

Ruchi Gupta
University of Delhi, India

Yuan Miao
Victoria University, Australia

ABSTRACT

Blockchain technology's introduction to social media marketing is an influential force to transform security and build trust in a social media platform, thus encouraging greater consumer engagement. This chapter explores the economic benefits of combining blockchain and social media marketing, and how this creates a powerful synergy to address consumer behaviour, through a process of a systematic and thematic content analysis of 30 selected peer-reviewed literature as well as 11 pieces of grey literature (which included social media site posts and blogs) published between 2012 and 2021. The implementation of blockchain technology has the potential to bring about a strategic transformation by inculcating a change in the customer's behaviour towards the organisation. The information in this chapter will provide compelling support that organisations can increase their consumer as well as influencer numbers online and successfully entice high traffic to their home page by implementing blockchain technology in their social media marketing campaigns.

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1. INTRODUCTION

Social media platforms like Facebook, Twitter, Pinterest, and LinkedIn solicit participant interaction by enticing reactions through memes, emojis, comments and likes (emotions) (Burns, K.S. 2017). These reactions are referred to (in marketing) as customer engagement (de Oliveira Santini, F.et. al 2020). Businesses using social media as a means to market, may be able generate a similar customer reaction, and this reaction may eventuate as a purchase or a favourable influence, thus prompting others to engage and purchase. The potential opportunities presented by social media engagement for businesses are profound.

The concept of blockchain involves the fact that it enables the storage of data on several decentralised servers. These servers are at different locations instead of one centralised site (Buterin, V. 2013). Each computer in the server network receives a copy of the unalterable data (Swan, M. 2015). This serves as a means to build trust between parties, and thus enables greater transparency and security during interactions between the parties.

The accelerated growth in social media has impacted the traditional classical methods of marketing and social interaction. This has presented challenges to both industry and consumers. At the forefront is cyber-security (Swan, M. et.al 2017). The development of blockchain technology maybe a powerful force in helping to transform security in social media marketing. Thus, this chapter seeks to discuss how the incorporation of blockchain technology in small and medium sized businesses, maybe a powerful force in helping to transform security in social media marketing.

The chapter aims to answer the following questions:

Question 1: What research has been carried out on blockchain incorporation in social media marketing?

Question 2: What are the benefits that the implementation of blockchain can bring to social media marketing?

Question 3: What are the challenges that the implementation of blockchain in social media marketing pose to both the consumer and the marketer?

The chapter undertakes qualitative research by using social media marketing data, generated by content analysis from existing peer reviewed literature and grey literature. Most businesses may have already reached out to customers in their defined markets by using existing social media platforms (Edosomwan, S et.al. 2011) like Facebook, Twitter, LinkedIn, and other sites. These social platforms offer services to the customers while at the same time collecting their personal data. This personal data is shared/sold (Harvey, C. R. et.al, 2018a) to potential advertisers. These advertisers utilise the data by targeting their marketing directly to the newly

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