

Chapter 37

Social Media Effects in Virtual Brand Communities: The Case of Facebook and Twitter

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ABSTRACT

Social networking sites (SNSs) such as Facebook and Twitter are emerging as major communication channels for organizations looking for new ways of customer engagement. Although this new scenario is having a massive impact on consumer behavior and marketing strategies, very little is known about users' intentions to participate in online social networks, and the potential benefits that online social interaction could generate. This research presents a new framework integrating the advantages of two well-known approaches, the Technology Acceptance Model (TAM) and Theory of Planned Behavior (TPB), to understand the intention to participate in the SNSs. The TAM focuses more on volitional factors, while the TPB considers external influences such as social factors. The authors' framework integrates both models, and extended them with two key elements in online communication and E-commerce: privacy and trust. The framework also reflects the effects of interaction between brands and consumers on Facebook and Twitter. The new theoretical framework was tested through two cross-sectional surveys in Facebook and Twitter. The results indicate that high levels of trust, attitude and perceived usefulness can be good indicators of the adoption of a SNS. Individually, Twitter was found to be a powerful word of mouth tool, and Facebook is a good interactive channel. These findings can provide a better picture of how practitioners should develop their strategies in both platforms in order to maximize their potential.

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1. INTRODUCTION

Information systems do not seem to be just data repositories any more but are also collaborative spaces (Sharatt & Usoro, 2003), where co-creation of dialogue is at the epicenter in capturing business values (Schlenker, & Pronk, 2009). Traditionally, consumers have been looking for products that could fulfill their needs. Retailers responded to demand by initially offering the right product for the right consumer, which was then gradually developed for a customer-oriented strategy (Kotler, & Armstrong, 2007). However, high levels of competition in the current economic environment and the challenge of setting a long-term relationship have made organizations to look for new ways of customer engagement (Andersen, 2005; Casaló, Flavián, & Guinaliu, 2008; Morgan & Hunt, 1994). The locus of value creation has shifted increasingly towards providing a unique personalized customer experience, and moving away from the conventional product- and customer-centric mindset (Prahalad & Ramaswamy, 2003).

Under these circumstances, the value is not only derived from the goods or services provided, but also from the quality of the relationship with customers and partners (Schlenker & Matcham, 2005). In the early days of E-marketing, E-businesses were particularly successful when it came to developing customer relationship management (CRM) tools, using the web extensively and by targeting specific customers via the use of emails (Feinberg & Kadam, 2002). Going forward, the Web extensively has evolved into what is known as Web 2.0, with social media opening new communication channels that are currently favoring the interaction between organizations and consumers (Lloyd, 2009).

The proliferation of this new generation of software has not only transformed the Internet, but the way we communicate nowadays. Social networking sites (SNSs) such as Facebook and microblogging Twitter, are attracting millions of users who, through these platforms, are sharing content, providing opinions and engaging in online activities. This interaction is influencing attitudes towards brands and purchasing intentional behavior, which has not gone unnoticed. Businesses aim to increase their investments and presence in the forthcoming years in these platforms, as it has been reported that social media generated almost \$10.3 billion in 2011 and is estimated to grow up to \$29.1 billion in 2015 (Gupta, 2011).

Although the interest of social networking as an interactive medium is increasing exponentially, little is known about what motivates Internet users to adopt and participate in SNSs, as well as the real effects of this interaction, especially from an E-commerce perspective. This research contributes by aiming at understanding the rationale for adopting SNSs, measuring the results of this interaction and analyzing how the SNS platform affects the relationship between different stakeholders. For this purpose, this paper focuses on Facebook and Twitter, currently the two most popular SNSs.

Hence, the nature of this investigation focuses on the following three research questions:

1. What are the antecedents of intention to participate in social networking sites?
2. What benefits does consumer-brand interaction generate for organizations in social networking?
3. What are the differences between Facebook and Twitter in the two previous research questions?

The strategy proposed is to address the research questions from a quantitative approach through two cross-sectional surveys and a comparative design. Although current research is presented from an objective ontological orientation and a positivistic perspective, the novelty of the B2C approach in the SNS context requires measurement of consumer-brand interaction, which is not readily available in the literature. In order to measure the consumer-brand interaction and complete the framework, the research involved semi-structured interviews with executives of social media.

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