""Touchpoint social web": an explorative study about using the social web for influencing high involvement purchase decisions"

NUMBER OF REFERENCES	NUMBER OF FIGURES	NUMBER OF TABLES
0	0	0

SECTION 3. General issues in management

Simon G. Fauser (Germany), Jonas Wiedenhofer (Germany), Marie Lorenz (Germany)

"Touchpoint social web": an explorative study about using the social web for influencing high involvement purchase decisions

Abstract

With Facebook reaching half a billion users in mid-2010 and two thirds of consumers worldwide using the Internet before purchasing goods (Erbenich, Freundt, 2008) the social web represents an increasingly important point of interaction or touchpoint between businesses and consumers. This paper asks marketing professionals and experts from academia about the impact of social media marketing on the decision-making process and evaluates which social web platforms are most suitable for influencing high involvement purchase decisions. The results indicate that in the early phases of the purchase decision process, social networks, wikis and blogs are the platforms to use. In the later phases, social sharing and social networks are most promising. The paper provides a conceptual framework for marketing managers across a wide range of industries.

Keywords: purchase decision, high involvement products/services, social web marketing.
JEL Classification: M31, M37.

Introduction

The Internet not only changes the way we communicate one-to-one or also many-to-many (MacIaran, Catterall, 2002), but also the way we make purchase decisions. Today, more than two thirds of consumers worldwide use the Internet to research products and services before they buy them (Erbenich, Freundt, 2008). This is particularly true for extensive purchase decisions which are characterized by high consumer involvement, such as buying a new car or other prestigious and expensive products (Knappe, Kracklauer, 2007). Social web platforms are increasingly popular among consumers (Universal McCann, 2009), because they enable them to exchange their experiences and opinions about products with other customers. In response to this development, marketers turn to the social web in the hope of being able to influence the decision-making process. Back et al. (2009) confirmed this development and stated that the social web belongs to the top ten most relevant strategic business technologies.

Even though the social web constitutes such a high strategic value, marketing managers engaging in social media marketing face severe challenges. The rules for marketing on the social web fundamentally differ from the rules that apply to traditional media. The main drivers of this change are a community-based communication model, as opposed to one-way communication, and user-generated content. As a consequence, marketing communication turns into a continuous dialogue between businesses and consumers. Therefore, marketers need to rethink their practices and adapt them to the principles of the social web, in order to be able to engage with today's consumers (Scott, 2007). This requires an understanding about which platforms can be used in what way to influence the purchase decision.

1. Literature review

The following literature review, therefore, reflects the different social web platforms that can be used for marketing, and discusses the phases in which marketers can influence the purchase decision process.

1.1. The social web and its platforms. In contrast to the popular term Web 2.0, which is commonly used to describe the economic aspects, as well as the social phenomenon associated with the changing landscape of the World Wide Web, the term "social web" focuses on interaction between Internet users. These users are no longer limited to solely consuming online media − instead they become producers of content themselves. Hence, user-generated content constitutes one of the main characteristics of the social web. According to Ebersbach et al. (2008), *"the social web consists of web-based (www) applications that help people to exchange information, to establish and maintain relationships, to communicate and to collaborate in a social and collective context, as well as the data that is created thereby and the relations between the people, who use these applications."* Despite the highly dynamic nature of the field and the existence of various niche platforms, social web applications can be classified into five platform categories, according to Ebersbach et al. (2008):

1. **Wikis** are platforms that focus on the collaborative creation of text/information (e.g., Wikipedia or PB works). See Weekly (2008).
2. **Blogs** are often compared to diaries, since they are mostly personal "online-journals" created by

Simon G. Fauser, Ph.D., Lecturer and Research Associate, Faculty of Business Administration II, Heilbronn University, Germany.

individuals ('bloggers') and deal with all kinds of topics (e.g., Autoblog.com or LiveJournal). See Hacker (2003).

3. **Microblogs** are "small blogs" and similar to a text message on a mobile phone, as they are limited to a certain amount of characters (e.g., Twitter or see Bremner, Tourres, 2008).

4. **Social networks**, like Facebook or ASmall-World (see Ruiz, 2008), are mainly used to establish and maintain relationships and usually provide their users with profile pages that can be adapted individually.

5. **Social sharing** applications, such as Flickr (see Terdiman, 2004), offer the possibility to share and exchange digital content (e.g., pictures, music, videos or bookmarks).

These categories can be further divided according to the main function of the social web they address, which are information, communication, and relationship (Hippner, 2006). Ebersbach et al. (2008) derived a classification scheme that reflects the main purpose of each category from a user's perspective, while adding collaboration as a fourth functionality of the social web (see Figure 1).
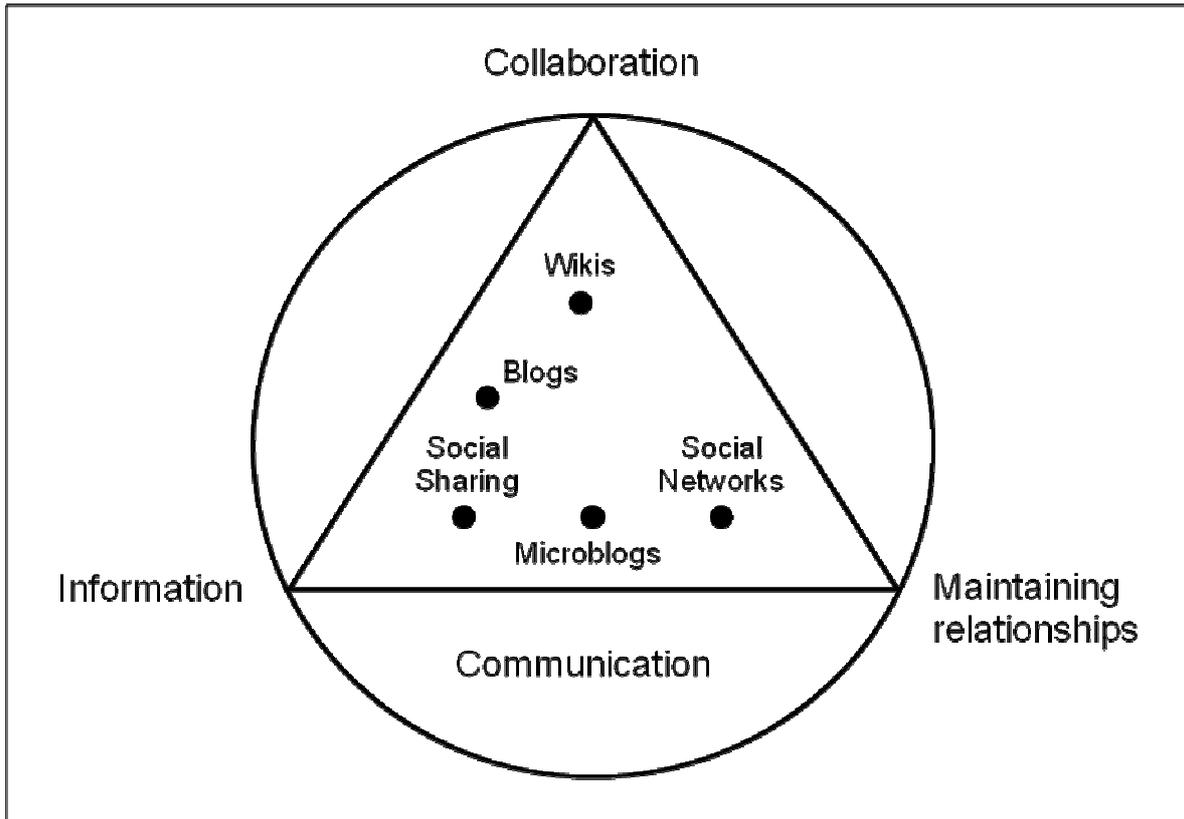

Fig. 1. Social web classification scheme (Ebersbach et al., 2008, p. 35)

While communication is a core dimension of all platform categories, the platforms are not equally well suited for information, collaboration, and relationships. For example, wikis are primarily collaboration tools, whereas social networks are mostly used to keep in touch with peers. Consequently, not all platform categories are equally suitable for all marketing objectives.

What they have in common, however, is that they provide marketers with opportunities going far beyond the classical online-banner advertisement (Iltgen and Kuenzler, 2008). Wikis, for instance, can be used as collaborative extension of a company's website, enabling users to publish and gather information on its products and services. By establishing product or service blogs, companies are in a position to offer their customers additional sources of infor-

mation with content that can be shared in a timely fashion with minimal effort. Consumers can also turn to expert blogs, in order to research a product's strengths and weaknesses or to ask other users for their advice. While microblogs, such as Twitter, are hardly suitable for in depth consumer information, they are highly effective in terms of reach and timeliness. Social networks are particularly appealing as they combine various functionalities, such as instant messaging, content sharing and the creation of individual profile pages. In 2009, eighty-one of the one hundred biggest U.S. companies had been using Facebook as a marketing tool (Bersch, 2009), creating fanpages and/or using applications as a way to connect with consumers. Social sharing platforms, such as the video-sharing platform YouTube, attract many hundred millions of users (Morgan Stanley

Research, 2009), and companies are able to efficiently address a global audience. Being a part of a social commerce, a network can also boost individuals' profits (Stephen and Toubia, 2010).

1.2. The purchase decision process. In order to evaluate what platform categories have a high potential of influencing the purchase decision, it is critical to understand how the decision-making process works.

The higher the financial, social and/or psychological risk associated with a decision, the more extensive the problem solving and the higher the consumer involvement will be (Jobber, 2001; Kuß and Tomczak, 2004; Knappe and Kracklauer, 2007). Butler/Peppard's online decision process (Figure 2) describes five stages of decision-making that consumers go through during high involvement decisions.
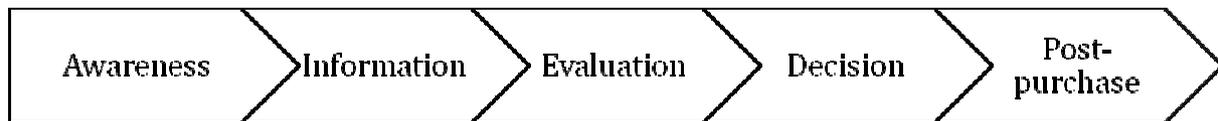

Fig. 2. Online purchase decision process (Butler and Peppard, 1998)

What follows is a brief description of each stage of the process:

1. **Awareness.** In this stage the consumer becomes aware that he has a need for a certain product/service. Hence, the main goal of marketing communication in this stage is to stimulate needs (i.e., to place the product/service in the consumer's awareness set) and create awareness.
2. **Information research.** After a consumer has realized a purchase need, he collects information from internal sources (e.g., own experiences) and external sources (e.g., advertising, recommendations, newspaper articles, etc.). Marketing communication is to provide sufficient information to help the consumer deciding whether the product/service offered is suitable in satisfying his needs.
3. **Evaluation of alternatives.** The information is now being evaluated and the consumer builds a shortlist of brands that provide a solution to his problem. Since the products/services on the shortlist are usually quite similar from a rational point of view, marketing communication needs to address the consumer emotionally.
4. **Purchase decision.** During this important stage or point in the purchase decision process, marketing communication plays a rather minor role. The contact with the brand is limited to the point of sale.
5. **Post-purchase behavior.** As soon as a product/service has been purchased, the consumer enters the post-purchase stage. From an online marketing perspective this stage is particularly important in terms of customer satisfaction and customer retention (Constantinides and Efthymios, 2004). Trusov et al. (2009) find that social networking sites produce substantially higher response elasticities on messages than do traditional marketing instruments. Therefore, marketing focuses on customer relationship management and after-sales support/service.

2. Methodology

In order to find out how marketers can use social web platforms to influence purchase decisions, an explorative research design was chosen. By conducting structured personal interviews with fifteen German marketing practitioners from two different high-involvement industries (automotive and advertising), as well as experts from academia, qualitative insights were collected and structured. The result is a generic social media framework for marketing managers.

Data collection took place between October 25, 2009 and December 15, 2009. Each interview was based on the same questionnaire. The interviewees were asked to evaluate the use of each social web platform in every single stage of the purchase decision process. A graphical illustration of the purchase decision process was displayed and examples of internet platforms were provided with the goal of minimizing the risk of misinterpretations and supporting the interviewees in their evaluation. All interviews were recorded and the answers were transcribed into MS Excel. To facilitate data comparability, the interviewees also had to give a numerical evaluation for all platforms in each stage of the purchase decision process. Each platform/phase-combination received a number ranging from one (high potential) to five (low potential). The average for each combination was calculated – showing the common tendency of the sample – providing a numerical evaluation grid.

3. Findings

First, the expert evaluation shows that marketers can use social web platforms throughout all stages of the purchase decision process. Second, platform specific strengths and weaknesses are revealed, as seen in Table 1. The results are complemented by adding insights of Dave Chaffey, a leading e-marketing author.

Table 1. Numerical evaluation grid (average values; n = 15; 1 = high potential; 5 = low potential)

	Awareness	Information	Evaluation	Decision	Post-purchase
Wikis	3.8	**1.3**	2.9	3.6	3.9
Blogs	2.3	**1.3**	**1.4**	2.2	2.9
Microblogs	2.3	2.6	2.8	3.0	3.3
Social networks	**1.8**	2.3	2.3	**2.1**	**1.9**
Social sharing	2.3	2.1	**1.9**	3.1	2.8

Each box of the numerical evaluation grid indicates whether a platform can potentially influence consumers in a specific stage of the purchase decision process. An average close to one suggests that a platform has a rather high potential, while an average close to five means that experts rated the potential to be low. All averages with one comma are highlighted in Table 1, as well as the category leader. In the following, the main findings are summarized.

Eleven out of fifteen experts state that wikis have a high potential when being used in the information stage (average score = 1.3). Chaffey (2009, p. 79) adds, "search engine marketing and affiliate marketing" to be also useful in the information stage. In the other stages, wikis are of little use. The interviewees believe that for many Internet users, Wikipedia is a prime source of information. Most search engines (e.g., Google) support Wikipedia as prime source of information by showing it among the top search results.

Blogs are equally well suited for influencing consumers during the information stage (average score = 1.3). Chaffey (2009, p. 79) holds "aggregators, directories and other intermediaries" in the information stage as most useful. Wikis and blogs are exactly those. The experts in our poll believe that blogs also have a high potential to be used in the evaluation stage (average score = 1.4). The average scores in the awareness, decision and post-purchase stages range from 2.2 (decision) and 2.3 (awareness) to 2.9 (post-purchase). According to most of the interviewees, authenticity is the biggest strength of external blogs. Bloggers are usually trustworthy experts in their field and consumers can find blogs on almost any product category. The higher is the reputation of a blogger, the more influence he has on consumers' purchase decisions.

Microblogs are not considered to have any high impact on the purchase decision process. The interviewees value their potential with a total average score of 2.8 (= average score per stage divided by number of stages). After all, six out of seven experts attest microblogs to have a high potential in the awareness stage ("quickly distribute brand or product

news"). In the post-purchase stage, companies could provide real-time after sales service and support.

Social networks are evaluated with a total average score of 2.1 and are particularly well suited for the use at the beginning and at the end of a purchase process. Chaffey (2009, p. 79) also recommends "social recommendations" at the very beginning of the purchase decision process and at the post purchase process, suggesting to allow for "personalized website content and interaction." With 1.8 social networks score well in the awareness stage, with 2.1 in the decision stage and with 1.9 also in the post-purchase stage. All interviewees consider Facebook to be the most popular platform for seeding information and creating awareness in relevant target groups. The higher is the number of users in a network, the higher is the chance that consumers will find adequate information on products. Many users actively ask their peers for advice before buying a certain product and use Facebook as a feedback tool. Companies can be a part of this process and provide a hub for current and potential customers. Winning customers as fans in the post-purchase stage creates a loyal and sticky community.

Social sharing platforms should be considered during the first stages of the purchasing process: the awareness, information and evaluation stage (with average scores of 2.3, 2.1 and 1.9). In terms of awareness creation experts place emphasis on media sharing platforms (e.g., YouTube, Flickr, etc.). Four experts suggest that video sharing platforms belong to the best awareness tools available in marketing. Social bookmarking tools, on the other hand, are regarded as useful during the information stage, as users can pass on relevant information. Independent product evaluation platforms (e.g., Yelp) cannot be directly influenced. The relevance of social sharing in the evaluation stage is confirmed by Chaffey (2009, p. 79) who points out that "…users reviews and ratings" are of imminent importance in this stage. Experts believe that active monitoring of these platforms provides marketers with valuable consumer feedback.

Looking at the entire results, blogs and social networks are considered as the most influential social web platforms with total averages of 2.0 and 2.1. Blogs stand out due to their high information quality and experts see high potential in using them during the information, as well as the evaluation stage. Social networks are seen as "all-purpose" platforms that enable marketers to engage in activities throughout all stages of the purchase funnel.

Recommendations for marketing managers

While the numerical evaluation grid indicates which platforms are to be used in which stage of the purchase

decision process, it does not provide instructions on how to use these platforms for influencing consumers. To answer that question, a generic social media framework was derived. The framework serves as a guideline for marketing managers, and assists in using the platforms of the social web effectively.

Table 2. Generic social media marketing framework

	Awareness	Information	Evaluation	Decision	Post-purchase
Wikis		Publish product/service information			
Blogs	Place previews & exclusive reports on external blogs	Introduce your own brand or prod-uct/service blog	Let external bloggers test your product/ service	Use your own blog to interact with potential customers	Introduce service-, sup-port- & CRM-blog
Microblogs	Provide special offers				Provide after-sales offers & real-time support
Social networks	Provide viral brand generated content and/or use applications	Create a fanpage and provide brand gener-ated content	Let the community evaluate your prod-uct/service	Use fanpages to interact with potential customers	Win customers as fans of your product/service
Social sharing	Word-of-mouth via audio- & video-sharing	Integrate social book-marking tools	Monitor relevant product/service evalua-tion pages		

Table 2 is based on the interviews carried out and gives a best practice overview of marketing activities that may be executed in individual stages of the purchase decision process. Except for *wikis*, all platform categories are suitable for the *creation of awareness*. Well-known *external blogs* may be used in order to encourage product reviews and reports, while special offers can be provided via exclusive links on popular *microblogs*, like Twitter. Facebook and other *social networks* should be included into the platform mix, in order to distribute brand-generated content. Facebook fanpages act as a media hub, since content placed on various social sharing platforms can be embedded and shared with the community.

In the *information stage* marketers should focus on *wikis* and *blogs*. They do not only tend to generate high search volume but also offer the possibility to publish product information at low cost (e.g., via Wikipedia). Also marketing managers may consider introducing their own *product* or *brand blogs*. So-cial networks and *social sharing platforms* may be added to the mix. A Facebook fanpage or YouTube video can be used to share product information. Social bookmarking tools could be integrated into the company homepage making it easier for people to share the information with their peers.

During the *evaluation stage*, *external blogs* consti-tute a good way for providing consumers with prod-uct tests and additional information. Testimonials by trustworthy bloggers can help potential buyers to form a positive opinion about a product or service. In social networks the community can provide ori-entation for other consumers. In addition, marketers may interact directly with consumers by answering questions or giving advice in case of ascertained buying interest. The social web offers a large variety of independent sites for *product evaluation*. Savvy marketers should try to monitor these platforms in

order to get direct feedback from current customers and to be able to engage in active communication, when necessary (e.g., fake consumer statements).

When it comes to the *decision stage*, the possibili-ties for marketers to directly influence consumers via the social web are limited. However, company *blogs* or Facebook fanpages constitute a good way to engage in active conversations with undecided consumers and answer questions they might have before reaching a final decision.

The *post-purchase stage* offers various potential for gaining influence on consumers. This stage may be considered the most important stage for social media marketing. For marketers, it offers the chance to turn customers into fans and, hence, to increase customer loyalty. *Blogs*, *microblogs* and *social networks* can be leveraged and used as CRM (customer relationship management) tools. Good examples are service and support blogs that establish a direct channel between customers and company representatives and, thus, help to strengthen the customer relationship. Moreover, offering exclusive after sales deals on *microblogs*, like Twitter, may generate additional sales volume. A strong and engaged fan community becomes indispen-sable in terms of online word of mouth, which in turn can help to draw new customers into the sales funnel.

Conclusions

The intention of this study has been to explore how companies can use social web platforms for influ-encing potential costumers' purchase decisions. For that purpose, marketing experts from different high involvement industries have been interviewed and asked to evaluate the use of the most important plat-forms throughout the purchase decision process. A numeric evaluation grid and a generic framework have been derived and can now serve as a guideline for managers engaging in social media marketing.

An analysis of the impact of social media marketing on purchase decisions seemed necessary, since marketing managers are confronted with a massive growth in social media and changing consumer behavior. One of the biggest challenges for marketers is the loss of control and the increasing importance of consumer generated content. So far, social media marketing is rather characterized by "trial and error" while lacking structure and planning.

Findings of this qualitative study indicate that social web platforms can be used to gain influence on consumers during all stages of the purchase decision process. Especially the pre-sales (information and evaluation) and post-purchase stages provide marketing managers with opportunities for successful social media marketing. The two platform categories that are considered most effective for influencing purchase decisions are blogs (information quality) and social networks (connectivity).

Due to the explorative nature of this study, two main aspects have been identified that deserve further research. First, the results of this qualitative study could be tested in a quantitative study or experiment, also in other high and/or low-involvement industries or services, in order to validate or complement the findings. Second, an analysis from the consumer's point of view would provide valuable information. Finally, the consumer's point of view could be compared to the marketing expert's view.

In conclusion, the social web constitutes an important touchpoint within the purchase decision process. Companies not using the social web forgo opportunities to address the customer, influence the customer, keep the customer, and develop a relationship with the customer. The social web provides marketers with the necessary tools for staying connected with existing customers and also getting in touch with new target groups.

References

1. Back, A., Gronau, N., Tochtermann, K. (2009). Web 2.0 in der Unternehmenspraxis, München: Oldenburg Wissenschaftsverlag.
2. Bremner, C., Tourres, M. (2009). French cash in on Internet despair as depression builds across Atlantic, London: Times Online, http://technology.timesonline.co.uk/tol/news/tech_and_web/the_web/article5854263.ece. (Last access: 01/12/2010).
3. Butler, P., Peppard, J. (1998). Consumer Purchasing on the Internet: processes and prospects, *European Management Journal*, 16 (5), pp. 600-610.
4. Chaffey, D. (2009). Internet marketing − strategy, implementation and practice, Essex: Pearson Education.
5. Constantinides, Efthymios (2004). Influencing the online consumer's behavior: the web experience, *Internet Research*, 14 (2), pp. 111-126.
6. Ebersbach, A., Glaser, M., Heigl, R. (2008). Social web, Konstanz: UVK Verlagsgesellschaft mbH.
7. Erbenich, C., Freundt, T. (2008). Marketing per Mausklick. *McKinsey Akzente*, 2, pp. 24-31, http://www.mckinsey.de/downloads/publikation/akzente/2008/akzente_0802_24_31.pdf (Last access: 16/12/2009).
8. Hacker, S. (2003). Put Weblogs to Work. *Macworld: the Macintosh magazine*, http://www.macworld.com/article/24901/2003/07/putweblogstowork.html (Last access: 01/12/2010).
9. Hippner, H. (2006). Bedeutung, Anwendungen und Einsatzpotenziale von Social Software. *HDM – Praxis der Wirtschaftsinformatik*, 2007, 252, pp. 6-16.
10. Iltgen, A., Kuenzler, S. (2008). Web 2.0 – schon mehr als ein Hype? In Belz, C., Schögel, M., Arndt, O. & Walter, V. (Pbl.). *Interaktives Marketing – Neue Wege zum Dialog mit Kunden*, pp. 239-255. Wiesbaden: GWV Fachverlage GmbH.
11. Jobber, D. (2001). Principles and practice of marketing, Maidenhead: McGraw-Hill.
12. Knappe, M., Kracklauer, A. (2007). Verkaufschance Web 2.0 – Dialoge fördern, Absätze steigern, neue Märkte erschließen. Wiesbaden: GWV Fachverlage GmbH.
13. Kuß, A., Tomczak, T. (2004). Käuferverhalten. Stuttgart: Lucius & Lucius Verlagsgesellschaft mbH.
14. Lavidge, Steiner (1961). A model for predictive measurement of advertising effectiveness, *Journal of Marketing*, 25 (6), pp. 59-62.
15. Maclaran, P., Catterall, M. (2002). Researching the social web: marketing information from virtual communities, *Marketing Intelligence and Planning*, 20 (6), pp. 319-326.
16. Morgan Stanley Research (2009). Economy and Internet trends. http://www.morganstanley.com/ institutional/techresearch/pdfs/MS_Economy_Internet_Trends_102009_FINAL.pdf (Last access: 12/12/2009).
17. Ruiz, N. (2008). Five social networking sites of the wealthy, *Forbes.com*. http://www.forbes.com/2008/05/02/social-networks-vip-tech-personal-cx_nr_0502style.html (Last access: 01/12/2010).
18. Scott, D. (2007). The new rules of marketing and PR, Hoboken, NJ: John Wiley & Sons.
19. Stephen, A., Toubia, O. (2010). Deriving value from social commerce networks, *Journal of Marketing Research*, 47 (2), pp. 215-228.
20. Terdiman, D. (2004). Photo site a hit with bloggers, *Wired*, http://www.wired.com/culture/lifestyle/news/2004/12/65958. (Last access: 01/12/2010).
21. Trusov, M., Bucklin, R., Pauwels, K. (2009). Effects of word-of-mouth versus traditional marketing: findings from an Internet social networking site, *Journal of Marketing*, 73 (5), pp. 90-102.

22. Universal McCann (2009). Power to the People: Wave 4, http://www.universalmccann.de/social_media_studie/wave4 (Last access: 06/12/2009).
23. Weekly, D. (2008). Wikis: the crown jewels of collaboration, *Ecommerce Times*, http://www.ecommercetimes.com/perl/section/internet/?init=1544 (Last access: 01/12/2010).

Appendix. Questionnaire (translated from German into English)

1. **Pre-test.** Knowledge of social web platforms:

    a) What do you understand by the expression social web? Which synonyms come to your mind and which do you use personally?
    b) Do you know the following social web platforms? If yes, please name the most prominent application examples from your point of view (supported by graph).

    ◆ Wikis :   yes ☐ / no ☐
    ◆ Blogs: yes ☐ / no ☐
    ◆ Microblogs: yes ☐ / no ☐
    ◆ Social networks: yes ☐ / no ☐
    ◆ Social sharing: yes ☐ / no ☐

2. **Main part of questionnaire.** Potential use of social web platforms in the phases of the decision purchasing process:

    a) Which relevance do you attribute to the social web for the purchase decision process of consumers?
    b) Which attributes of the social web are thereby most important for the consumer?
    c) Which social web platforms are most useful in which phase of the purchase decision process, from a marketing perspective? Please give each box a mark from "1" (= very useful) to "5" (= nearly totally unuseful)? Reasoning for your asassment? (Supported by purchase decision graph)

	Awareness	Information	Evaluation	Decision	Post-purchase
Wikis	☐	☐	☐	☐	☐
Blogs	☐	☐	☐	☐	☐
Microblogs	☐	☐	☐	☐	☐
Social networks	☐	☐	☐	☐	☐
Social sharing	☐	☐	☐	☐	☐

    d) Which phases of the purchase decision process can be heavily influenced by social media marketing? Why?

3. **Outlook.** Potential of the customer address in the social web:

    a) How do companies react to the develeopment of the social web? Do you see a higher chance or risk in the application of social web platforms for adressing the customer?
    b) Which role should social media marketing play in the company's future marketing mix?