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Social Media: At the crossroads of efficient marketing and ethics

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Abstract

The Internet has changed the whole world through its scale and accessibility. Even if the information can be found easier than ever, it triggers a whole series of effects on many aspects of modern life as well as in a wide range of domains. Marketing is directly influenced by the Internet which has given the modern marketers new and countless possibilities. The development of the social networks led to a dynamic movement of information. The information quantity and quality along with the outsourcing process are among the challenges of today's social media phenomena. Different kind of databases implied the need for an efficient management. Informal guidelines have appeared in order to facilitate good practices among social media users. That is a very sensitive chapter and requires not only a technical but also an ethical approach.

Keywords: social networks, Internet, marketing, ethics, strategy, information, quantity, quality, outsourcing

JEL Classification: M15, M31

The Internet development as a socialization mean led to the advent of a specific terminology which connects concepts coming from various domains with technical terms, forging not only an original mixture of meanings but also outstanding effects. We can speak about a true revolution of the communication channels with a direct impact over the option of searching, finding and obtaining the information. This easiness brought a big contribution to the widening process of forging new capacities in order to accede the commodities and market services.¹ Thus, a new innovational and transnational image of

¹ Schiller Dan, "Digital capitalism Networking the Global Market System", Mit Press, 1999, p. xiv

the economical activity is outlined. Modern technological means such as the Internet give strength and shape the market relations between the producers and the consumers.

The online environment gained ground lately and the Internet social networks are among the innovations which shook the interaction among the people up within a very short period of time. Within the specific literature there are many aspects of this phenomena which rise along with a complex classification initiative.

First, the growth of social media provides a broad range of opportunities for brands. That includes the capacity and the knowhow which can both help to identify best customers. Moreover, finding and encouraging individuals with influence and leverage within the social networks is an important step towards a brand consolidation in the eye of the consumer. However, we can distinguish between several types of actors involved in talking about a brand or promoting it. As it will further be seen, there are not only the brand consumers who advocate the brand, but also the endorsement actors who may receive a form of compensation in exchange for their support. Key social communities like Facebook, YouTube, Twitter and many more others host many types of online social players divided in many groups.

There is a strong ethical component directly related with the above ideas. Thus, depending on what it is done or what it isn't may guarantee or not the success of an online brand support initiative. Secondly the information quantity brings itself a big question about the management and the quality of such big resource. Do the companies have the proper means to obtain, to handle and to make public the information? Would the outsourcing bring more cost efficiency?

Social networks – connecting people

Connecting people through Internet is not just a simple communication process. Simplifying such a huge amount of factors would conceal the proper judgement of one of the most important trends of this century. There are many actors who participate in social systems by connecting themselves and by bringing its own contribution in influencing each other behaviour.

We can distinguish among several types of social network classifications. However there is a common issue in the fact that, even if it isn't mentioned in the same way, the social network has the same conceptual value. That's the social media related with the idea of communication or networking.

The enterprise relational system comes with an interesting position regarding the networking concept. Networking is defined through the development and the maintenance of relationship between individuals who have direct and indirect impact over the business. The stakeholders could obtain important value by strengthening the interaction and building a network. According to some studies there can be outlined 3 types of networking. The commercial networking highlights the relationship among the entrepreneur and his company on one side and the individuals who take part to the economic transactions on the other. A second category regards the networking only as a communication process between the company and the public institutions (local administrations, chamber of commerce, etc.) which are not involved in the transaction field. Nevertheless they are essential providers of useful information for the business evolution. The third category links the entrepreneur's perception over his ongoing business. That has a social-mental meaning and it implies a psychological overview of how things should go on the company.²

When talking about the business implications it is necessary to stress out the depths of its theoretical and practical horizon. Nowadays social media is widely used in a broad range of domains such as marketing, PR, recruiting, customer service or communication. One of the first tasks in establishing a social media strategy is to define the resources and the technological means in order to see the options and the limits of the social media implementation.³ Following the thread, a deep understanding of the objectives and obstacles will define what the organization wants to obtain through social media. After that, it is essential to choose the media channels and the type of content for each channel. At its turn, integration, the next step, will determine how social media will

² Ursu Dorel, "Crearea și dezvoltarea afacerilor – planul de afaceri", Modul 4, Promovarea culturii antreprenoriale și formare antreprenorială în mediul de afaceri din județul Sălaj, Proiect cofinanțat din Fondul Social European prin Programul Operațional Sectorial, Dezvoltarea Resurselor Umane 2007-2013, pp.31-32

³ <http://bridgecns.lt.com/buzz/2012/04/17/social-media/>

integrate within the existing communication channels. Action Planning will help to create a plan that includes two actions such as the internal buy-in and funding process along with the execution process for incorporating social media. Finally there is a strong learning component of the strategy as the information updates in a dynamic manner.⁴

Returning to the technological means, blogs and social networking sites are now starting to address a new issue. They may be seen as an electronic equivalent of a B2B *Consumer Reports*. There is a strong difference now as opposed to the mid- to late 1990s which shows that empowered buyers are now able to clear-cut their requirements by using technology and most importantly, without speaking with salespeople.⁵ That's why, when we refer to the use of the means made available by the Internet, the implementation of a strategy is a compulsory element. The strategy should link the business concept to the web social networks and it would contain several steps. In the first place a link between the products/services and the possible client target connected online should be conceived. The second step is gathered around the need of identifying the IT resources and the type of the online „presence” (company's site, blogs, social networks, etc.). In the next stage the information content regarding the company philosophy and products is ought to be sent to those individuals who make their interest visible. The last coordinate is essential for maintaining a constant interest of the clients. In this case, the permanent connection to the ideas and needs of the target individuals is the main task. Sometimes this process can be difficult as there is a difference between the time frame that the customers and the company often use.⁶ For example USA company which sells its products in Europe will likely hire someone who would work in shifts in order to cover Europe time zone. That means more resources more energy and costs increase. An overall perspective shows the need to integrate the social media channels with more traditional channels in order to create a holistic manner of communication between all company's departments.⁷

⁴ Ibidem

⁵ MICHAEL T. BOSWORTH, JOHN R. HOLLAND, FRANK VISGATIS, “*CUSTOMER CENTRIC SELLING*”, *Second Edition*, The McGraw-Hill Companies Inc., 2010, pp.26-28

⁶ Mueller Bruno, ”Social Media, Social networks and Social Capital”, speech on 29th of September 2010 at the American German Business Club (Munich), p.5

⁷ <http://bridgecns.lt.com/buzz/2012/04/17/social-media/>

Nevertheless, there has always been a challenging component for the marketers who have always tried to face the pressure with the less consuming efforts available. But now the economic landscape is constantly changing and the new type of promoting the products through Internet channels has set a different kind of pressure for the marketers. The power of engagement defines the success in a marketing plan. The engagement also has the ability to measure the value and the impact on the brand.⁸

The value may reside in the fact that the social networks affect the beliefs, the perceptions and the actions through a wide range of structure mechanisms which rely upon entities relationships. As a consequence, the direct interactions lead to a better informational flow among the entities. The degree of mutual interaction meets a significant increase even if there are third forces in the game (advertising agents, salesmen, etc.). A supposition in the networks analysis starts from the idea that the structure relationships may be regarded as dynamical processes. The networks find themselves in a permanent movement which allows them to reshape according to the type of member interaction. They are transformed by the composing entities according to the emerged advantages.

Ethics and trust

In a classical way, ethics refer to rules and standards that govern a person's behavior in relation to another human being. The tie develops between individuals in a manner that creates a certain level of comfort inside the relation. To be more accurate, ethics influence the dynamic of the relationship by offering it its trend according to the player's behaviour and intentions. The case of social networks brings into discussion two aspects of the utmost importance. First, ethics become a standard when one tries to set the behavior norms between the involved individuals. This transcends the regular social media activity pattern, whether we refer to trivial communication or marketing campaigns. Secondly, there is a strong dynamism within the online interaction. Ethics is not just the

⁸ Della Penna Michael, "3 Ways Social Communities and Engagement Will Redefine Marketing", June 30, 2011, <http://www.emarketingandcommerce.com/blog/3-ways-social-communities-engagement-will-redefine-marketing>

only thing the social media actors recur to. There's always a big search for truth and accurate information. The nowadays economical challenges set the stage for the „uniqueness” within a relationship between providers and clients. Apart from the offer details, there is confidence, faith and ethics what could bond the entities among them.

The link between ethics and social media brought several debates whether they should be treated as two different concepts or not. Jay Shepherd, author of the book “Firing at Will: A Manager’s Guide” recommends keeping it simple: “My social media policy is just two words but covers everything: ‘Be professional.’ Unprofessional employees are going to act unethically whether or not they’re plugged in to social media.”⁹

One of the oldest non-profit organizations in the U.S. dedicated to independent research and advancement of high ethical standards and practices in both public and private institutions, The Ethics Resource Center (ERC) produced many free for public reports in which they gathered information about employees’ perspectives of ethics in the workplace. A latest study tackles the relation between ethics and social media. The conclusions in the report point that “active social networkers show a higher tolerance for activities that could be considered unethical.” Dr. Patricia J. Harned, outlines the tendency of the social networkers “[...] to consider things that are ‘gray areas’ — issues that are not always clear in company policies as wrong; and that’s an area for further study.”¹⁰

Marketing leaders seek to develop ways to bring more efficiency when interacting with consumers on social media. In this search, trust and ethics are strong components. There is a new trend among the social media specialists regarding the way an Online Content Creator should manage the information in order to be ethic and to gain trust. Though this is not a general valid scheme, it may help to understand what ethics could

⁹ Sharlyn Lauby, **Ethics and Social Media: Where Should You Draw The Line?** March 17, 2012, <http://mashable.com/2012/03/17/social-media-ethics/>

¹⁰ Ibidem

mean when referring to social media. Here are some guidelines of how it should be done¹¹:

- The right to voice your opinion - Freedom of Speech, Information, Publication and Expression. These are strong components of a democracy and they should be protected permanently.
- A critical point of view of the web creation including the own web creation – the importance of having an objective opinion about what goes on in society as well as how these events are presented.
- A wise use of the power in order to shine a light on injustices or to protect abused.
- The search for the truth – this implies also showing the facts as most objective as possible, trying to bring light and truth wherever is needed. Facts should be presented as they are, even if not everybody agrees with them.
- Present the opinion as an opinion and not as an event, fact or data.
- Keep an independent and objective position in order to gain confidence from the readers. This will show the allegiance for seeking the truth.
- Reveal the information sources will ensure transparency and will give credibility to the content.
- Critical attitude to the sources and independent verification.
- Give proper attribution when quoting or basing the content on the work of others.
- The intended meaning of a given statement should always be preserved.
- Promote an open discussion where all the sides could voice their opinions.
- Admit and correct the mistakes as soon as they are discovered.

Another type of approach drives the attention towards what must not be done¹²:

¹¹ <http://www.designisphilosophy.com/code-of-ethics-for-bloggers-social-media-and-content-creators/>

- Concealed Endorsements - any form of compensation to a blogger or tweeter, it is considered a compensated endorsement. When that fact is revealed, the whole online campaign is marked with a negative image.
- Improper Anonymity – commenting on a blog, social network without revealing the identity might be very risky. In such case the opinions and comments may come directly from the competition who more likely would try to harm a company’s image. Though, it is not illegal for the competition to hide behind an anonymous identity, ethically wise that could ruin the consumer trust.
- Compromising Consumer Privacy - data available on individual consumers is a resource that companies always maximize. However there is a delicate border between using ethically the personal data and violating it.
- Overly Enthusiastic Employees – employees who are brand consumers and who tend to over praise the brand features
- Using the Online Community to Get Free Work – under a contest framework a company obtains for “free” on behalf of the participants ideas that it could easily use later.

Social media, through its sheer scale, is one of the biggest databases that exist. Although the information is dissipated, a marketing department can gather valuable data about the consumer’s behavior towards a certain brand. Also, like in a classical social network, strong leverage figures appear online and the act of informing can become subject to manipulative behavior from the side of the producer and its marketers. Facing a period of decline the tabloid press is a good example of more or less concealed endorsers. Circulated tabloid newspapers are on decline, with the only real future for tabloids being with their online content. Even important figures of the British tabloid press, like Ian Katz or Graham Johnson describe this type of newspapers as “vehicles for media propaganda to serve corporate interests” and state that they have cut themselves off from society

¹² Vinjamuri David, Contributor, “Ethics and the Five Deadly Sins of Social Media A brand guy speaking truth to power and teaching at NYU, CMO Network|11/03/2011”, <http://www.forbes.com/sites/davidvinjamuri/2011/11/03/ethics-and-the-5-deadly-sins-of-social-media/>

given that their journalists and editors are predominantly private schooled and out of touch with the working-class readers. Also, it is stated that tabloid journalists are trying to attract people of certain generations who are interested in celebrities and tend to use the Internet as their predominant source of news rather than newspapers¹³. Nonetheless, the consumer can find out very easily if the information presented is true and, in the case of misleading facts or statements, can simply choose to abandon that brand and spread negative word-of-mouth. From this point of view ethics in social media may act basically as an unwritten ethics code both for the marketing activity and advertising.

Information – quantity and quality

There is a huge amount of information running on the social networks. That's why whoever would benefit from it must also provide the proper services in order to arrange it or to have it arrange by the third party stakeholders. Stocking, sharing, or integrating, the data helps in deriving insight through analysis. As such, organizations can create a panoramic view of the business and the universe unlike any that has ever been seen before. This can be called the "socialization of data." With the socialization of data, companies can exploit what consumers are doing and saying to enable smart, action-oriented business approaches that enhance customer understanding and engagement.¹⁴ Companies strive for data equity as they use cutting edge analytic technology to create real business value.

We can distinguish between three main domains in which both the quality and quantity of information play a substantial role:

- ◆ job creation - a study made public in September 2011 reveals that a lot of third-party companies that rely on Facebook and its social network platform have created jobs for between 182,000 and 235,644 people. The figures show also a contribution between \$12.19 billion and \$15.71 billion in wages and benefits to the U.S. economy. These third party companies are responsible for all of the

¹³ <http://blogs.lse.ac.uk/polis/2012/03/30/the-only-way-is-ethics-newspapers-after-leveson-polis-conference-guest-blog-polis12/>

¹⁴ <http://www.socializationofdata.com/Thought-Leadership/The-Socialization-of-Data/>

Facebook apps and games that many users are increasingly addicted to. A higher use of the apps brings for Facebook an increase in revenues from advertising. Supposedly the figures are believed to be conservative estimates, concealing probably a higher number.¹⁵

It is said that the total amount of data stored on earth is doubling every 18 months. That's why it is imperative for companies to empower their data to provide insights, rather than just occupying space. The forecast predicts a high need for new jobs and a dynamic labor market. Among these new professionals there will be specialists who will combine the abilities of programmers, statisticians and business analysts to create the data scientist.¹⁶

- ◆ efficiency in handling the data - because they are digital, scientists can collect more data, and more quickly, from modern social groups than they ever could before. This shows how important nodes in social networks are. People who have the most connections to other people, can be found and used to predict the rise of trends in the larger group.

As billions of people come online it will be a radically increase of the number of nodes which can monitored through digital means. More of the world will be easily analyzed through social networks. That means that we have the possibility of really affecting things like the spread of AIDS, hatred and terrorism, and education.¹⁷

Outsourcing content

¹⁵ Protalinsky Emil, "Facebook apps have created 200,000 US jobs (study)", Sept. 2011, <http://www.zdnet.com/blog/facebook/facebook-apps-have-created-200000-us-jobs-study/3806>

¹⁶ <http://www.socializationofdata.com/Thought-Leadership/Data-Equity-is-the-End-Product-of-Socialization-of-Data/>

¹⁷ Saenz Aaron, "How Social Networks Can Predict Epidemics And Control the World", video, 21 Sept. 2010, <http://singularityhub.com/2010/09/21/how-social-networks-can-predict-epidemics-and-control-the-world-video/>

Outsourcing the content creation could be a cut cost strategy for major companies already used to externalize client service departments. However, is that efficient?

When several marketers were asked if they were outsourcing any of their social media marketing efforts, there was an overwhelming majority with a negative answer. Notwithstanding the figures may show a different approach. The number of those who are outsourcing has doubled since a 2010 report, from 14% to 28%.

There are some tasks that marketers prefer to outsource to third parties:

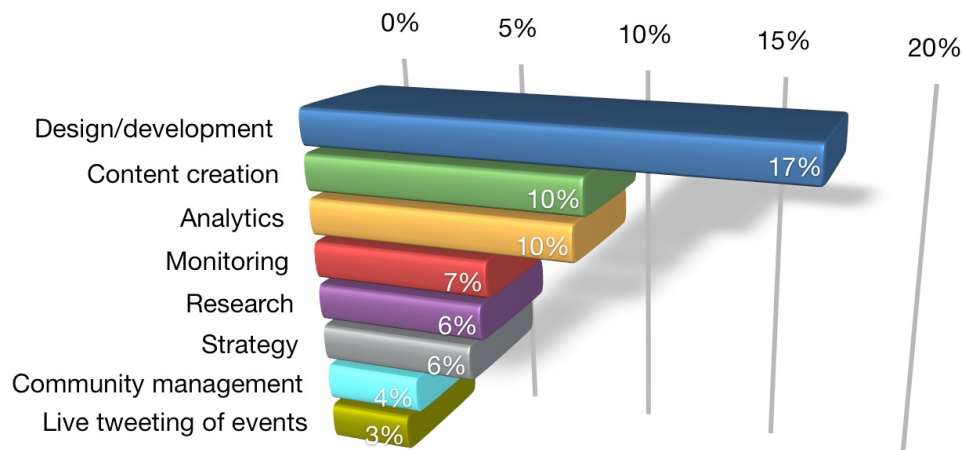


Fig. No: 1

Source: 2011 Social Media Marketing Industry Report¹⁸

Building a strong relationship with the customers has moved marketing from the single ownership of the marketing policy to a cross type involvement for all the company departments. In order to outsource the copywriting activities a company should keep in mind that any glitch occurred in the communicational system could hamper the process of a sane company-customer relationship. If not done properly, copywriting outside the company has the risks of counter producing value for the relationship.

Conclusions

The development of the Internet led to a silent revolution that affects mankind in general and the way business unfolds, in particular. Comprehensive data about consumers

¹⁸ Stelzner A. Michael, "2011 Social Media Marketing Industry Report. How Marketers Are Using Social Media to Grow Their Businesses", Social Media Examiner, 2011, p.32

are now available for the companies and the race without a finish line called marketing is more competitive than ever. Nowadays, the quantity of information is enormous, but the real challenge is to use the quality of it in order to engage the consumers to meet their needs and to fulfill them. Although it has provided a lot of opportunities, the Internet generated also a lot of threats. Misleading information or concealed endorsers are but a few of the factors that generate an untrue image of products and can lead consumers to make decisions based on wrong information. This is where ethics and correct information standards come into the play. A company can be truthful to its customers and have a strategic gain that can be felt in a longer period of time. At the same time that company can resort to black-hat marketing practices which can be exposed with a relative low effort.

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