

The Confluence of Culture and Social Media in Changing Service Expectations

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Abstract

Today's consumers are increasingly using technology as an effective tool in their shopping experience. Social media can be defined as Internet-based applications that carry information posted by end users. End users utilize several online formats (e.g., blogs, podcasts, social networks, bulletin boards, wikis, newsgroups, and chat rooms) to express their opinions about a product, service, brand, and/or organization. In addition to sharing ideas about a given product, service, or brand, end users utilize social media to reach out to other consumers, who are seen as more objective information sources than firms themselves. This information, produced by people who were assumed to only use or consume online content, is termed consumer-generated content (CGC). Likewise, consumer-generated media is defined as any positive or negative statement about a product or service, created by potential, actual, or former customers, and made available to a multitude of people and institutions via the Internet.

Keywords: consumer-generated content, media technology, social networks, purchase intention, buying habits, information sharing, cultural impact

JEL Classification: L81, L86, M31



The proliferation of Social Media as a decision making factor for companies

Shopping has always been a social experience and social media allows consumers to interact with others – many of whom are probably total strangers. Social media not only has transformed the research and purchase consideration phase for shoppers but also offers a platform from which they can advocate for the products and stores they love. Advocacy has always existed, but social media has made this stage even more critical, by amplifying the size of the potential audience that each advocate can reach.

By the same token, social media offers companies an opportunity to learn about consumer needs and increase customer satisfaction through proactive outreach and timely response. It also provides firms with creative and effective ways to obtain insights not previously available. Furthermore, social media has migrated from the margins to become a mainstream phenomenon: one that has even started influencing culture. Even though cross-cultural differences exist and impact the way people use social media, all told, this phenomenon indubitably promotes connection and information sharing with others.

Consumers are increasingly turning to social media in order to gather information for decision making. The power of social media is progressively pervasive, with activities ranging from economic (e.g., shopping) and marketing (e.g., brand building) to social (e.g., MySpace.com) and educational (e.g., distance education). The otherwise fleeting form of word-of-mouth communication, formerly targeted to one or two friends, has been transformed into enduring messages visible to the entire world indefinitely. Social media allows organizations to track customer sentiment, customer service problems, and indications of dissatisfaction in their customer databases. There is a greater sense of urgency for retailers to integrate this emerging medium into their marketing plans and create a social media-based strategy that is true to their brand and allows them to control the service experience of their customers.

Retailers are utilizing currently available technology to sell products or services online, respond to customer questions, suggest additional products and services based on previous purchases, and evaluate customer satisfaction with regard to their offerings – all without having to deal with the customer in person. However, it is important to note that social media is no panacea. Retailers should simply consider the medium as a catalyst for innovative thinking on how to improve service in the digital age. Social media has put power in the consumers' hands and is forcing companies to deliver on their promises.

The use of social media by retailers to shape their service strategy is still an emerging area that needs further investigation, especially since the alignment of social media strategy with service strategy is crucial for business success. Similarly, consumer usage of social media for information, brand recognition, and opinions about brand and/or retailers is fundamentally influenced by cultural background. Research has indicated that consumers differ in their expectations of service quality, subject to their culture. In general, consumer cultural values affect expectations and perceptions of products or services, and, therefore, by extension, purchase choices and buying behavior. Using deductive knowledge, it can be asserted that culture will also influence the usage of social media. Social media has given rise to the "*culture of sharing*", with individuals providing feedback on products and services for all to see. Given the impact that culture may have on the way people behave and interact, it is imperative to examine cultural influence on social media websites where much of the information is typically user generated. To date, little or no research has been undertaken to examine cultural influence on social media that is increasingly used by consumers for sharing both good and bad experiences.

In addition, usage of social media is increasing at a tremendous rate and is influencing how people share knowledge across the globe and, yet, there is similarly a lack of information on how this new media, coupled with its international appeal, is influencing service perceptions.

Information technology is dramatically modifying both economic activities and the social landscape. Social media is emerging as a new domain, where consumers can communicate, connect with friends, and learn about new trends. Today, the Internet makes it possible for consumers to share experiences and opinions about a product and/or service via consumer-generated activities. It is important to appreciate that social media is a cultural evolution that continues to metamorphose. The Internet and its virtual communities have transformed consumers, societies, and corporations by extending widespread access to information, better social networking, and enhanced communication abilities. In the context of social media, the

distinction between brands and friends is becoming increasingly blurred. Hence, it is becoming progressively crucial for organizations to manage consumer expectations in a timely manner in order to maintain their popularity among end users. Having recognized the benefits of social media, organizations are beginning to invest more time and effort in developing a social media presence in order to capitalize on the growing user population that is interested in creating, retrieving, and exploring CGC.

Social media provides a win-win situation for both organizations and consumers, with optimal results arising when social media strategy is aligned with customer service strategy. Organizations stand to benefit immensely from a large membership of users that can provide resources, including marketing insight, cost savings, brand awareness, and idea generation, while users benefit from the ability to fulfill personal needs and interests. Thus, a company's ability to understand how social media influences shopping behavior and changes service expectations would clearly be a tremendous asset in a competitive business context.

Culture influences lifestyle and in turn lifestyle influences the way individuals communicate and interact with new media technologies. Online social networks have become a modern-day cultural phenomenon. Social networks, such as Facebook and MySpace, have witnessed a rapid growth in their membership. With this increase in popularity of social networking websites, one can safely assert that the world is becoming "*smaller*" and people are becoming more interconnected now than at any time in the history of mankind. The social aspect of shopping has long been ingrained in consumer culture, with shopping considered very much a social outlet. Asking someone where she got that great outfit, hearing about the latest sale from a friend, or socializing at the shopping mall are all integral parts of a consumer culture. Social media has enabled consumers to utilize technology to seamlessly "*social shop*" online. It is crucial to understand the influence that culture has on the usage of social media, especially with the widespread, and rapidly growing, popularity of this technology.

Culture and Social Communication in a Digital Environment

Culturally, every region of the world is different, so it is imperative to ascertain whether social media has homogenized culture and created consumers across the globe who think and behave alike. Culture has been shown to influence marketing, including advertising, marketing strategies, and buying habits, but relatively little theoretical and empirical research is available on the cross-cultural adaption of the emerging technology represented by social media. Culture as a predictor for online buying has produced mixed findings regarding its impact on online purchase behavior.

Social media, a relatively recent phenomenon, is transforming communication patterns and interpersonal relationships. Social media's proliferation and growing cultural impact are confirmation of the growing influence of technology on the consumer decision-making process. Social media grants organizations with an attractive alternative to the more traditional communication tools, by permitting companies to engage in timely and direct end-consumer contact more efficiently and at relatively low cost. Consumers acting via social media are exerting a progressively profound influence over culture and the economy and are prompting various industries to transform the way they do business. The retail industry is a prime example of this phenomenon, where over 81% of customers refer to consumer reviews before making a purchase decision. Social networks are providing retailers with an opportunity to reach a new breed of consumer. Organizations are capitalizing on this situation by creating groups and fan pages which allow users to post direct links to the retailer's website. Thus, it can be asserted with confidence that both culture and the usage of social media are influencing customer service expectations on this new, evolving digital landscape. Social media has changed the perception of service quality and service expectations of consumers, regardless of their cultural heritage.

Consumers have now come to expect service 24/7, as they utilize a variety of social networking tools to keep themselves and others “*like themselves*” aware of their interaction with a product and/or service.

Social media does possess abundant merits, including its wide reach and capacity to spread information virally. Thus, it can be stated that social media marketing can be one of the most promising and profitable ways to build a business; however, it can equally elicit deleterious results if not used properly. Whether retailers employ a culturally specific or global approach in their marketing, it is vital that they recognize the more pressing issue of incorporating social media into their infrastructure. Social media usage has fundamentally altered the consumer landscape, and for brands to remain relevant in this environment, they need to adapt without delay to both emerging technologies and shifting consumer behavior. Hence, retailers’ online efforts should focus primarily on reaching shoppers by participating in and encouraging conversations through third-party tools, such as social networks, where online shoppers tend to congregate.

Conclusions and Implications

Although retailers recognize the power of online research and online shopping, many are focusing more on social networking than customer-generated content. Customers are looking for data they can use to make an informed purchase, not for how many followers a retailer has accumulated. Information generated by consumers on a social media platform represents considerable added value for other users and a lack of such information on a retailer website would cause them to seek information, and possibly products, elsewhere. Thus, it can be clearly stated that not incorporating social media in the marketing mix is not only poor customer service but also a surefire way to lose business. Social media has become a critical piece of the marketing puzzle, based not only on consumer demand for it but also on the sales it delivers. By virtue of these reasons, social media merits further investigation, and examining how consumers utilize social media to form purchase intention and eventual shopping behavior will prove indispensable to the survival of twenty-first century retailers.

Culture has not been given its due with regard to how it impacts new technology. Successful marketers are progressively recognizing culture as the most powerful determinant of consumer attitude, lifestyle, and behavior. Utilizing a study that incorporates culture as both predictor as well as mediator variable to new technology acceptance will add crucial new information and theory to this emerging area of research. Retailers must listen to and engage their customers through social media by participating in and encouraging conversations. The end result will improve customer service and help turn loyal customers into passionate advocates.

As more organizations jump on the social media bandwagon, it is important to understand that social media is no longer a fad: it is here to stay and has grown and intertwined itself with every aspect of the business. Successful implementation of social media strategy requires that organizations become an integral part of consumer daily lives, by enabling them to connect, interact, and benefit from like-minded consumers. Social media is an essential tool for consumer enjoyment, providing immediate contact, as well as customer interaction.

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