GROWING BRAND AFFINITY: SOCIAL MEDIA STRATEGIES FOR BUSINESS

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ABSTRACT

Our study focuses on analyzing corporate implementation strategies of social network sites, as ideal tools for corporate communication and product marketing. Through a longitudinal approach, this study aims to provide researchers with key elements to consider in building brand affinity strategies, a major component of successful use of social media.

Keywords: Social media; social network sites; strategy; marketing; brand affinity

INTRODUCTION

The adoption of social media by business and individual users alike has grown exponentially in recent years making it a mainstream medium for communication. Brian Dunn, the CEO of Best Buy, describes social media as the place where product conversations are taking place today, and businesses can either choose to take part of this phenomena or not. (Dunn, 2010). It appears that any business not exploring social media strategies will struggle to compete in a market of stakeholders who are increasingly wired. According to Forrester Research (and to illustrate the impact of social media), 500 billion online impressions referencing products and services were shared on social media by consumers on a yearly basis (Bernoff and Schadler, 2010a). This small talk and gossip represents knowledge that may be captured and infused into the development of products and services, which has been suggested to be important to creating profit opportunities (Thrift, 2005).

The use of social media is just as critical to corporate communication as it is to the specific function of marketing. Social media becomes a valuable source of corporate communication, however, only when companies are able to establish networks of users with whom to communicate. Brand affinity, defined in this study as the expressed associations by
organizational stakeholders with commercial entities on social media, is critical to the effectiveness of organizations because it represents potential participation for marketing purposes and an audience of stakeholders at which to direct corporate communication. Further confirming the need to understand and improve customer engagement through social media (Stelzner, 2011), the 2011 Social Media Marketing Industry Report indicates that 93% of marketers employ social media, yet more than 50% have less than 1 year of social media marketing experience. Given the infancy of social media, practitioners and researchers alike continue to develop ad-hoc best practice strategies while struggling to settle on the appropriate type and number of social media channels as well as the techniques to use in their social media implementation (Stelzner, 2011).

These limitations represent an opportunity to suggest strategies for adoption, use, and promotion of social media on corporate websites based in systematic exploration of the current uses of these outlets by businesses. Our study aims to analyze the marketing mix used by businesses on their corporate websites in their implementation of a subset of social media--social network sites--as classified by boyd [sic] and Ellison (2007). From a longitudinal perspective on the corporate website promotion of SNSs’ usage by businesses, we explain factors that contribute to the growth of brand affinity on SNSs from an organizational perspective.

**BACKGROUND AND THEORETICAL FOUNDATION**

We adopt a well-known definition of social network sites (SNSs) offered by boyd and Ellison (2008), who define SNSs as: “web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system” (p. 11). While initially designed for individual use (boyd and Ellison, 2007), SNSs have been rapidly adopted and used by businesses and other organizations for multiple purposes. Clemons (2009) claims that, when sufficient traffic can be attracted to the systems, online social networks provide platforms for efficient paid and sponsored advertising (e.g., display ads). Besides a growing interest in paid advertising on SNSs, businesses are adopting the SNS medium by registering commercial accounts (Andriole 2010; Culnan et al., 2010) that can subsequently be used to directly promote their brands and access consumers. By 2007, the use of SNSs was mainly experimental, tactical in focus, and internal to single organizations (Leader-Chivée, Hamilton and Cowan, 2008; Smith and McKeen, 2007); since then, SNSs have reached critical mass globally (Alam, Yeow, and Loo, 2011; Piskorski and McCall, 2010).

The management of businesses’ voice and image is increasingly important in an era defined by social media (Gaines-Ross, 2010; Majchrzak and More, 2011; Wilson, Guinan, Parise and Weinberg, 2011). Largely evolved from the area of public relations (PR), researchers agree that corporate communication now operates in many organizations as a separate function on the same level as more traditional ones such as marketing, finance, and human resource management (Argenti, 1996; Argenti, 2002; Van Riel and Fombrum, 2007). Argenti has described corporate communication as “the corporation’s voice and the image it projects of itself on a world stage populated by its various audiences”, both internal and external to the organization (2002:4). Effective corporate communication must be managed strategically. This involves determining
what corporate communication mediums are most appropriate for various purposes and whether to use one channel or more than one outlet in concert to communicate with multiple audiences (Argenti, 2002).

Van Riel and Fombrum similarly define corporate communication as the “set of activities involved in managing and orchestrating all internal and external communications aimed at creating favorable starting points with stakeholders on which the company depends” (Van Riel and Fombrum, 2007:25). Consistent with this definition, published research indicates social media is an advantageous starting point for businesses to communicate with their stakeholders (Culnan et al., 2010). Table 1 highlights important scholarly contributions related to adoption and use of SNSs for business functions. The broad view of the literature, even within the information systems discipline, demonstrates this stream of research has been clustered into the functions of corporate communication, marketing, recruitment and business operations; yet, the research is still limited in the areas of government and investor relations. We use major business functions in combination with Argenti’s (2002) subfunctions of corporate communication to classify the literature on organizational use of SNSs, illustrated in Table 1.

In relation to SNS strategy, researchers have concluded that capturing a greater fraction of SNSs users should be one goal for organizations seeking to increase the value of SNSs to the business (McAfee, 2009, Turban, Bolloju and Liang, 2011), and that brand affinity be used as one measure of the impact a social media strategy has on establishing a viable virtual community (Culnan et al., 2010). This suggests that, while market and academic researchers should continue to pursue the business value of SNSs, it is equally important not to delay the contemplation of SNSs strategies. Our research, therefore, focuses on SNSs strategies for business and continues with the claim that SNSs are a platform that makes sustainable marketing possible and that the traditional marketing mix can be used to grow SNS brand affinity, without which, SNSs are rendered useless to business functions.

**SOCIAL MEDIA STRATEGY DEVELOPMENT**

We propose that businesses can manipulate controllable marketing variables on their corporate website in order to recruit a target audience and increase the growth of brand affinity on social media. Kotler and Armstrong (1989) define the marketing mix “as the set of controllable marketing variables that the firm blends to produce the response it wants in the target market” (p.45). This mix has grown to include product, price, place, promotion, participants, process, and physical evidence (Rafiq and Ahmed, 1995). *Product* is the offering of the company (whether a product or service) and encompasses a variety of its attributes as well, including features and options, styles, and brand name. *Price* refers to the level but also to discounts and payment terms. *Place* represents the space involved in the transfer of the product from seller to buyer. Distribution channels and coverage, outlet locations, sales territories, inventory levels, and locations are all part of the *place* element. *Promotion* can take multiple forms, most commonly, advertising, personal selling, sales promotion, and publicity. *Participants* include not only the personnel of the selling company but their (other) customers. *Process* constitutes customer involvement and the flow of activities (Rafiq and Ahmed, 1995).
### TABLE 1 SUMMARY OF LITERATURE ON SOCIAL NETWORK SITES

<table>
<thead>
<tr>
<th>SNSs Purpose</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate identity, image</td>
<td>Influence public opinion of the organization and issues related to it</td>
<td>Barwise &amp; Meehan (2010); Bernoff &amp; Li (2008); Bernoff &amp; Schadler (2010); Culnan et al. (2010); Gaines-Ross (2010); Laumer, Eckhardt &amp; Weitzel (2010); Utz (2009)</td>
</tr>
<tr>
<td>and reputation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer relations</td>
<td>Support existing customers</td>
<td>Andriole (2010); Bernoff and Schadler (2010); Culnan et al. (2010); Dholakia &amp; Durham (2010); Shannon (2007); Teten &amp; Farmer (2010); Gallaugher &amp; Ransbotham (2010)</td>
</tr>
<tr>
<td>Employee communications</td>
<td>Foster corporate culture and distribute information on compensation, benefits, changes in laws and the marketplace that affect employees</td>
<td>Kim et al. (2009)</td>
</tr>
<tr>
<td>Investor relations</td>
<td>Attract interest to the org. and maintain communication with (potential) shareholders</td>
<td>-</td>
</tr>
<tr>
<td>Government affairs</td>
<td>Maintain ties with and influence govt. officials and organizations that impact the company and/or industry</td>
<td>-</td>
</tr>
<tr>
<td>Community relations</td>
<td>Communicate the role and contribution of the corporation to the community</td>
<td>Gaines-Ross (2010)</td>
</tr>
<tr>
<td>Crisis communication</td>
<td>Plan for and respond to (potential) crisis</td>
<td>Gaines-Ross (2010); Underwood (2010); Barwise &amp; Meehan (2010)</td>
</tr>
<tr>
<td>Marketing</td>
<td>Communicate and collaborate with consumers, sell products and services</td>
<td>Andriole (2010); Barwise &amp; Meehan (2010); Li and Bernoff (2008); Clemons (2009); Culnan et al.(2010); Dholakia &amp; Durham (2010); Shannon (2007); Utz (2009); Gallaugher &amp; Ransbotham (2010)</td>
</tr>
<tr>
<td>Recruitment</td>
<td>Identify, attract, and screen (potential) employee candidates</td>
<td>Kluemper and Rosen (2009); Laumer et al. (2010); Leader-Chivée et al. (2008)</td>
</tr>
</tbody>
</table>
Inter-organizational collaboration Communication and knowledge sharing/management between organizations Kim et al. (2009); Sutter (2009)

Intra-organizational collaboration Communication and knowledge sharing/management within organizations Andriole (2010); Li and Bernoff (2008); Sutter (2009); Leidner, Koch and Gonzalez (2010)

Logistics Coordination and distribution of operational information among multiple stakeholders Underwood (2010)

The extensive communication demands and opportunities for businesses that have simultaneously arisen from the widespread adoption of SNSs make strategies for their use important to extracting as much value as possible from the medium. Though Argenti (2002) advocates developing an internet strategy for corporate communication, such is only recently being updated to include the use of SNSs. Similarly, the importance of SNS brand affinity to the use of SNSs for marketing has been suggested (De Hertog et al., 2011), yet effective strategies for growth in brand affinity are unknown. Prior literature has provided adoption/implementation strategies that focus on cautious adoption, community building, absorptive capacity, and assigning governance responsibility to the right organizational unit (Culnan et al., 2010; Deans, 2011); however, research on specific strategies for the growth of brand affinity by marketing businesses’ use of SNSs remains deficient.

In response to the deficiency, we propose that a connection on SNSs that links an individual consumer (or other organizational stakeholder) is a product worth selling, collectively referred to as brand affinity. Because brand affinity represents a network of those on SNSs with whom businesses can maintain a connection and build relationships, it is a critical antecedent to extracting value from SNS investments (Dholakia and Durham, 2010; Kim and Ko, 2011). We further argue that these SNS connections represented by brand affinity can be sold to SNS users utilizing the traditional marketing mix on corporate websites.

Since the interaction with organizational stakeholders in a virtual community like that of SNSs first requires stakeholders be attracted to the virtual space, a proactive approach on corporate websites is necessary. De Hertog, Viaene, and Dedene (2011) suggest that virtual communities reaching critical mass (as represented by brand affinity on SNSs) is a key success factor for any platform, providing evidence that a specific strategy for the growth of brand affinity is warranted. Therefore, we hypothesize a strategic approach, based in the logic of the marketing mix, to sell connections to businesses on SNSs.

**HYPOTHESES**

We investigate how corporate website promotion of businesses’ use of SNSs influences their brand affinity on these systems, which we use as the measure of virtual community size, over time and across businesses. Although brand affinity is referred to by different names across SNSs (e.g., followers, likes, friends, and connections), these lists of users (e.g., organizations) that have connected to a commercial entity on a SNS can be understood as the company’s brand
affinity, as previously defined. The elements of the marketing mix we hypothesize will be associated with the growth in brand affinity are: product, place, promotion, and participants. Price and process elements may also be associated with the growth of brand affinity, but are not tested in the present study and physical evidence is not addressed because of its weak conceptualization in the literature (Rafiq and Ahmed, 1995).

**Product**

Research suggests that offering a connection through any one of these SNSs (which involves creating an account and maintaining the site for purposes of developing a community) requires allocation of limited business resources (Culnan et al., 2010; Deans, 2011); this should influence businesses’ SNS adoption density (i.e., the number of SNSs being promoted). On the other hand, businesses may be interested in providing users with more than one choice of SNSs on which to connect to the business. Businesses may be interested in offering several platforms on which SNS users can connect to the them; however, while this should expand the total number of connections made (i.e., brand affinity), we anticipate that promoting additional SNSs may lead to cannibalization of connections made on others. That is, individuals may feel sufficiently connected to a business on one SNS and, therefore, choose not to connect to them on others. Thus, we offer the following hypothesis:

\[ H1: \text{The number of SNSs promoted by a business on its corporate website will have a u-shaped relationship with the growth of SNS brand affinity.} \]

**Place**

When businesses are attempting to grow their brand affinity it is important that they include links to their SNSs brand profile(s) within their corporate website (Culnan et al., 2010). We expect that it is not only important to include these links on the corporate website but that the links should be strategically placed so they get exposure to those trafficking the site. This is supported by van Waterschoot and van den Bulte (1992) who state that the product offer should be placed at the disposal prospective exchange party. Visibility of SNS links on corporate websites can be placed more or less prominently based on how deep they appear within the website and how they are positioned on the page. Together we hypothesize that:

\[ H2: \text{The page where SNS links are located on the corporate website will be positively associated with the growth in SNS brand affinity.} \]

\[ H3: \text{The visibility of SNS links displayed on the corporate website will be positively associated with the growth in SNS brand affinity.} \]

**Promotion**

Brands often appear as the subject of updates and content (e.g., including shared links to their corporate sites) on individual users’ profiles (Giles, 2010). Business use of SNSs “share” buttons within corporate websites allows SNS users to share associated content from the corporate website with those connected to them on one or more SNSs. This is one way businesses can
promote their presence on SNSs and encourage users to engage in word-of-mouth advertisement, reviews, and commentary that will affect other users’ perceptions of the product (Hiltz and Turoff, 1993). Thus we propose:

**H4**: The inclusion of SNS share buttons on the corporate website will be positively associated with the growth in SNS brand affinity.

Culnan et al. (2010) established that the inclusion of links on corporate websites to the virtual environments created by businesses through social media is important to building awareness that they exist and attracting a critical mass of individuals who represent a community that can engage with the firm and other community members in the virtual environment. In relation to the promotion of SNS connections, we build on this strategic suggestion put forward by Culnan et al. (2010) and explore the influence on brand affinity of how businesses advertise their use of various SNSs on their corporate website. We anticipate that differences in the strategies used by businesses for promoting their use of SNSs from their corporate website may influence growth in the success metric of brand affinity. Thus we propose:

**H5**: Differences in how businesses promote their use of SNSs on their corporate website will be associated with the growth of SNS brand affinity.

**Participants**

The literature on diffusion of innovation suggests that perceived critical mass of other users is an influencing factor in the adoption of an emergent technology (Ilie et al., 2005; Lou et al., 2000). Sledgianowski and Kulviwat (2009) find significant support for the effect of critical mass on the intention to use SNSs. Clemons’ (2009) and Trusov, Bucklin and Pauwels (2009) research has significant implications for adoption of SNSs, particularly when paired with network effects. Network effects are the exponential enhancement of the benefit to users of a product or service that is experienced as the number of product/service adopters increase (Katz and Shapiro, 1994). These network effects not only impact word-of-mouth marketing toward SNS adoption, but also increase the reach of personal recommendations of products or services when posted to individuals’ SNS profiles. The combination of network effects and trust in personal recommendations has contributed to the explosive growth in SNSs’ membership and business exposure on these sites (Giles, 2010). Thus, brand affinity is expected to be associated with this natural growth represented by the brand affinity in previous periods (Culnan et al., 2010). Thus we propose,

**H6**: Growth in SNS brand affinity in prior time periods will be positively associated with growth in SNS brand affinity in the current time period.

**METHODOLOGY**

As evidenced by the present research, the use of SNS brand profiles is becoming increasingly popular among businesses. Certain SNSs have separate account types for institutional users that have both additional features and limited functionality compared to accounts for individuals on the same system. Though SNSs were not created with organizations use in mind, seasoned SNS
companies have adapted to this demand by adding brand profiles to their sites, while companies developing new SNSs are building brand profiles into their model. (Google was the first mainstream company to do so with its release of Google Plus.) We collected data across businesses and over time so we could adopt panel data analysis to determine the best strategies for migrating individuals from an experience with brands that is based in Web 1.0 to one that is based in the richness and social presence that Web 2.0 offers through SNSs.

**Sample**

A stratified sampling technique was employed with 415 potential business adopters of SNS drawn from two lists—the 100 Best Global Brands of 2009 (BusinessWeek, 2009) based on brand equity and largest 2009 business-to-consumer (B2C) Fortune 500 firms. The list of global brands was of interest because it ranks company brands and product brands together and is a strong indicator of the businesses’ degree of internationalization. The sample of Fortune 500 companies was used to augment the global brands sample with businesses of similar size and notoriety. Large companies were also studied to better understand SNS adoption and the promotion of their use by firms that clearly have the resources to pursue more traditional and costly forms of marketing and corporate communication. This resource base was captured by selecting the sample from the specified lists that recognize businesses by their resources, either revenue (Fortune 500) or brand equity (100 Best Global Brands). The combined sample includes firm and product brands (rather than studying only the parent company brands) because businesses have the option of registering SNS accounts by company brand or product brand(s).

Specifically from the Fortune 500, only those companies that compete in business-to-consumer (B2C) industries were included in the sampling frame. The reason for excluding business-to-business (B2B) companies is that SNSs were initially developed as a means of individual communication; group communication (e.g. that involving firms) is still in its infancy. Companies on the Fortune 500 list that appeared as one of 100 Best Global Brands (e.g., Visa) were eliminated from the Fortune 500 sampling frame in order to avoid duplicate observations; however, parent companies of brand names included on the global brand list were retained (e.g., Procter and Gamble, the parent company of Duracell). These guidelines reduced the Fortune 500 sampling frame to 315 companies.

Following sample size guidelines from Bartlett, Kotrlik and Higgins (2001), the two firm samples were determined based on formulas for continuous data using an alpha level of .05, a level of acceptable error of 3% and a maximum index value (in place of a maximum scale value) of 20. From a list of the final 315, B2C Fortune 500 companies, 89 were randomly chosen from the list to be included in the sample. Similarly, 55 brands were randomly chosen to be included in the sample of the 100 Best Global Brands. The combined sample of 144 firms was used to collect data.

**Data Collection**

Primary data were collected by visiting the corporate (company brand and product brand) websites for the businesses in the sample and their associated brand profiles on SNSs. Corporate websites were found by conducting Google searches. Once navigated to the corporate websites,
data were recorded on the components of the independent and dependent variables of interest. Navigation to brand profiles on SNSs was made from relevant links on the corporate websites.

Variables and Data Analysis

Brand affinity was recorded as the number of articulated users with whom an organization shares a tie on a SNS that was either initiated or approved by those users. This number was used to calculate the dependent variable, growth in brand affinity, which can be represented by the logarithm of the measure of brand affinity. We evaluated the brand affinity of commercial entities where this number was public on SNSs being used by businesses. This criterion was met for Twitter, Facebook, MySpace, FriendFeed, LinkedIn, Xing, YouTube, Vimeo, and SlideShare. Social network sites on which brand affinity is not visible did not fit the definition of SNSs utilized by businesses that we used as a parameter since brand affinity is a necessary measure to test our hypotheses.

The independent variables are those strategy components hypothesized to influence the growth in brand affinity, including the number of SNSs promoted by businesses on their corporate website, placement within the corporate website of the links to the business’ SNSs brand profiles (website page and visibility of the links), the presence of SNS share buttons (functionality that allows SNS users to share content from brand profiles with their own networks on SNSs), and brand affinity from prior time periods. The inclusion of lagged values of the dependent variable follows from the idea that network effects might have a positive impact on the growth of brand affinity. We plan to use a dynamic panel-data model to analyze our data and test our hypotheses.

DESCRIPTIVE RESULTS

FIGURE 1. PROPORTION OF BUSINESS PROMOTING DIFFERENT NUMBER OF SNS
In the period between January 2010 and July 2011 the combined sample of Fortune 500 companies and large global businesses promoted themselves on several SNSs, including Twitter, Facebook, MySpace, FriendFeed, LinkedIn, Xing, YouTube, Vimeo, and SlideShare. The change in the proportion of business promoting different numbers of SNSs over time (measured in months) is graphed in Figure 1. Graphed as the proportion of businesses that had sufficient observations to run the analysis, Figure 2 represents the overall growth of SNS promotion by businesses for Facebook, Twitter, YouTube, and MySpace.

**FIGURE 2. PROPORTIONS OF BUSINESSES PROMOTING THE DIFFERENT SNS**

![Graph](image)

FB=Facebook, TW=Twitter, YT=YouTube, MS=MySpace

**CONCLUSION**

Emphasizing their importance to corporate communication and marketing, our study will analyze the marketing mix used by businesses on their corporate website to grow their SNS brand affinity. By infusing marketing principles, our study will provide researchers with key elements to consider in building brand affinity strategies, a major component of successful use of social media. This study will also build a foundation for empirically-grounded suggestions that should be useful to practitioners searching for strategies to guide their adoption, implementation, and use of social media.

Social media has transformed the relationship between organizations and their stakeholders. Though network effects are credited with the growth of social media platforms and brand affinity on such, our research provides evidence that a well-defined social media strategy can influence the growth in brand affinity beyond these network effects.

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