Virtual social networks: a new environment for a new consumer

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The Internet a new context of analysis

- Nowadays, on the Internet we can find every kind of products and services
  - e.g. films, electronics, music, automobiles, fast food, toys, etc.
- Internet is progressively being used for taking purchasing decisions (e.g. product, brand, etc.)
- However, the Internet is a different purchasing context
  - There is a lot of information
  - It is easy to compare offers and prices
  - There is not physical contact
  - There is not a personal relationships
  - The retailer suggestions have not the same value than in the offline world
  - The user information is stored in data bases, …

- From a Marketing view we need to know
  - what is different in this new environment?
  - what are the main implications of these differences?
  - how these changes affect consumer behavior and firms’ marketing possibilities?
Internet as a medium to promote knowledge

However, the Internet it is not only a distribution channel:

- It is also an interesting medium to promote knowledge exchange:
  - Consumer are using it for having advice, suggestions and information
- Chats/discussion groups are being used for:
  - Establishing contact with other users and sharing experiences
  - Sharing ideas about products/brands
  - You will find useful demonstrative videos of electronics, etc.
    - E.g commercial presentations
      http://www.youtube.com/watch?v=H5fetcaQIaA
      - (1.500.000)
    - E.g. users presentations
      http://www.youtube.com/watch?v=9E1HaX4BtR4

This context has motivated the creation of Virtual Communities (VC) or Virtual Social Networks
The growing importance of VCs

- VCs are an incomparable medium to allow:
  - Interaction among individuals
  - Exchange of knowledge and experiences

- VCs have and increasing importance for marketers and researchers because:
  - Influences their members behavior
  - Allows obtaining important information about potential consumers (e.g. needs and desires of specific groups)
The concept of Virtual Community (VC)

- The VCs are almost as old as the Internet
  - They became very usual in 90s thanks to e-mail, chats and instant message systems
  - Their growing is explained by the important advantages for brand/user

- Virtual Community (VC): Social group developed in the Internet in which users employ the Internet for their discussions

- “Virtual” Community
  - The term “Virtual” do not imply that these communities are less real than traditional (Muniz & O’Guinn, 2001)
  - For their members these social groups have a real existence
    - affects on many aspects of behavior (including consumer behavior)
  - The difference is that this relationships are established by the Internet

- Differences between VCs and Traditional Communities
  - VCs use Internet as primary communication media
  - VCs overcome the physical and temporal barriers to interaction
    - Consumers can interact
      - In different places and
      - In different time
The Virtual-Brand Community

- Frequently communities are built around a brand
- Brand communities have 3 Key characteristics:
  - Consciousness of kind
  - Rituals and traditions
  - Sense of moral responsibility
- Virtual Brand Community:
  - Individuals related on Internet for their interest in a product/brand
VCs as a new context for marketing analysis

Nowadays it is a clear interest for understanding consumer behavior in VCs and its marketing possibilities

Some topics has been substantially addressed:
- The importance of VCs and their characteristics
- How to monetize traffic from VCs

Different topics need a more detailed analysis
- Consumer digital identities in VCs
- Patterns/rules of behavior in VCs
- Promoting the users participation in VCs
- Types of users in VCs and how to manage them
- Consumerist movements and antibrand VCs
Consumer Digital Identities in VCs

- Much of our consumer behavior involves some degree of self-reflection about who we are or are seen to be
  - Consumers can adopt multiple identities, depending on the consumption context and the social environment

- We can identify different consumer segments based on
  - gender, nationality, or social class
  - but we can also identify consumers in terms of
    - moral values ("I am a good person“ vs “I am a bad boy”)
    - and social roles ("I am a mother", “I am a consumer”)
    - characteristics or abilities ("I am outgoing and smart")

- These consumer identities may refer to
  - who I am currently
  - who I used to be (some years ago)
  - who I want to be
  - or should (not) be

- Any one of these identities can influence thoughts, feelings and consumer behavior

- All of them reflect and feed our self-identification processes
Consumer Digital Identities in VCs

- It should be interesting to identify
  - The antecedents of the activation of consumer identities in the social and marketing environment
  - The mental organization of multiple consumer identities
  - The implications of consumer identities for
    - buyer-seller interactions advertising effects
    - international marketing consumer segmentation, etc.

- Special issue of the IJRM on consumer social identity
**Rules of behavior in VCs**

- Which behavior is expected from the commercial firms in a VC?
  - It depends on the situation and the area of the VC in which we are.
- VC have 3 main areas in which different behavior is expected (Pita and Follower, 2005):
  1. **Discussion forums** (members discuss about the main topic of the VC)
     - Members expect no commercial interactions here
     - It is accepted if it is a response to a consumer question
     - Firms have to be prudent
     - Trust to the firm is slowly built, but it can be lost very quickly
  2. **Marketplace** (firms and individuals offer and buy different products)
     - The only expectation here is that sellers and buyers act ethically
     - The marketplace may be an important profit center for marketers
     - Passive monitoring can provide valuable information
  3. **A forum paid for by a commercial sponsor**
     - A firm can also sponsor entire VC
     - In this case probably the firm will not welcome competitors
     - Here the sponsorship can be clear and evident because members expect some commercial activity
  4. In general, these rules are strict and specific to each area (Pita and Follower, 2005)
- More research is needed in order to know
  - Where are the limits of firms' behavior in their own VC or in an sponsored forum of a VC, or in the marketplace
Promoting participation in VCs

Promoting relations

- The main reasons to participate in VC are interactions with people
  - In VC conflict is welcomed to increase members participation
  - Managing community relations involves tending connections between people

VC managers promote different kinds of social interactions:

- Some VC organize real-time online events to celebrate important milestones in the community's life
- Other organize offline activities
  - face-to-face interactions help cement online relationships

We need to confirm and quantify the effectiveness of these strategies to promote participation and search for alternatives to increase participation in the VC
**Have all the VC users the same interest for Marketing Managers?**

- Insiders and Devotees members are:
  - enthusiastic, actively involved, and sophisticated user of VCs products’

- Insiders and Devotees are the most important data sources
  - for marketing research and
  - marketing strategy formulation

- Marketing managers should understand how Tourists and Minglers are socialized and “upgraded” to Insiders and Devotees in VCs

- How can we transform Tourist and Minglers in Insiders and Devotees?
  - We need to understand
    - each consumer group behavior
    - how can we change their role in the VC
Consumerism movements and Antibrands VCs

Antibrands VCs are a reality nowadays

We need to now:

- How can we avoid this behavior?
- What should be the role of the VCs to avoid the development of antibrand VCs?
  - It is better to develop of our VC?
  - It is useful to monitor consumers opinions in VCs?
- The potential role of VC in the development of customer complain management models to
  - identify these consumer dissatisfaction
  - to solve problems on time
Conclusions

The Internet in general and VCs in particular are a new environment which have received very substantial attention from marketing research.

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- Consumerist movements and antibrand VCs