

Profile of Corporate Social Media Consumer Segments

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Abstract

The trade and academic literature is replete with commentary about the need for companies to develop promotional strategies and to adopt media platforms that are more engaging and conversational with customers than the traditional top-down company directed one-way communication strategies of the past (Thomas, Peters, Howell and Robbins, 2012; Foster, West and Francescucci 2011; Deighton and Kornfeld, 2009). This viewpoint is supported by Christodoulides (2008) who reported that many customers view information about a company or brand that they obtained from blogs, social networking sites and the like as being more relevant, believable and important to them in their interactions with the company than similar company provided information. Social media savvy customers are by all counts a highly diverse lot and reaching them effectively requires the use of different messages for different groups (Heo and Cho, 2009; Stern, Rao and Gould 1990). For example, some social media users follow a wide variety of posts and enjoy the benefits of special offers while others have mixed feelings about being marketed to on social media websites. Interestingly, this new brand of customer also expects businesses to really know them, their life cycles, their personalities and the goods and services that they desire (Beauchamp 2013).

Changes in customer perception and expectation have forced an increasing number of companies to shift resources from offline to online strategies with their corresponding social media platforms such as Facebook, Twitter, blogs, texts, email and Yelp (among others) and to implement customer analytics in order to measure impact (Pate and Adams, 2013; Kim 2006). The shift from a company-to-customer communication to a customer-to-company paradigm has also resulted in changes in the importance that businesses place on engaging with customers effectively to ensure customer satisfaction (Challagalla, Venkatesh and Kohli 2009), loyalty (Dick and Basu 1994) and to increase sales (Neff 2007) and profits (Xevelonakis and Som, 2012; Voyles 2007). Not surprisingly, changes such as these are difficult to implement effectively and as a result companies are now being forced to retain even marginal customers (Doorn, Lemon, Mittal, Nass, Pirner and Verhoef 2010).

As a result, social media outlets are securing a respectable place as part of many companies' strategic marketing elements (Adegoke, 2004) and resulted in companies becoming more reliant on their internal metadata and web analytics in order to learn more about their customers (Phippen, 2004). Research in this area also suggests that efforts to include social media as a means of enhancing marketing effectiveness are paying off (Jackson, 2009). In spite of this progress many businesses are still faced with a lack of understanding of the types of consumers who are more likely to follow Corporate Social Media (CSM) outlets, what types of consumers are more likely to make purchases as a direct result of CSM, and which consumers tend to 'like' a company's Facebook page, follow a brand's Twitter or Instagram page, or sign up for text messages from a retailer.

In response to these needs, this study tracks the development of the various theories necessary to understand the customer engagement and presents a segmentation schema of consumers who are more likely to follow Corporate Social Media in the US and make purchases as a direct result of Corporate Social Media posts.

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Keywords: *corporate social media, k-means cluster, consumer behavior, profile, segmentation*

Relevance to Marketing Educators, Researchers and Practitioners:

This study contributes to the extant literature by providing a profile and segmentation of corporate social media users that should help managers achieve their marketing goals.

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TRACK: Internet/Social Media Marketing