

Title

Killing more than the radio star: online video and consumer engagement in the relationship economy

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Drawing theoretically on the notion of the relationship economy as a new marketing dimension based around social media, this paper makes a contribution to a key debate within contemporary strategy. Using the company based experiences of one of the authors, who was employed with responsibility for developing an online video presence, this paper examines the emerging use of video as a central element within the relationship marketing strategy of a national company in the B2C flower market. Research findings illustrate the strong interconnectedness that exists between relationship marketing, consumer engagement and consumer experiences. These are pertinent factors identified in the literature, but subjected collectively, too little empirical work. Within the framework of a case study based action research methodology, a nascent online video strategy is discussed and some resulting conceptual implications examined. What the findings demonstrate is that consumers are no longer passive recipients of company communications, products and services. Alternatively, they are now engaged through video and related online media in a new form of relationship marketing that is poised to replace not only traditional strategic frameworks, but patterns of thinking regarding how we understand consumer activity in markets.

Introduction: The video marketing revolution

A recent article in the *Marketer* examines the issue of how to appeal to customers using video (Manning 2013). This type of discussion assists in confirming the point that society is developing a voracious taste for this form of media. YouTube is streaming something like four billion videos every twenty four hours and adding thirty five hours of new content to its database virtually every minute of the day and night ((Manning 2013; Ryan & Jones 2012). Swerdlow (2009) indicates that a third of businesses believe the use of video increases sales and consumer interactivity with the brand. A study by Kaplan & Haenlein, (2009) of practitioners, shows they largely support the argument that online video is becoming increasingly important as a marketing tool. Significantly, a number of practitioner based publications both off and online, now point to the growing influence of video as a medium for delivering marketing strategy (Atkinson 2013; Brown 2009; Carvill & Taylor 2013; Chaffey & Smith 2013; Rice-Lincoln 2010; Reed 2011; Serapio & Fogg 2009; DallaCity 2013). As the later notes, by 2016 video is set to become 55% of all internet traffic, suggesting we are starting to witness the demise of the ‘radio star’ and the other trappings of traditional marketing. Arguably, online video now represents a major and significant shift of emphasis in marketing activity.

Relationship marketing and online video

Whilst there is a significant degree of practitioner discourse on video marketing, a near silence exists in terms of the academic literature. This is despite the many articles on marketing, web 2.0 and the internet, i.e., Kozinets, Hemetsberger, & Schau, 2008; Willis, Melewar, & Broderick 2013; Quinton & Harridge–March 2010; Rowley 2008; Sashi 2012). In terms of academic marketing articles on video, one of the few examples available is Pashkevich, Dorai-Raj, Kelar & Zigmond (2012). They examine the impact of the ‘skippable’ video advertising format on consumers viewing experiences. Relatedly, Smith (2012) suggests there is reason for today’s marketing students to understand that in their future careers, they will likely encounter tasks that involve the application of online video. Given the apparent centrality then of video culturally to consumers and companies, what this paper seeks to analyse, is how video, as a new form of relationship building, is becoming embedded in the strategic activity of one organisation and what some of the conceptual implications of this are. Here the notion of the relationship economy is relevant. It represents a new form of theorising about the arrangement of the economy, predicated on relationship enactments, facilitated by content sharing on social media (Stanfield (2013). Now, through online video, organisations have the ability for a fraction of the cost of running a conventional campaign, to not only communicate to a group of consumers, but to also encourage these to engage with one another as they consume and share branded content (Kaplan & Haenlein 2011). Vikek, Beatty & Morgan (2012) argue pointedly, that consumer engagement is primarily about relationship marketing, as it is about developing programs that ensure individuals become collectively connected and involved with the brand.

Method: case study and action research at ‘Pearl Petals’

The general methodological approach adopted here is the case study, which looks in depth at one organisation (Yin 2002; Perry 2001; Ogbonna & Wilkinson 2003). Whilst more positivist inclined researchers advocate the use of multiple cases (Easterby-Smith, Thorpe & Jackson 2012), the perspective here is constructionist, attempting to provide a rich picture of behaviour in one context (Flyvbjerg 2006; Llewellyn & Northcott 2007). In particular, this case study was underpinned by action research (Wilson 2006), where one of the authors undertook a Masters by Research, whilst simultaneously employed by 'Pearl Petals' –PP- (anonymous name) to lead its new online video strategy. This operated under the umbrella of the Knowledge Transfer Partnership-KTP- programme, run by the UK research councils (Trott 2012). Data was gathered from numerous sources, where both qualitative and quantitative approaches were used, allowing for a reasonably full picture to be drawn of the implementation of video marketing (Bryman & Bell 2007; Easterby-Smith, Thorpe & Jackson 2012). The author was a practitioner - researcher, where action research actively positions the individual as doing research for the purpose of informing future improvements and strategic direction (Gill & Johnson. (2002). Action research is well accepted as a method of research in a variety of disciplines, i.e., sociology, management, psychology and accounting, (Gronhaug & Olsen 1999; Hammersley 2004). In marketing, it is also used (Perry, & Gummesson, 2004; Wilson 2004), but its role is more circumscribed. Arguably, the discipline is still largely wedded to a positivist philosophy and the apparent objectivity inherent in large abstracted data sets, as the former authors indicate.

Also, importantly, the PP project examined here reflects the 'student as producer' agenda (Neary & Winn 2009; Ardley, Taylor, McIntock, Martin & Leonard 2012). The basic premise of this approach being that student learning is always grounded in research activity. In this study, besides participant observation (Hammersley & Atkinson 1995; May 1997) that occurred in the form of field notes, four semi-structured qualitative interviews were also conducted. One was with the head of consumer marketing, one with the marketing projects manager, one with the head of branding and one with the firms marketing director. To complement this, two other types of data were collected and analysed. Firstly, customer feedback on the company produced videos was gathered using an online survey. This consisted of a mixture of multiple choice questions, rating scales and the completion of comments boxes. The second method of research was web site interaction analysis. This tracked the user's dealings with pages on PPs website, monitoring the number of clicks made of links on a page. The resulting information was then related to sales statistics for the site.

Relationships and online video marketing at Pearl Petals

The point was articulated by all four interviewee respondents in one way or another, that online video at PPs has to be seen without the context of changes brought about by the increasing use of social media by consumers and the subsequent impact of this on marketing strategy. This is given voice here by the organisations marketing director, Tony. *"It has gone from one to many, where the advertiser was in control of the message, to one to one, where the receiver of the advertising is completely in control. All we can do is hope to encourage and persuade and influence, that's a brand owner's position now."* Here, Tony is referring to the power of consumers, to work as a collective, either promoting a company amongst themselves through endorsement and recommendation, or to play a role in ignoring and possibly also

intentionally damaging the reputation of a brand. As noted by Berthon, Pitt, Plangger, & Shapiro, (2012); van Dorn, Lemon, Mittal, Nass, Pick Pirner & Verhoef, (2010), consumers can act immediately on content, including video, by helping others with reviews and recommending through posts and blogging.

The first PP video campaign was regarded as a success. Not only in terms of the video working technically but, through the click analysis taken from the website analytics tool, it could be seen that those who clicked on the link to watch the video were more likely to make a purchase, compared to those who didn't watch a video. From this point onwards, video was being treated as an element of marketing strategy and as such, was subject to a cycle of review and feedback. As techniques developed, the researcher practitioner - in the role of strategy developer - had an increased ability to monitor customer interaction with the video. Below is some raw data from an early summer campaign. These tests results ascertained the optimum length of clips by analysing the correlation between clip length, product price and the average abandon time, which is the average duration of video viewed by an individual consumer.

Date range 18th July - 18th August inclusive							
Product name	Product price	Stream starts	Clip duration (s)	Average abandon time (s)	Average % complete	Abandon time ranking	Conversion improvement ranking
Summer Basket	£29.99	2348	50	34	68.7%	2	4
Summer Basket with Chocolates	£34.95	298	36	27	75.0%	1	1
Summer Hand-tied	£29.99	808	54	34	63.3%	4	2
Fairtrade Mixed Rose Hand-tied	£29.99	191	47	27	57.7%	5	3
Summer Planted Basket	£22.99	933	48	31	65.0%	3	5

Figure 1: online video statistics extract from web site interaction analysis.

The clips themselves feature a variety of shots including close ups, tracking shots of the entire bouquet and footage of the product revolving on a turntable. There is a voiceover during the entire duration of the clip. In total, for the five test clips, there were 4,578 individual video plays, cumulating in a total of over 39 hours of viewing. The results provide information relating to the link between clip length, engagement and success in terms of the percentage of people who then go on to make a purchase after viewing. The shortest clip of 36 seconds performed best in terms of the percentage of the clip which is viewed, and in turn this duration of the clip also performed top in encouraging customers to make a purchase. The longest clip at 54 seconds had an average abandon time of 32 seconds, the second worst ranking in terms of engagement. Therefore, it can be assumed that there is an optimum length for clips of this nature, in terms of encouraging engagement and increasing propensity to buy the product. From the information gathered during this test, that figure appears to be in the region of 30 seconds. Any longer than that, and a larger proportion of the messaging placed within the clip will not be seen and the consumer may be left with a negative impression, often feeling the need to abandon the content relatively early on.

Developing the customer relationship at Pearl Petals through online video

Once PP had proved the concept of video worked on their web site, through tracking studies, they began to explore other applications, beginning with the incorporation of links to specific video clips within email newsletters. Initially, these clips were mostly product promotions produced to directly improve sales. Whilst these trials were seen

to improve engagement within the newsletters and drive traffic to the site, it was thought video could be used far more creatively in order to build better consumer relationships with the brand. This led to the production of a wider variety of brand-related video content. This included coverage of PPs competitions, florist and floristry events. A blog, initially designed to improve PPs search engine ranking for the website, quickly became a focal point where articles that including video content, got distributed. Importantly it's not just about video production but also about marketing the video (Atkinson 2013). More recently, PP has been posting video material on Pinterest, another fast growing social media site (Dunnett 2013). Over time, PP began to see a substantially increased level of engagement when video was included on Facebook or Twitter. PP is now able to turn content around on a daily basis, where it is able to react to particular events. For example, at the Chelsea Flower Show video content of the reaction from a PP medal winner was released shortly after the medal was awarded. This not only showed PP as a brand willing to embrace technology in order to connect with its consumer base, but also means PP becomes a conduit for interesting, relevant content based experiences. In turn, this strengthens the brand through building levels of trust, a key feature of relationship marketing (Morgan and Hunt 1994; McKinney & Benson 2013).

On You Tube, there are now a very significant number of PP videos, in fact there is a PP channel, covering a wide range of flower related topics. These are viewed, shared and commented on. This undoubtedly enhances the customer experience of PP and has the potential to be quite immersive. What is involved here is the establishment of a dialogue between brand and consumer and between consumer to consumer. As pointed out above, customers have the opportunity to engage with the PP brand beyond You Tube and the company web site. Significantly, with internet based media, feedback can be positive or negative but either way, it represents instantaneous engagement. An example is the comment from a consumer who was asked to respond in the online survey about Mothers Day flower videos on the PPs website. As well as rating the video, the customer decided to comment on something else. *"Your website is messy & too complicated & most important of all your flowers & delivery charges are overpriced."* With access to total populations of consumers commenting like this, changes can be made that can quickly respond to negatives.

Based on the experiences of using action research at PP, and the field notes made at the time, the video selected for use by the organisation must be appropriate for the medium it is intended. For example, if it is placed on a blog, which is a more leisurely consuming experience, compared to other types of exposure, then the consumer can take the time to glean and absorb extra information from the brand, where longer form content with high levels of detail is used and where content can be easily shared. However, within the often shorter and more instrumental ecommerce purchasing journey, a shorter clip which dispenses concise yet necessary information in an engaging way is usually more appropriate. Here, this degree of differentiation allows consumers who have elected to show their interest in PP to easily access the content they will find interesting and share it. So, in the adoption of social media, the PP brand is now focussed on putting together a marketing strategy that incorporates non-sales brand related content, whereas previously, the overall goal was to increase sales through product promotion where little opportunity was provided for relationship personalisation, interactivity and consumer engagement.

Conclusion: engagement, experiences and the relationship economy

Three significant conceptual areas emerge from this study that are worthy of further exploration and analysis. Firstly, it is important to understand the rise of the relationship economy. For Stanfield (2013) consumers now exist in a radically altered economic configuration, or in the parlance of the conference theme, a new marketing dimension. Marketing is in a new dispensation, where involved and engaged consumers are not only forming relationships with companies but with each other as well, through various forms of social media (Berthon, Pitt, Plangger, & Shapiro, 2012; Brodie, Ilic, Juric, & Holbeek 2011; Holbeek 2012). Consumers still embrace - but have also moved beyond - the experience economy of Pine & Gilmore (1999), where the marketing offer should be theatre, to the relationship economy, where the real time, ubiquitous and seamless presence of social media connects consumers with each other and with brands. Central to the relationship economy are notions of customer engagement and customer experience. Stanfield notes the rise of metaphor inspired relationship clusters; these examine the social aspects of consumer connections with brands. These clusters include, for example, marriage partners, colleagues, best friends, old friends and conflicted relationships. Allied to this is consumer engagement. Whilst classic marketing strategy has taught us that consumer's decision making is linear (Hackley 2010), the rise of the relationship economy makes us fundamentally question this. With numerous consumer touch points now in operation, the brand is no longer in a position to dictate strategy. Word of mouth is of prime significance facilitated by online video, and sharing, the latter having the potential to reach millions globally. Consequently, it is important for brands to build effective consumer engagement strategies whenever, or wherever, customers interact with the company.

Finally, these engagement strategies must provide consumers with outstanding experiences; customers still want these of course, but in the new marketing, this is in the context of being able to share it with others, so brands have to provide an experience that facilitates social encounters. For Holbeek (2012) engagement in relationships now goes beyond simple purchasing activity driven solely by company messages and actions. In the older forms of communication, that used static web images, printed text and graphics, messages were presented to consumers primarily as appealing to the rational calculative. Whilst Hsieh, Hsieh, & Tang (2012) point out that little is known about the factors that make online video engaging or how it influences recipient's intentions to purchase or encourage brand awareness, this has not been the main focus of the current paper. Despite this, some brief comments can be made, as they relate to experience management. What video now achieves is actually a heightened sense of emotion, which can be shared. In this sense, it becomes possible to reinforce factors like brand heritage, quality and reassurance, all of which are key components of loyal relationships (Agrawal, Gaur, & Narayanan 2012; McKinney & Benson 2013). Simultaneously, in the case of PP, we are reminded of Gummesson's (2008) proposition that relationships are at the core of all human behaviour. In the case of PP, through videos use of immediate moving images, consumer's attention can be drawn to the reason why they are sending flowers. These reasons centre on their own personal and unique relationships, which have been brought to life through video. What is required now is further research to explore in

more detail the implications of the notion of the relationship economy and the particular role of customer engagement and customer experiences within it.

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