Being Social: Social Media Influence on Modern Consumer

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Abstract: Overwhelming use of social networks and social technologies creates new preconditions for business to social technologies deployment. These challenges are also created for consumer which led to new type of consumer nowadays identified as "social consumer". Social consumer is term coined to describe how social technologies affect the behavior of consumer. Current paper explores opportunities and impact brought by technologies, overall social media based „landscape" development, users „socialization" tendencies, „socialization" impact on buying behavior and characteristics of social consumer.

Keywords: social media, social web, social impact, social consumer, consumer behavior

1. Introduction

The last decade was characterized by an increasing use of Web 2.0 and social technologies among consumers and between businesses. As various research reports the number of social network users are growing, as well as various social platforms appears on the Internet. The time users spend on online social networks is increasing as well.

This phenomenon also attracts strong business interest as business is seeking new ways how to utilize potential of online social networks in their activities. Although having in mind specificity of use of social technologies we observe changes in consumer behavior – as technology brings new challenges and new possibilities for consumers, consumers behavior starts changing. For enterprises it is important to understand these changes as the impact of social technologies on consumers is very high.

Considering the influence of social media and social technologies on modern consumer it is important to outline four aspects:

- Opportunities and impact brought by technologies;
- Overall social media based „landscape" development;
- Users „socialization" tendencies;
- „Socialization" impact on buying behavior.

2. Technological context

Technological context mainly deals with opportunities which are brought by various Web 2.0 technologies to consumers. Technological context is very complicated and relates to different perspectives in various scholar researches.

The most widely used approach is to identify web 2.0 technologies. It is widely accepted these types of Web 2.0 technologies:

On the other hand social media is very close associated with various services which are widely used by users and deployed various social networking sites. These services typically allow:

- Share content;
- Storage content or files;
- Communication between users;
- Demonstration of various materials;
- Commenting, providing feedback;
- Rating, reviewing, etc.

And also considering technological context we need to keep in mind social media platforms/social networking sites which usually deploy various technologies as well aggregates services providing possi-

bility to users to socialize. The most famous platforms are Facebook, YouTube, LinkedIn, Google+, Pinterest, Foursquare, Twitter.

This technological context is very important as it impacts consumer in several perspectives or causes several social effects (Constantinides, 2009):

- Empowerment

- Participation
- Openness
- Networking
- Conversation
- Community
- Democratization
- User control

Table 1. The main Web 2.0 technologies

Technology	Description
Blog	A blog is a discussion or information site published on the World Wide Web consisting of discrete entries ("posts") typically displayed in reverse chronological order so the most recent post appears first.
Wiki	A wiki is a website which allows its users to add, modify, or delete its content via a web browser usually using a simplified markup language or a rich-text editor. Wikis are powered by wiki software.
Rss	RSS Rich Site Summary (originally RDF Site Summary, often dubbed Really Simple Syndication) is a family of web feed formats used to publish frequently updated works—such as blog entries, news headlines, audio, and video—in a standardized format.
Mash up	A mashup, in web development, is a web page, or web application, that uses and combines data, presentation or functionality from two or more sources to create new services
Social bookmarking	Social bookmarking is a method for Internet users to organize, store, manage and search for bookmarks of resources online

3. Social media development "landscape"

The technological development and social impact relates to five phase of social web development described by J.Owyang (2010). The scale and importance of social impact also varies depending on the phase.

As J.Owyang (2010) states these phases are not sequential, these phases are overlapping. This suggests that using different social web services and sites user might obtain different social impact and impact is growing while user becomes more active in social web environment.

Social commerce phase is and highly driven by technologies development it remains most attractive and interesting to companies in terms of co-creation, crowdsourcing, innovation development and sales. Meanwhile as this is the last stage users usually already gains extensive social experience, trains social skills and develops sophisticated social demands. Considering all above mentioned social effects suggest social consumer requires adequate services or applications enabling him to satisfy his social needs.

4. Socialization tendencies

In this paper we consider socialization as a process enabling people to interact in various social contexts and aiming to satisfy their social needs.

From our perspective taking about social consumers we try to observe three perspectives:

- What is popularity of various social platforms/social networking sites?

- For what purposes mainly these social platforms/social networking sites?

- What are tendencies for social commerce development?

Table 2. Social Web development and social impact

Phase	Period	Description	Main social effect
Era of Social Relationships	**Beginning in the mid-1990s**	People connected to each other	Conversation Networking
Era of Social Functionality	2007-2012	Social networks becomes like operation systems	Participation Community
Era of Social Colonization	2009-2011	Any experience get social	Openness
Era of Social Context	2010-2012	Personalized and targeted content to users	Democratization
Era of Social Commerce	2011-2013	Power shift toward the connected customer	User control Empowerment

According eMarketer the number of social network users around the world will rise in 2012 to 1.4 billion from 1.18 billion in 2011. This near-20% increase is a slight drop from the rise in 2011, and growth rates will continue to moderate as the market matures (eMarketer, 2012).

The same eMarketer report outlines the growth of social networking sites use in different regions and countries. Although growth of social network users is slowing down in 2012 the highest growth is observed in Asia (24,8% comparing to 2011) and Latin America (18,5% comparing to 2011). The growth of social network user in North America was 6,6%   and 11,9% in Western Europe in 2012.

According UM 6th WAVE report socialization remains key activities on social networks. The report presents data analyzing responses of 136 000 users in 64 countries. The key activities in social networks are:

- Messaging with friends (64 %)

- Updating profile (62%)

- Uploading photos (59%)

- Finding old friends (59%)

- Updating status (52%)

It is interesting to note that share of activities related to consuming issues remains low – purchased something (21%) and become fan of brand (30%). This demonstrate that users still prefer socialization as a key activities and social commerce still have place to make a change.

However, it can be seen as very positive, from a different perspective. According to Nielsen report about trust in online environment 92% of users trust to recommendations of known people and 70% of users trust consumer opinion posted online.   As these perspectives directly relates to users socialization it might be concluded consuming and socializing activities usually goes in parallel.

Also looking at the future of social commerce we can observe different bright statements

9SocialSkinny, 2012):

- Social commerce sales should total $9.2 billion by the end of 2012 and are expected to climb to $14.25 billion in 2013 and $30 billion in 2015;
- 20% would purchase products from their favourite brands within their social media sites (as opposed to normal websites);
- by 2015 brands will be generating 50% of their web sales through social media and mobile platforms with a projection of $30 Billion;
- 84% of smartphone owners use them to enhance their shopping experience;
- 2 out of 3 are likely to visit a mobile site;
- One out two mobile shoppers share their shopping experience on social networks.
- 40% of Twitter users regularly search for products via Twitter

- 12% of consumers have purchased a product online because of info they found on Twitter
- 60% are willing to post about products/services in FB if they get a deal or discount

5. Socialization impact on buying behavior

Buying behavior is widely analyzed in many research scholars' works. Many papers addressed buying behavior in physical markets and in online markets. Widely it is accepted what buying behavior consist of 5 stages and is linear process. The stages are following – need recognition, information search, evaluation, purchase, and post-purchase. The table 3 summarizes these buying behavior stages and social networking sites services enabling consumer to proceed through stages.

Table 3. Consumer buying process and social media opportunities

Stage	Enabling services provided by social networking sites
Need recognition	Connecting and sharing with friends services allows spending more time and identifying new needs
Information search	Bookmarking, information sharing, personalized pages services
Evaluation	Opportunities to provide feedback and reviews
Purchase	Transactional (group buying, buy for friends, ect.) services
Post-purchase	Supporting and personalized services

Although according Gartner (2010) buying behavior stages remains the same as in offline markets, M.Koufaris (2002) emphasizes "a key difference between online and offline consumer behavior is that the online consumer is generally more powerful, demanding, and utilitarian in her shopping expeditions". Power and demanding of consumer relate to opportunity to get more information, to access reviews and evaluations, growing socialization. In the context of socialization friend and social activities acts as new information sources increasing consumer power. This also close connects to utilitarian aspect as socialization serves as factor increasing utilitarian value.

Although traditional approach might be applied

the growing information amount and socialization heavily impact consumer buying behavior. Some researchers tend to agree that buying process is more cyclic then linear. Cort, Elzinga, Mulder and Vetvik (2009) basing on observations in automobile, skin care, insurance, consumer electronic and mobile –telecom industries outline 4 stages of buying behavior:

- Consideration;
- Evaluation;
- Selection/purchase;
- After sale;

D.C Endelman (2010) extends these ideas and proposes consumer decision journey approach (Fig-

ure 2) proposing decision loop and loyalty loop.

D.C Endelman (2010) sticks to consumer decision journey and assumes this process is "how consumer engage with brands". The important issue is to mention that "customer's engagement with brand doesn't necessarily begin or end with the purchase" (Endelman, 2010). Comparing with previous research Endelman extends consumer journey process concept structuring post-purchase stages into 3 substages – enjoy, advocate and bond. The similar approach is proposed by P.Marsden (2011) which describes buying process as cyclic process and purchase and

post-purchase stage consider as loyalty loop.

The above mentioned attempts try to simplify buying process identifying main stages. In reality buying process consist of various digital interactions involving various actors. These interactions include listening, requirements for personal touch, empowerment, engagement and other interactions (Lieberman, 2012). As demonstration of this sophistication process Forester designed 'spaghetti' view of the online customer journey demonstrating shift from traditional sales funnel to digital sale funnel.
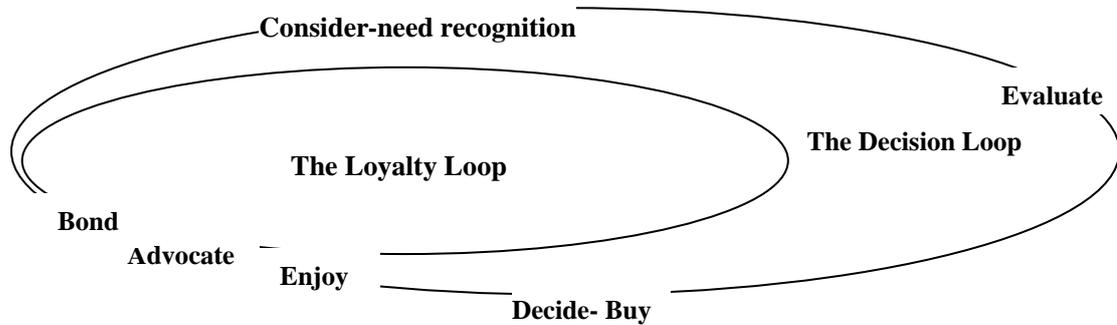
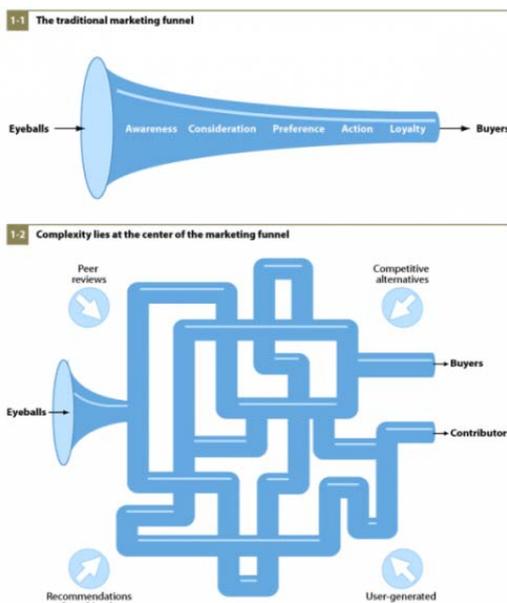Figure 2. Consumer decision journey (adapted from Endelman, 2010)

Forrester proposes more complicated approach didn't trying to identify buying stages, but rather putting emphasis on complexity of the decision and identifying 4 key aspect influencing decision:

- Peer reviews;
- Competitive alternatives;
- Recommendations from friends;
- User generated content.

6. Social consumer

The changing nature of buying process which also is caused by social effects brought by technologies allows observing new characteristics of social customer. Some of these characteristics might seem fits online customers as well, but some are very specific.

The 4 table summarizes Marsden (2012) and Potgieter (2011) views on social consumer characte-

Figure 3. The difference between traditional and digital sale funnel (Forrester Research, 2012)

ristics.

Table 4. Key characteristics of social consumer

Marsden (2012)	Potgieter (2012)
•Sophistication Based On Personal Knowledge •Prepared To Trade Data For A Better Experience •Instant Access To Expertise •Takes Advantage Of Technology •Wants To Be Offered A Perfect Match •Wants to Have A Say On What Is Produced •Enjoys Lending A Hand To Fellow Shoppers •Will Gather People Around To Get A Better Price •Wants To Be Rewarded For Sharing Shopper Expertise	•Use the Internet to learn more about brands and products •Trust the opinions of people in their online networks •Expect brands to engage with them online •Expect brands to listen to and answer them online •Often expect brands to keep track of all their previous interactions with the brand across all channels

Marsden (2011) in his research also suggest So-LoMo conception describing modern consumer. This conception describes 3 key aspects of consumer – social, local and mobile. Consumers shop smart with social, location-aware and mobile technology. On the other hand, consumers use social technology as a service to help customers solve problems socially or solve social problems (Marsden, 2012).

7. Conclusions

The wide adaptation of social technologies brought new possibilities to consumer as consequence empowering them and making more demanding. This lead to the tendency that modern consumer nowadays social technologies associate with social utility – the technology act as a service helping to find decision, to take decision or in other cases support companies promoting their products.

The future research should address issues how social technologies can be deployed for user engagement, what are the key factors for adopting different social technologies and how activities and technologies should be integrated between online and offline markets.

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