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Consumer Centric Marketing Communications Models: Does web 2.0 demand a new one

BEVERLY BARKER, FIDM, MScIM, PGCHE, FHEA
KIM ROBERTS, MIOD, MA MARKETING MANAGEMENT, PGCHE
LONDON SOUTH BANK UNIVERSITY

Abstract
Communications models have become the focus of much comment and research in the face of rising consumer connectivity fuelled by digital technologies (Muniz and Schau, 2007; Schultz, 2008). New ‘web’ models have been presented (Smith and Taylor, 2004) to accommodate ‘multi-phase’ communication coming both directly from the mass media and indirectly via ‘opinion leaders, innovators, early adopters and opinion formers who are capable of influencing others through word of mouth’

However as Mile (2007) notes, these, and other web models, remain essentially marketer-centric and lacking true integration between traditional and the ‘new concepts of interactivity’ resulting in a “two-tier approach to advertising communication modelling”. Smith et al (2007) concur that “today's media and marketing models underestimate the great potential in most consumers” This paper aims to add insight into this area to identify whether it is a change in model that is needed or a wholesale change in philosophy.

Case studies and online observation supplemented in-depth interviews with agency communication planning directors, digital agency directors and client side marketing directors. It has been concluded that an approach, as underpinned by current models, is no longer appropriate and social media require a new approach as brand advocates are now partners in ownership with the brand and its value.

Keywords:
Marketing communications, IMC, Internet, Social media, e-WOM, communications models, Consumer centric communications, consumer behaviour
Introduction

Historically, communications models have been designed to express how marketers encode and send messages to specified target groups, sometimes with a feedback/response loop (Fill, 2009). Traditional media provided communication from one to many, or mass communications, and the earlier models of Strong (1925), Lavidge & Steiner (1961) and Colley (1961) reflect this. This essentially ‘organisation-to-consumer relationship’ (Farquhar and Rowley, 2006) presumed active marketers communicated to a passive audience. They are consequently considered to be ‘marketer focused’, or more precisely marketer centric, reinforcing the hierarchical, almost paternalistic marketing structure in which the mass communication of a marketer’s message led to an adoption of its tenets.

However, Web 2.0 & social media (Correa, et al, 2010) have expanded consumer opportunities to communicate and provided new forums where consumers voluntarily discuss, recommend or vilify brands, products and services (Hennig-Thurau, et al, 2004; Gruen, et al 2006, Ferguson 2008). In these forums, also known as user-generated content sites, consumer led blogs, chat rooms or social network site, discussions cannot be managed by marketers and the practice growing of consumer e-WOM (electronic word of mouth) threatens the potential fortunes of any brands discussed online (Hollenbeck and Zinkhan, 2006; Sweeney, et al, 2008)

Smith and Taylor (2004 p.81) presented the ‘Simple web’ and ‘Advanced web’ communications model to accommodate this digital change, highlighting ‘multi-phase’ communication, with messaging coming both ‘directly via the mass media’ and ‘indirectly via opinion leaders, innovators, early adopters and opinion formers who are capable of influencing others through word of mouth’. However, as Mile (2007) noted, these and other web models, remain essentially marketer-centric, lacking true integration between traditional approaches and the ‘new concepts of interactivity’, resulting in a “two-tier approach to advertising communication modelling”. Smith and Chaffey, amongst others, drew attention to this dilemma in 2005 (p.88) “All (communication) models are changing. Advertising agencies are confronted by another big shift in their communications models. They have to move from getting attention to giving attention” and as Smith, et al (2007) suggested “today’s media and marketing models underestimate the great potential in most consumers” proposing that all markets are ‘the web of conversations’ and that we should try to ‘create discussion around the brand’ (Chaffey & Smith, 2008)

This study seeks to expand the literature by investigating whether current academic marketing communications models address this growing problem and remain relevant in the face of growing e-WOM. In so doing, it will explore current online e-WOM consumer practice and expose the growing uncontrollability of marketing messages which were designed to move consumers through the decision making process to purchase. It highlights the changes in consumer behaviour from passivity to activity, from persuaded to persuader and from lacking control to exerting control through stronger and more reliable consumer to consumer messaging, resulting in a far more powerful and persuasive mode of purchase decision. The speed with which technological advancement is affecting marketing communicator and consumer behaviour is central to this study.

Methodology

The study explored academic opinion and practitioner practice in relation to marketing communications and the models used to describe them. Consequently the research addressed the following objectives:

- To evaluate current online e-WOM consumer practice
- To identify current marketing communication needs and practice from a marketers perspective

Evaluation of current online e-WOM practice

The initial study undertaken for this research was to observe the broad marketing environment in general and e-WOM practice in particular. Secondary data, from sources including Admap and WARC, were supplemented with ‘social media’ case studies, such as Jarvis’s Dell Hell (Rogers, Madsen & Howell, 2005) which provided numerous current descriptions of practitioner and customer experience in this area. In addition, a large scale study of blogs and user generated content (UGC) was carried out in relation to new advertising campaigns as they launch. Throughout November 2008 campaigns were selected from
the Brand Republic weekly list of ‘Campaign Creative Bulleting’ which highlights the ‘Latest Ads’ (Haymarket Media, 2008). Analytics were placed via Google Alerts (Google, 2010) for each brand and campaign strap line, in an attempt to capture any comments that resulted from the new burst of promotional activity from the advertisers.

**Evaluation of current practice from a marketer’s perspective**

The second study was designed specifically to identify current marketing communication needs and practice from a marketer’s perspective. The research explored the subjective experience of individuals through qualitative analysis (Burns, 2000) and the approach considered the differences in understanding and usage between four cohorts to ensure that the key differences in roles and responsibility were accommodated:

- Founders and principles within specialists digital & social media agencies
- Senior advertising agency communication planners amongst some of the UK’s top five agency groups
- Senior marketing commentators and researchers within organisations such as IDM, DMA and WARC
- On the corporate side interviews were held with marketing directors in both B2B and B2C organisations

The sample frame included only principles, founders or those designated with ‘Director’ in their title to ensure that they reflected a genuine level responsibility within the role. In total fifteen semi-structured interviews were conducted to collect opinion and attitudes amongst the four cohorts, kick started with an initial mini focus group discussion within one of the advertising agencies to identify the cross section of opinion and better inform the questioning structure for the individual interviews.

The researchers sought to analyse marketers’ understanding of e-WOM, how they are reacting to and potentially using e-WOM to influence and build consumer brand preference. Interviews were constructed on a semi-structured basis enabling the data to be categorised and analysed using theme matching techniques (Cooper & Schindler, 2005), identifying the key similarities and differences within the survey data and triangulated against current secondary sources.

**Findings**

This research set out to evaluate current online e-WOM consumer practice and identify current marketing communication needs and practice from a marketer’s perspective to ascertain whether a change to current marketing models is needed or a wholesale change in philosophy.

**Observations of current online e-WOM consumer practice**

Case studies and secondary research have indicated that consumer e-WOM via social media tools such as blogs and social networking sites have affected marketing policy within organisations.

Case studies demonstrating the collective power of social media comment included the Kryptonite ‘media firestorm’ in 2004 resulting in a Lock Exchange Program (Taylor, 2005) and Facebook vs. HSBC (Collinson and Levene, 2007). Jarvis’ Dell Hell (Rogers et al 2005, Strauss & Frost, 2009) highlights how one person’s blog captured a wave of discontent resulting in the story being carried by the mainstream news media. Rogers et al (2005) identified that the news remained centred on Jarvis’ experience and that the influence of Dell’s customer service spokespeople was ‘weak’, highlighting the “my story” phenomenon within blogging and the ‘lack of journalistic balance’, concluding that ‘bloggers are influential and operate in packs which predominantly reference one another and can be highly negative in their impact’.

A common thread in the case studies is that the stories are about products and customer service issues, as is traditional with word of mouth comments. However, this research wanted to identify if the social chatter, whether negative or positive, touched upon pure brand issues and communications strategy, or was ignited by them.

The small scale netnographic study captured over 7200 email alerts in relation to the Google Alert key- phrases that were set up to track the new advertising campaigns. Content picked up by the alerts ranged from corporate notifications of mergers to store openings. Individual ‘consumer’ blog comment discussed price comparison (generally negative), voucher offers (often positive) and product or customer service
issues. The majority of ‘Alerts’ were however completely unrelated uses of the same words, e.g. the phrase ‘Argos’ picked up a lot of comments for the Toronto Argonauts and Eddie Argos, lead singer of Art Brut.

Comments directly about the advertising campaigns were only written by advertising industry commentators & bloggers, resulting from sites such as Visit4info.com and Brandrepublic.com criticised or praised such things as creative work, acting skills, script writing or music selection. However, evidence exists that bloggers do discuss brand and communication strategies. Brownell (2009) highlighted the dilemma for Unilever whose ‘Dove Campaign for real women’ has been labelled ‘hypocritical’ in the face of the sexy imagery it uses for Lynx.

This assessment of whether advertising activity stimulated brand e-WOM, whether negative or positive, indicated that it does not. The assessment highlighted that consumers are actively discussing product quality, customer service problems and price issues on a regular basis, driven by their own interactions with the product or brand. Comments do not appear to be ‘triggered’ by commercial campaigns but are ongoing. Further to this, primary research was undertaken amongst expert marketers to evaluate potential ‘reasons for’ and ‘effects of’ this social media ‘chatter’.

**Expert marketer evaluations of current online e-WOM consumer practice**

The panel of marketing experts acknowledged a shift in society from the “passive consumer who over-relied on the voice of authority” to a “desire to be heard, to drive change and to become less insignificant”. Key reasons cited for this included feelings of being “societal empty” and progressively more “distrustful and disinterested in brand communications”. The panel opined that consumers increasingly desire a “more humanized approach” and the use of digital platforms enables them to find “trust-worthy sources; listen to human voices; express themselves and share experiences”. One PR consultant labelled diffusing e-WOM onliners as “listeners & learners”; many migrating to become “sharers”, some of whom become “broadcasters” and the most technically competent progressing to “creators & commentators”. This final group designing improved or derisive brand advertisements (Berthon, et al, 2008).

Interviewees concluded that this shift in behaviour has resulted in online “empowered” communities who “own digital space” and asserted that “the influence of people on people can’t be underestimated” particularly during the process of their purchase decisions. One panellist warned “People will start following voices they trust and cut out media advertising”. Consumers have become the persuaders and brands increasingly have lost their power to influence their audiences.

In terms of context, secondary research confirms that the underlying marketing environment has changed rapidly and may have provided the catalyst for this change in consumer behaviour. Rutherford and Bowman (2009) link events such as the UK governments ‘expenses scandal’, the banking crisis and rising unemployment with a ‘lack of trust’ and state that ‘the cumulative impact of this has significantly diminished consumer's confidence in the future’. Earls (2010) identifies a refocusing from ‘isolated passive individual’ to ‘community spirit and connectedness’. The economic crisis has highlighted that ‘greed is not good’ (Dolphin, 2009) and made people sceptical of higher powers, reinforcing the ‘value shift’ (Lee and Carter, 2005; Jackson and Bostic, 2009). Max Weber noted, as early as 1904 that the mind and the spirit are key to conditioning the economic environment, and the research demonstrates that this still holds true as people seek to rebuild their socio-economic touch points. There has been a reformation of ‘tribes’ (Godin, 2008), echoing McLuhan’s (1999) insights of ‘retribalising’ and ‘the electronic revolution creating an involvement that is total’. Together consumers are rethinking what motivates them. Rutherford and Bowman (2009) described the current situation as a movement from a ‘me economy’ to a ‘we society’ reflective of the increased sense of community and community power.

Technology and connectivity play a major role in this. The main reasons cited are ‘to connect, to enjoy and to express ourselves, particularly, to express our identity’ (Daugherty, et al 2008; e-consultancy, 2009). Nielsen (2009) identified that 90% of people trusted ‘recommendations from people they know’ and 70% “consumer opinion posted on line”, more than any other form of brand communication. This is echoed by Sedley (2010) who identified that ‘consumers are increasingly sceptical of the sorts of
messages that companies and brands deliver, stating that people are now ‘relying more on their peers as to what is truthful and what is useful’, echoing Smith and Taylor (2004, p83) who indicated that ‘word of mouth is the most potent of all the communications ... because recommendations through word of mouth and by peers are the most effective promotional tools (Berthon et al 2008). Straus & Frost (2009) highlight the link between the marketing environment, social media and the breakdown in the relationship of trust between brands and their users.

The research shows web 2.0 and social media have facilitated an advanced ‘connectedness’. Secondly, that it is a natural human reaction to turn inwards towards reliance upon yourself, your community and individuals whom you can trust. Customer centric marketing and co-collaboration are therefore found to be strands in a bigger whole at the present time.

Panel evaluations of working practice in this area
An overview of current activity has been formulated as a result of the primary interviews and secondary research. It suggests the following:

• Advertising Agencies and specialists: While good advertising agencies may strategically and philosophically understand the changes, they ‘do not believe that their broader client base understands or needs to implement such changes currently’. Social media is often discussed as ‘another channel’, but it is feared because it cannot be controlled, cannot provide instant broad metrics, is labour intensive and difficult to calculate remuneration for. Whilst some successful case studies can be highlighted; those seeking to add coverage and frequency using a ‘spray and pray’ strategy failed to see any benefit from it.

• Digital specialists observed that many digital agencies appear focussed on utilising so called ‘new media’ as channels within existing marcomms models. Whilst Smith and Chaffey (2009) identified the marketing focused ‘collaborative co-creation’, the general view is technological and product led with technical creation and development taking primacy, with little attention to long term strategies. In addition the simplicity with which so called social media guru’s use the medium to set themselves up as ‘experts’ has lead the field into disrepute.

• Digital PR specialists identify closely with the opportunities, being naturally inclined to think of a ‘conversation’ rather than ‘advertising’. However, they identified that many PR agencies still seek the comfort of their traditional media and journalistic ‘opinion leaders’, and that incorporating ‘digital press releases’ is the answer. Accessing the “peoples’ champions and the self appointed advocates” who are so necessary for positive amplification of the conversation does not yet feature for many.

• Brands: Most brand guardians are fearful of the changes wrought by social media. In particular they appear to be preoccupied with the potential loss of control and misunderstand the concept of “the individual as a communication channel”. Many do not appear to understand that their consumers own the brand as much as they do. The research indicated that few, if any, of the CEO’s encounter demonstrate an understanding of the changes that affect them. To be able to exploit the power of brands in partnership with ‘users’ requires ‘transparency’. If brand behaviour is flawed it will be found out. Developing closer connections between all the elements of the producer and users is essential and partnership with the advocate is all important because consumers will tell brands what is wrong and what is needed, thereby helping companies grow successfully.

• Marketing Communications: The research indicated a clear need to come to terms with the new environment. Paternalistic messaging from ‘you to them’ is no longer appropriate. If consumer-centricism is to mean anything it means acting in partnership, looking for communities and passionate groups to engage with to become advocates for the brand. In so doing brands must respect, listen and engage, turning communication into a 365 day a year approach, rather than just a 360° campaign event. “Your audience is consuming your products and services everyday and you need be alert to communication at all times”.

Panel evaluations of brands’ current marketing communication needs
To be able to operate in the digital space effectively panellists suggested that the first priority was for brands to change their corporate culture; “to go back to the roots of marketing; be legal, honest, truthful
and transparent” and “develop a close connection between marketing, the product division and operations.” Unless companies “understand that consumer centricity is all about the “values” of brands – and not brand obsession logos” they would probably not survive. It was posited that the relationship of the brand to the individual is now changing from “a producer and consumer interface, into a partnership”. It was suggested that “horizontal two-way communication channels are at the heart of a relationship” and can lead to a sense of “shared ownership of the brand” with both sides providing information and feedback.

One senior communications planner, citing Mike Hall’s (of Hall and Macley 1991) four models of advertising: ‘promotion, persuasion, enlightenment and salience’ suggested that “we may now have entered a time of significance... and not just “I should be significant” but “I am significant”. According to other experts “digital space can be used as a tool to allow consumers some significance, but requires an understanding of their needs”

However, a fundamental problem is that to embrace this phenomenon “requires a top down approach”. Several panellists reported that while many of their clients understood the need for change, “your average brand manager has no power”, frustrated by their senior management and CEO’s resistance to change. One advertising agency director remarked “until the CEO retires to Portugal to play golf, change is unlikely”. But once change is embraced, industry experts suggested that marketing communicators need to “develop a long term strategy and commit to digital space”. They unanimously agreed that marketers should accept that “there are inherent risks”, but nevertheless marketers should be brave. If a brand fails to deliver its brand promise, marketing communicators should “be transparent, admit to the company’s mistakes, apologise, be genuine and act”.

Given the importance of the strategic shift required the panellists provided some advice to help foster new thinking. The views were coded and key matching opinions selected. These are presented in Appendix 1.

The consensus was that there is a need for change in marketing communications strategies and a general view that marketers need to act now, as the consequences of not doing so ‘could be dire’. For those companies who have made the changes, dipped their toes in and learned how to behave online, the benefits are substantial, but varied, according the panel. The panel indicated that it is “the personal connection”, the “seeming one to one nature of communication” that builds trust via sites such as Twitter and Facebook, identifying that a user can experience a “trust bordering friendship” with those who participate actively in the community, citing the effects of comments by personalities such as Stephen Fry on brands and products, such as the Blackberry Storm and David Eagleman’s ‘Sum’.

However, it would appear that the presence of a brand on a Facebook or Twitter site can be seen as an invasion of private space by the on-line community. InsightExpress (Loechner, 2009) found that social networkers are less willing to view marketing messages and suggest that their research ‘reinforces the idea that social networks are a unique medium in which advertising campaigns must be executed with great care’. A similar study by Netpop (2010) identified that companies have been “discouraged by the poor performance of standard online display advertising formats in social media spaces” stating that “new approaches to advertising will become increasingly important as social media consumption grows”.

The experts reported that although only a few of their clients were ‘fully active’ those who were enjoyed instant feedback on issues such as customer services, usage, experiences and complaints. Further benefits were identified such as maintaining or repairing relationships, product improvements, damage control, leniency, benefit of the doubt, trust, creativity, hearts and minds, positive e-WOM leading to brand preference, advocacy and loyalty. They also spoke of “co-creation in product development” echoing McDonald and Alpert (2007) findings. However, they all agreed that “to operate in the consumer’s spaces is an activity which should not only be taken very seriously” but as one panellist succinctly put it “accept that the time and investment is really, really high”.

Given the ‘significance of the individual’ indicated by our research, it is possible to extrapolate this into an initial theory regarding the development and revision of existing marketing communication models. Our research indicates that a mere presence amongst the on-line community and the use of social media to
disseminate a message does not in itself constitute the creation of a relationship with the target market and that misuse of the opportunity now offered to brands can result, not just in a neutral reaction but in an unexpected negative effect.

In summary, research indicates that the breakdown in trust in institutions has led to an increased reliance on inter-personal relationships and reaffirmation of the significance of the individual, leading to greater levels of trust in the individual over the corporate. This heightens the importance of one to one relationships and proposes the concept of co-ownership and shared goals as a justification for action by the individual rather than any history hierarchical model.

**IMC and the Existing Models:**

Finally, this paper aimed to add insight into this area to identify whether it is a change in model that is needed or a wholesale change in philosophy.

The panel commonly believed that a wholesale change in philosophy is needed because “social media has no tool kit” The panel suggested that consumer behaviour is evolutionary and as a consequence all marketing communications tactics must change to accommodate this. One panellist noted “Social media has significantly changed the way in which people will go to the next step to make decisions about a purchase” and “Brands cannot hope to control communications. They are now in the hands of the consumer” When asked to comment about future marketing communications models the panel offered a number of pointers, which have been detailed in Appendix 2. The consensus was that there was a need to “augment”, “amend” and “update” models since those which are commonly used do not recognise or place sufficient emphasis on consumer brand messaging. Currently, they do not acknowledge that consumers are more likely to make a purchase decision based on social peer communication and the old basic concepts of “feedback” are insufficient.

**Conclusion:**

Within the scope of the research undertaken, it is indicated that significant evidence exists for a change in the way that brands are perceived and understood by their target markets. Facilitated by the availability of social media and independent data to the individual consumer, the changes in attitude wrought by socio economic and political issues are beginning to have a major effect on the relationship between brands and consumers, but these are as yet little understood by the professional marketing community. In the light of these changes, current marketing communication models are less valid than they have been previously.

While it could be posited that fundamental marketing communication theories such as those put forward by Schramm regarding the encoding and decoding of messages still hold true, the research would appear to indicate that the ‘channel based’ models currently based on integrated marketing and 360° communications are not wholly applicable within a social marketing context or in the light of the changes that have been identified. The research undertaken in this study would appear to indicate that while mass marketing worked when informing and creating consumers, the breakdown in institutional trust and the availability of a personal belief system via social marketing and open access to data means that it might no longer be applicable as a central tenet of driving brand personality or, importantly brand substitution. It would appear that the “sell your concept” mentality which has underwritten much of activity over the last fifty years may need to be replaced with an approach relating to the development of a relationship and ownership through trust and one to one communication.

This paper concludes that a new communications model is needed. The next stage of this research will be to conduct a large scale survey amongst online-active consumer and social commentators. This will provide further insight and build the ‘consumer side’ of the equation, which may aid the design of the shape of new communication models for this area.
Appendix 1: Table 1 Marketing Practitioner Advice to Help Foster New Thinking (verbatim)

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<th>Advice</th>
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<tbody>
<tr>
<td>Embrace failure as it leads to success</td>
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<td>Stop ‘telling a brand story’ start thinking about influencing the brand’s direction</td>
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<td>Be more consumer-centric</td>
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<td>Have complete trust in their agencies if they want them to conduct their SM comms.</td>
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<tr>
<td>Agencies should become audience and behaviour experts rather than channel experts</td>
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<td>Do not profile your customers by numbers</td>
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<td>Let go of “narrow control” and embrace “wide control”</td>
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<tr>
<td>Be willing to interact with customers via social media and address the quality of that interaction</td>
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<tr>
<td>SM is uncontrollable – be warned</td>
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<tr>
<td>The empowered consumer means that the style, shape and format will change when a brand sends messages – it is really behavioural targeting</td>
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<tr>
<td>Encourage the conversation and engage, don’t preach</td>
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<tr>
<td>Find consumers’ passion points, what they are interested in. Think “long tail” because micro passion groups can come together easily despite geography</td>
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<tr>
<td>Become trusted - You will be judged not on what you say, but by your behaviour</td>
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<td>Your conversation should move from dialogue to collaboration to co-creation</td>
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<td>Look more at action of experience and advocacy</td>
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Appendix 2: Table 2 Marketing Practitioner comments on future communication models (verbatim)

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<th>Comment</th>
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<tr>
<td>“Write your own marcomms model” because “the listening end of social media is going to make the difference”</td>
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<tr>
<td>“The model I would teach for the future is a simple one: We have two ears and one mouth, use them in proportion, in other works, listen twice as much as you talk.”</td>
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<td>“Marketers should do is learn how to listen to customers more effectively, as the balance of power shifts”</td>
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<td>Passion points are what are important. You do not plot the media, the platforms; you have to plot the passion points and it is not demographically targeted either”</td>
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<tr>
<td>“Augment your models, don’t throw them away”</td>
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<tr>
<td>“Brands that have succeeded in social media have applied a completely different model to the others”</td>
</tr>
<tr>
<td>“Update your models”</td>
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</table>
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