10 Social media and consumer power

Opportunities and challenges for digital marketing activities

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Introduction

Social Media (SM) have progressively transformed interactions between twenty-first century consumers and companies and among consumers. Several technology-driven factors, such as the proliferation of digital platforms and online consumer-generated content combined with increased media audience fragmentation (Papacharissi, 2002; Valentini, Romenti and Kruckeberg, 2016), have challenged assumptions, practices and strategies in traditional marketing management models. These are generally company-centric and often consider consumers as marketing targets.

The rapid diffusion of different SM worldwide (e.g. in January 2020, 3.8 billion people were active SM users [We Are Social/Hootsuite, 2020 – see Further reading]) has created additional opportunities for organisations to reach larger and more diversified groups. It has also pushed marketing and communication managers to reconsider their activities regarding SM’s main characteristics, including possible innovative uses and the diverse interests developed by consumers.

However, SM marketing research is still fragmented (Felix, Rauschnabel, and Hinsch, 2017), and the philosophical underpinnings in most marketing literature consider SM one of several tools for marketing communication. Thus, the research focuses primarily on specific push-content tactics. This has led some practitioners to either overestimate SM influence, which is often considered a panacea to acquire and engage (new) consumers or consider an organisation’s SM presence to be a promotional façade with little or no marketing return.

However, noting the complexities of certain user participation patterns on SM, some authors (e.g. Schultz and Peltier, 2013; Yadav and Pavlou, 2014) have proposed reconceptualising the understanding and function of SM from a marketing perspective. The literature acknowledges that consumers have increased their influence towards organisations and brands by generating highly sharable content (e.g. comments and reviews) with a global reach that impacts the opinions and behaviours of thousands of consumers. This generation of consumers is thus becoming empowered (Denegri-Knott, Zwick, and Schroeder, 2006) and continuously growing.

The influence of those empowered consumers could potentially affect brand evaluation by other consumers who tend to trust those perceived as peers more than companies. These empowered consumers can modify the perceived nature and structure of a brand via their SM activities (Anker et al., 2015; Van Noort and Willemsen, 2012). For marketers, engaging and retaining information-savvy consumers have become more difficult (Kitchen, 2005). However, organisations can exploit their SM interactions with
consumers in a way that positively impacts their consumer–brand relationships. Consumer participation and collaboration through SM have resulted, for example, in co-created product development (Firefox, Lego, Danone Activia) (Ind, Iglesias, and Schultz, 2013; Muniz and Schau, 2011; Pitt et al., 2006).

In this chapter, consumer empowerment via SM (Kucuk and Krishnamurthy, 2007; Labrecque et al., 2013; Pires, Stanton, and Rita, 2006; Pitt et al., 2002; Vollero, Schultz, and Siano, 2019) is seen as a main driver of a paradigm shift in Digital Marketing (DM). This chapter aims to embrace the emergent DM perspective of SM as a symbolic interactionism phenomenon. SM is not merely a marketing tool; rather, it is a space to symbolically re-discuss interaction dynamics and power relations among consumers and organisations and a way to understand user interaction behaviours in these digital environments, including how such behaviours may impact organisational marketing and communication activities.

Drawing from literature on consumer empowerment in digital environments (Denegri-Knott, Zwick, and Schroeder, 2006; Labrecque et al., 2013; Siano, Vollero, and Palazzo, 2011), this chapter explores the SM-driven empowerment of consumers as a pervasive process that enables consumers to increase control of the marketplace and potentially overturn the traditional power imbalance between organisations and consumers.

The chapter is structured as follows. The next section provides the conceptual background for understanding SM’s impact on marketing activities, followed by the needs, motivations and communicative behaviours of consumers in SM and a discussion on consumer power in SM. This is further deepened by the analysis of a model of value co-creation in SM based on consumer empowerment. Opportunities and challenges in SM marketing research are then presented, followed by concluding remarks.

**Social media and its impact on digital marketing activities**

SM are a group of Internet-based applications that encourage the creation and exchange of User-Generated Content (Kaplan and Haenlein, 2010; Valentini and Kruckeberg, 2012). SM are embedded in high user-to-user interactivity (i.e. anyone can create, share and co-create content) and also have a participative nature and social connectivity, which allow individuals to feel connected to others (Valentini and Kruckeberg, 2012). SM are mostly virtual spaces of ‘social interactions’ that encourage conversations among individuals and organisations.

The most used and prominent SM applications are social networking sites (e.g. TikTok, Instagram and Facebook) and opinion platforms (e.g. TripAdvisor), where users create, exchange and/or consume other individuals’ content. Social networks allow individuals to define their visibility, identity and preferences and articulate a list of their social network connections (Boyd and Ellison, 2007; Valentini, 2018). Each social medium was developed to have specific media usage patterns and technical features (Go and You, 2016), such as photo or video sharing. However, there is now progressive integration of technological and communication features across different SM types. Most current SM also provide a built-in instant messaging technology for one-to-one interactions between users. SM are also highly integrated with mobile applications, such as smartphones and other portable/wearable devices, which can be accessed from nearly anywhere (Valentini, 2018).

The participative nature and social connectivity of SM combined with the aforementioned technological features has created great appeal among worldwide Internet users who consider SM an ‘online social environment’ where they (and organisations) can engage in personal, professional and spiritual relationships (Valentini and Kruckeberg, 2012).
This digital environment has proliferated both in size and interest during the last decade and contributed to new forms of social interactions. For some sociologists, this environment has created a new global village (cf. Castells, 2000; van Dijk, 2006) of worldwide citizens meeting virtually to discuss and share information.

Given that most social interactions on SM manifest through communications, SM can be considered a conversational environment (Valentini et al., 2016) or, in Habermasian terms, a virtual public sphere of discussion (Papacharissi, 2002). SM conversations are ‘communicative interactions based on an exchange of contents that are interdependent and adapted to the communicative situation as well as to the social medium-specific features’ (Valentini et al., 2016, p. 4060). Users can raise their global awareness and actively participate in online actions for/against causes. They can also engage in conversations regarding consumer experiences with brands, which are powerful DM endorsements that can impact companies’ image, reputation and sales (Galea, 2007). It is also important to consider what motivates consumers to engage in brand conversations on SM.

**Social media users: needs, motivations and communicative behaviours**

Identifying user motivations and preferences for SM helps marketers and communicators tailor their activities. Relevant research has shown that different users’ motivations for using SM can exist/co-exist (Woodall and Colby, 2011 – see Further reading). Motivations can include impulse satisfaction, sharing experiences, seeking entertainment or advice (from trusted people), social connectivity via conversing with others with similar interests, etc. Determining SM users’ motivations elucidates their consumption needs and information-sharing patterns (i.e. whether and what content to share with friends and relatives). Furthermore, those needs drive different types of digital behaviours, which can vary along a passive–active behaviour continuum. Individuals in the SM environment do not simply consume/use online content; they can create, share and even modify it. Importantly, some users can be satisfied by looking at their friends’ walls (passive behaviour), while others only feel gratified when their own posts (e.g. selfies) are appreciated by their friends (active behaviour).

Research has examined other online behaviour patterns and developed more sophisticated metrics for grouping SM users. For example, Kozinets (1999) proposed evaluating users’ online behaviours based on their consumption activity and relationship intensity with other participants in an online community. Brandtzaeg (2010) proposed the Media User Typology, which collects data on frequency, variety of use and content preferences for classifying SM users. Classification typologies demonstrate that individual behaviours on SM are diverse and can be measured differently by platform, individual characteristics and the study’s focus. Media usage is highly related to the satisfaction of users’ needs (Katz, Blumler, and Gurevitch, 1974), which is an important driver of consumer behaviours.

The combined research on SM users’ needs, motivations and communicative behaviours shows that consumers are increasingly perceiving having control over their SM use and content preferences, the freedom to create and present their identity (Bonanno, 2014) and the ability to control the medium through conversations. As a result, different kinds of power emerge in SM environments that affect the traditional information asymmetry between an organisation and its consumers.
Forms of consumer power in social media

SM use by consumers has increased their power towards organisations and brands (Labrecque et al., 2013; O’Brien, 2011; Quinton, 2013; Vollero, Schultz, and Siano, 2019), which has somewhat reverted the balance of influence among consumers and organisations. Traditionally, the control of market relationships and brand discourses lays with organisations, but consumers can now express their own brand discourses and dictate market relationships. While recent research shows that such power can take different forms (Labrecque et al., 2013; Vollero, Schultz, and Siano, 2019), it generally manifests as follows:

1. **Information-based power** enables consumers to freely and quickly access several online information sources to enhance their consumption and buying behaviours. The ease of access to service/product information on SM by other users reduces traditional information asymmetry and increases individual influence on markets (Valentini and Kruckeberg, 2012).

2. **Participation-based power** enables consumers to make personal choices about their participation in SM and create brand-related content. This power, which is derived from content creation and dissemination (i.e. sharing), completion (e.g. commenting, tagging) or modifications (e.g. meme) (Labrecque et al., 2013), creates influencers and forms a network of power.

3. **Community-based power** co-creates meaningful content that exerts significant control over marketing activities, such as promoting new products/services, with like-minded consumers or companies. Community-based power creates more buying power for groups/communities and enables crowdfunding projects and sharing economy platforms.

These forms of power have progressively increased with the use/spread of SM. Thus, organisations can no longer merely create and distribute content for (potential) consumers (O’Brien, 2011); they must move towards multi-layered interactions across different SM (Quinton, 2013; Singaraju et al., 2016) with a mix of user-generated and company-generated content.

Diverse consumer behaviours on SM affect how organisations can strategically use SM. They must understand the directions that brand or company-related communications can take, including multi-vocality and multiple voices, which often conflict and contrast with what appears in the SM ecosystem. Organisations must acknowledge and exploit these richer interactions among consumers and among other members of the public (Sawhney, Verona, and Prandelli, 2005). They must also accept that a relationship can now be initiated and controlled by consumers without the company’s consent and be able to manage multiple brand touchpoints, which are interconnected in the SM environment and controlled by both firms and consumers (Vollero, Schultz, and Siano, 2019). Managing this complex scenario requires a different approach to DM – one that we argue should implement strategic SM listening via various tools, such as big data analytics and SM engagement.

**Consumer empowerment and value co-creation in social media**

An empowered consumer can create and destroy value for an organisation brand. Consumers sometimes assume negative attitudes towards brands in SM (e.g. brand boycotting) to express dissatisfaction or a value contrast, which can negatively affect a brand’s
value (Kähr et al., 2016; Luoma-aho et al., 2018). Consumers can conversely act as brand ambassadors and amplify a company’s communications on SM to generate brand attachment and engagement (Muniz and Schau, 2011; Ind, Iglesias, and Schultz, 2013).

Organisations can deploy appropriate value co-creation strategies on SM via the co-creation theory and the service-dominant logic perspective. Value co-creation on SM has been associated with the engagement of empowered consumers (Carlson et al., 2017), where interactions among SM users generate value-in-context and value-in-use from customer-oriented and mutually satisfying interactive processes (Merz, He, and Vargo, 2009; Tierney, Karpen, and Westberg, 2016). These interactions provide additional opportunities for value co-creation (Bechmann and Lomborg, 2013).

Despite continuous exchanges on SM, brands and customers do not always align regarding interests and values. Different (even contrasting) positions are frequent on SM, which can divert brand managers’ intent (Vollero et al., 2020).

SM interactions, conversations and narratives are constantly mediated and negotiated between organisations and their counterparts (Vollero et al., 2019). Brands should integrate and mediate physical, social and cultural resources from diverse touchpoints to keep the value-in-use and accordingly inform an evolving communication strategy for co-creating brand value (Grönroos and Voima, 2013; Singaraju et al., 2016). Thus, companies should implement resource integration and negotiation to align the organisational and consumer value spheres (Figure 10.1). Value co-creation strategies include one-way engagement and collaborating with consumers to create new services (Felix, Rauschnabel, and Hinsch, 2017).

As shown in Figure 10.1, the premises for consumer interactions with a brand or an organisation have shifted due to SM empowerment effects on consumers. SM are no longer simply a marketing channel for organisational control of communication and interaction flow with consumers. SM have created a different epistemological perspective based

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**Figure 10.1** Value co-creation in a social media empowered context.
on a (social) interactionist view of consumer–company relations. Accordingly, consumer–company relations are conceived as mutual, social exchanges of communicative interactions via SM. Under this epistemological perspective, marketing and communication managers need to possess specific knowledge and skills to exploit consumers’ propensity for content generation and dissemination and to learn how to strategically use SM data generated through consumers’ use of these platforms. Negotiation and mediation skills are likely to crucially influence SM co-creation value processes, which are increasingly being initiated by consumers. This would imply, for example, the ability to anticipate trends from unstructured SM data (e.g. topic modelling on SM comments), which could inform future SM strategies.

This epistemological perspective can also bridge the two main strands of SM marketing literature (Dwivedi et al., 2020) dealing one with companies’ SM strategies and practices for gathering data from and/or communicating with their consumers and the other with SM consumer behaviour in organisational SM spaces. By integrating these lines of research, marketers will more likely understand real consumer attitudes and behaviours in this ecosystem, which will support more effective and efficient integrated DM strategies.

Opportunities and challenges in SM marketing research

Researchers, practitioners and organisations are asked to invest substantial resources in several areas, such as SM listening and monitoring (Schweidel and Moe, 2014), value co-creation metrics and/or metrics for aggregated consumer action on SM (Moro, Rita, and Vala, 2016) and SM industry-specific models and practices (Iankova et al., 2019).

Studying SM interactions in DM allows analysis and theorisation of SM marketing practices’ impact on different industries. Iankova et al. (2019) showed that business-to-business (B-to-B) companies are likely to consider SM less useful than other communication channels; however, other studies (Agnihotri et al., 2016) have found positive relations between different aspects, such as SM use, customer satisfaction and brand retention. More research is needed to assess whether the firm’s position in the production chain (i.e. B-to-B or business-to-consumer) can influence SM users’ behaviours and help reach marketing and communication goals.

Further opportunities for marketers and communication professionals include collecting data from SM and gaining insights on consumer preferences, behavioural patterns, etc. Many tools can capture and analyse (big) data from SM and, accordingly, manage omnichannel communications (Dwivedi et al., 2020); yet, there are still challenges in integrating data from different sources. Furthermore, organisations frequently lack knowledge and skills in emerging technologies, such as Machine Learning (ML) and Artificial Intelligence (AI) (Duan, Edwards, and Dwivedi, 2019), and they tend to emphasise optimising short-term marketing investments versus long-term relationship-building efforts (shared value). By focusing on the former, researchers and marketing managers are often asked to mimic – sometimes with no idea of the expected outcomes – what the professional industry considers ‘effective’ measurements of SM reach and engagement (e.g. number of likes, followers and comments), which offers little towards a long-term assessment of their relationships. Consequently, organisations are pushed to multiply their communication efforts to attain results on interactive short-term metrics, but the (co) creation value remains uncertain. This challenges organisations that must reappraise their
one-sided firm perspective and assess the fairness and stability of interactions throughout the relationship with consumers.

Some methodological issues have also emerged. While engagement as a multidimensional construct has been largely discussed in marketing and communication studies, especially from a conceptual standpoint (e.g. Hollebeek, 2011; Johnston and Taylor, 2018; Liewonen and Luoma-aho, 2015; So, King, and Sparks, 2014; Pansari and Kumar, 2017), in current professional practices, it remains linked to measures that capture short-term value (e.g. interaction and engagement rate) and single SM sources (even a specific SM campaign). These measures often do not represent ‘real’ engagement, which is intended as a ‘psychological state of mind operating independently from interactive behaviours’ (Syrdal and Briggs, 2018, p. 4); they only evaluate SM users’ immediate responses. To optimise SM, managers should abandon a pure transactional approach (Zahay et al., 2004) and embrace a more consumer-centric approach, including all potential points of contact in a ‘shared value creation’.

Another challenge is the increased fragmentation of communications and consumer experiences in SM (Papacharissi, 2002; Valentini et al., 2016). This can increase consumers’ scepticism about organisations’ authenticity, resulting in increased distance between organisations and their empowered consumers.

These research areas require further investigation, given the paradigm shift outlined in this chapter. Such a shift assumes repositioning SM not only as another marketing communication channel but one that requires a different managerial approach to understanding the complex dynamics of consumer and brand interactions.

Conclusions

SM, its popularity and its wide reach have changed how people interact, socialise and consume digital content. This chapter outlined the main characteristics of and changes brought about by SM that directly impact DM. Along with other scholars, we argue that SM empower consumers in ways that challenge the power dynamics and information asymmetry of traditional marketing communication. However, SM also act as ‘systems resource integrators in the interaction between firms and customers’ (Singaraju et al., 2016, p. 45). This has caused a shift from a functionalistic view of SM as another marketing communication channel to a (social) interactionist view, where SM are the loci of conversations and interactions among SM users, which generate both value-in-context and value-in-use for a company.

Accordingly, marketers and communication professionals require new skills and knowledge, including negotiating, listening and mediating, combined with a more integrated use of user data and long-term strategic goals to measure SM engagement and the value that consumers and organisations can obtain from interacting with one another. The participative and social connectivity nature of SM offers both opportunities and challenges for DM, which call for further research and empirical validation by the academic community.

Key lessons for future research

- Stimulating managerial change from a ‘command-and-control’ perspective of SM to multidimensional and negotiated organisation–consumer relationships
Developing value co-creation metrics that focus on the long term versus current commonly used interaction metrics
• Investigating the role of industry-specific elements on the effectiveness of SM marketing practices
• Exploring the potential of consumers’ social connectivity for DM goals beyond information sharing and co-creational behaviours

Further reading


References


