The use of social media in sales: Individual and organizational antecedents, and the role of customer engagement in social media

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ABSTRACT

There is recognition that social media can benefit personal selling and sales management, especially in the B2B context. This research draws on interactional psychology theory to propose and test a model of usage of social media in sales, analyzing individual, organizational, and customer-related factors. We find that organizational competence and commitment with social media are key determinants of social media usage in sales, as well as individual commitment. Customer engagement with social media also predicts social media usage in sales, both directly and (mostly) through the individual and organizational factors analyzed, especially organizational competence and commitment. Finally, we find evidence of synergistic effects between individual competence and commitment, which is not found at the organizational level. We conduct multiple regression analysis of data obtained by surveying 220 sales executives in the United States.

1. Introduction

The use of social media (e.g., Facebook, LinkedIn, Youtube, Twitter) has grown significantly among consumers. According to the Nielsen Company (2012), people spend more time on social media than any other category of sites, with an average of 121.18 min per day in 2012, which represents an increase of 37% with respect to the previous year. This trend has motivated researchers to understand how to use social media to influence consumer preferences, purchase decisions, and worth of mouth (Michaelidou, Siamagka, & Christodoulides, 2011; Kumar & Mirchandani, 2012). Moreover, scholars have also studied the use of social media to communicate with customers and improve their experience (Wilson, Guinan, Parise, & Weinberg, 2011), and the functional building blocks of a social media strategy to reach consumers (Kietzmann, Hermkens, McCarthy, & Silvestre, 2011).

However, more research on the use of social media in business-to-business (B2B) marketing, and selling in particular, is needed. There is recognition that modern selling requires the use of technology capabilities – such as social media tools – as it affects buyer-seller relationships, the salesperson role, and the sales organization (Christ & Anderson, 2011; Marshall, Moncrief, Rudd, & Lee, 2012). In practice, though, B2B firms are only starting to explore the use social media and have still little understanding about its main drivers and consequences (Wiersema, 2013). In their HBR article "Tweet Me, Friend Me, Make Me Buy" Giamanco and Gregoire (2012) argue for the potential benefits of using social media in selling, in aspects such as prospecting, qualifying

leads, and managing relationships with customers. Yet, the authors highlight that, surprisingly, sales managers have been slow to recognize this potential, and companies are still in an early stage of adopting social media. This is consistent with the findings of a study conducted by Guesalaga and Kapelianis (2012), together with the Sales Management Association (Atlanta, United States of America): 70% of the companies in the study are either not using social media in Sales, or just exploring its use. This discrepancy between the relevance and the usage of social media in sales motivates this research.

Previous research has addressed the role and breadth of social media in sales (Andzulis, Panagopoulos, & Rapp, 2012; Marshall et al., 2012), its connection with customer relationship management (CRM), service behaviors and value creation (Agnihotri, Kothandaraman, Kashyap, & Singh, 2012; Trainor, 2012), its influence on performance (Rodriguez, Peterson, & Krishnan, 2012; Schultz, Schwepker, & Good, 2012), and the motivation of sales employees to use social media technology (Levin, Hansen, & Laverie, 2012). With respect to antecedents of social media usage in sales, Schultz et al. (2012) have looked at the role of age, social media norms, and customer oriented selling in explaining salesperson's use of social media, and recently Keinänen and Kuivalainen (2015) explored the use of social media from the B2B customer perspective. Still, there is a need to understand which factors drive the use of social media in B2B selling by the sales organization. Is this usage driven mainly by characteristics of the sales manager? Is it largely determined by organizational factors? Do customers play a relevant role? Answers to such questions should be informative to senior management who try to encourage the use of social media in sales.

The purpose of this research is to contribute to this emerging literature by proposing and testing a model of social media usage in sales.

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Recognizing the critical boundary-spanning role that the sales organization has within their company by being in the front line with customers, and drawing on interactional psychology theory, we propose that sales executives' competence and commitment with social media are relevant *person* antecedents of social media usage in sales. Moreover, we suggest that organizational competence and commitment, as well as customers' engagement in social media, are meaningful *situation* determinants of social media usage in sales. We elaborate on how these person and situation antecedents relate, through moderation and mediation analyses. We conclude with a discussion of the key findings of this study, the theoretical contribution to the existing literature, the managerial implications, and some limitations and avenues for future research.

2. Background literature

2.1. The concept of social media

Social media has been defined in several ways. Marketo (2010, p. 5) defines it as "the production, consumption and exchange of information through online social interactions and platforms." Kaplan and Haenlein (2010, p. 61) define social media as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of User Generated Content." In a selling context, looking at customers as a key context for social media usage, Andzulis, Panagopoulos and Rapp (2012, p. 308) define social media as "the technological component of the communication, transaction and relationship building functions of a business which leverages the network of customers and prospects to promote value co-creation."

Social media has been described by Kietzmann et al. (2011) in terms of its functionality, including identity (the extent to which users reveal themselves), presence (the extent to which users know if others are available), sharing (the extent to which users exchange, distribute and receive content), relationships (the extent to which users relate to each other), groups (the extent to which users are ordered or form communities), conversations (the extent to which users communicate with each other), and reputation (the extent to which users know the social standing of others). Therefore, social media can also be defined in terms of the purposes it serves.

In practice, social media refers to specific platforms through which people communicate, such as discussion forums, blogs, wikis, social networks, and multi-media sites, being some of the most popular Facebook, MySpace, LinkedIn, Google +, Flickr, Twitter, and Youtube (Bradley & Barlett, 2011; Gupta, Armstrong, & Clayton, 2011). These specific platforms may change over time or be replaced by some others, but it seems valuable to address social media by looking at the specific platforms people use.

2.2. Social media in sales

The increasing importance of social media in sales has encouraged scholars to study the breadth of social media tools for sales, its main benefits and challenges, and the role that salespeople play in deploying social media strategies to increase performance and to build customer relationships. A mix of conceptual and empirical studies represents this emerging body of research. We provide an overview of the literature and then provide a synthesis of how this revision illuminates and motivates this research.

2.2.1. Conceptual studies

Andzulis et al. (2012) review the role of social media in the sales force and the sales process. They argue that the use of social media must be driven by a deep understanding of the customers and that, therefore, social media should be "owned" by sales and marketing, as these functions know customers best. The authors also call for establishing metrics of social media success that are tailored to the customers and the value proposition. They suggest that social media strategies should relate to relationships, product/service, customer, and price, and be integrated to enhance customer engagement. Finally, the authors explore how social media can affect the entire selling process: understanding the customer (e.g., participating in specific LinkedIn groups), approaching the customer (e.g., posting news in Facebook or Twitter), discovering needs (e.g., generating blogs to ignite debate), presenting the value (e.g., through a Youtube video), closing a sale (e.g., driving customers from Facebook to a sales channel), and providing post-sale service (e.g., following customers on Twitter).

Agnihotri et al. (2012) present a framework on how the use of social media by salespeople creates value in a co-creation approach to customers. They discuss how the fit between salespeople's behaviors in information sharing, customer service and trust building, and social media capabilities, increases the perceived value by both customers and salespeople. They draw on task-technology fit theory (Goodhue & Thompson, 1995) based on the belief that in order to benefit from a technology initiative, there must be a fit between the technology and the task supported.

Recognizing that the increased availability of social media platforms has forced many companies to integrate these with their traditional customer relationship management (CRM) systems, Trainor (2012) provides a framework to link social media technologies with traditional CRM and thus, affect performance. He suggests that the emphasis of *social CRM technologies* must be placed on having many-to-many relationships between customers and organizations, establishing interactive dialogs and information sharing, and promoting co-created knowledge and value with customers. The author suggests that by doing this, and mediated by co-created customer experience, companies should attain customer-based profit performance, customer-based relational performance, and new product performance.

2.2.2. Empirical studies

Marshall et al. (2012), in an effort to explore the breadth of social media usage by sales executives, conducted four focus groups to come up with insights about the following relevant themes: connectivity (the level at which salespeople are connected or available to their employers and their clients), relationship (the degree to which social networking is used, the amount of face-to-face contact, and the use of social media by buyers), selling tools (the array of technology-based techniques used by sellers to create, build and maintain relationships), generational (differences between younger and more experienced salespeople), global (building and maintaining world-wide customers and relationships), and Sales/Marketing interface (the merging of sales and marketing strategies). They conclude that social media is transforming the way sellers and buyers interact. Salespeople are using social media more and more to demonstrate connectivity to customers and to their organization, although the authors indicate that the acceptance and use of technology may vary to a great extent among salespeople. Also, social media makes buyer-seller interactions more efficient, although this may bring a detriment to the quality of the relationship by reducing face-to-face interaction. Clearly, the use of social media has reduced information asymmetries between buyers and sellers, and has made the selling process more efficient and customized. In addition, the authors identify some resistance to technology adoption by older salespeople, and a tendency to use social media to pursue opportunities in a global market. Finally, they stress the importance of coordinating the sales and marketing functions in how to use social media at a strategic and tactical level.

A number of quantitative studies have been done to understand antecedents and consequences of social media usage by the salesperson, the supplier company, and the customer. For example, Levin et al. (2012) look into motivational factors to engage in social media usage. Using a quasi-experimental design with business students, the authors compare extrinsic, intrinsic, and apathetic motivation as antecedents