



The new WTP: Willingness to participate

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KEYWORDS

Social media;
Strategic positioning;
Willingness to pay

Abstract A key concept underlying competitive strategy is that of WTP, representing the consumer's 'willingness to pay' a premium price for goods or services. Through branding and other efforts, companies strive to push their message out and create a high willingness to pay, whereby consumers feel there are few or no substitutes for what these companies are selling. Social media, however, are making push-based marketing anachronistic. Users of social media typically eschew professional communications forced on them by faceless and impersonal organizations, in favor of more personal conversations. These individuals seek greater engagement with their preferred brands, and involvement—with or without the company's approval—in creating brand personalities. Their affinity for these preferred brands might well auger the dawn of a new WTP: willingness to participate. This article presents a model of consumer engagement through social media, and argues for re-conceptualizing WTP by utilizing a series of examples which show how companies that engage consumers via social media (e.g., Facebook, Twitter, YouTube) stand to reap the benefits of long-term competitive advantages.

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1. Rethinking the role of social media

There is no doubt that social media (SM) is big, and getting bigger. Facebook, the world's largest social networking site, has over 500 million members—more 'citizens' than any country except China or India (Techxav, 2010)—and generates expected revenues of over \$1 billion (Eldon, 2010). Facebook interactions account for 25% of all page views on the Internet, while Twitter and email account for 10%

each; all other pages and applications, combined, account for the remainder (Blodget, 2009). According to Forrester Research (Ghelfi, 2010), nearly three-quarters (71%) of Internet users under the age of 21 are creating content on the Web (e.g., websites, blogs, videos); 70% have joined and are using social networking sites; and over half (61%) actively comment on others' content. They are active, engaged, and passionate. According to a recent survey, nearly 60% of adults admitted to maintaining profiles on social networking sites and/or visiting these sites regularly (Bernoff, 2010). The Internet has rapidly become the medium of choice for communicating and consuming information in this century. Companies which ignore

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Table 1. Categories of social media

Categories of social media site	Appeal	Example of site(s)
Egocentric Sites	Allow users to construct profiles of themselves on virtual platforms facilitating identity construction and connections.	Facebook.com, MySpace.com, Bebo.com
Community Sites	Imitate real-world communities, allowing groups to form around like beliefs.	BigWaveDave.com, BlackPlanet.com, Dogster.com
Opportunistic Sites	Allow for different social organization of users and facilitate business connections. Often defined vertically.	LinkedIn.com, Academia.edu, alibaba.com
Passion-centric Sites	Allow users to connect based on interest and hobbies. Often defined horizontally.	TheSamba.com, chatterbirds.com, germancarforum.com
Media Sharing Sites	Allow users to share rich media with each other. Defined by content, not users.	Flickr.com, YouTube.com, slideshare.com

Source: Adapted from Fraser and Dutta (2008)

social media in the hope that they are a passing fad do so at their peril.

Many organizations are challenged to understand the Internet and its dominant social networking culture. Managers struggle with the role of the Internet and its potential in terms of their more traditional sales and marketing activities. Having accepted the necessity of websites, they now wrestle with fitting social media—and their more interactive nature—into activities aimed at increasing leads, sales, loyalty, and market penetration. Nevertheless, most accept SM's inevitability and look for ways in which seamless integration might be facilitated.

This article offers one such conceptualization. Herein, we introduce a recursive model of consumer engagement—the 6C framework—that attempts to cogently explain how consumers interact with each other and with brands through social media. We use this model to introduce the 'new' WTP: willingness to participate. The 'old' WTP, or willingness to pay, is a concept derived from and used in business strategy; it refers to a consumer's motivation to pay a price that is higher than the prevailing market price for a good or service as a result of their perception of that good or service's higher value. We suggest that in an internetted, social media-enabled world, this willingness is better reflected as consumer *engagement*, or active involvement with a brand, product, service, or company through acts like creating content (e.g., websites, Facebook pages, YouTube videos).

We begin with a short review of the evolution of social media and their current state. Then, we discuss the concept of WTP and its meaning for business strategy. Section 4 presents our model of consumer engagement—the 6C framework—and its basis for

conceiving the new WTP, or willingness to participate. We highlight a number of examples of companies that have successfully engaged consumers and increased willingness to participate, and close with implications for both managers and researchers.

2. The origins of social media

Social media are Internet-based technologies that facilitate conversations (Carton, 2009). Their main embodiments are through the Facebook, YouTube, and Twitter websites/applications, as well as 200+ million blogs in existence (Pitt et al., *in press*). They differ from more traditional Web applications by offering users a platform for content creation, content upload, networking, conversing, media sharing, and bookmarking.

While studies examining various aspects of social media have proliferated in recent years, very few have attempted to formally categorize SM. Fraser and Dutta (2008) were the first to offer five broad categories: *egocentric* sites that allow users to build profiles; *community* sites that replicate in the virtual world those communities found in the physical world; *opportunistic* sites that facilitate business; *passion-centric* sites that aggregate fans; and *media-sharing* sites that let users share rich media (image, audio, video) content. Table 1 expands on these definitions and offers some exemplars (Wood, 2010).

3. The 'old' WTP: Willingness to pay

Build a better mousetrap and the world will beat a path to your door: this is the genesis of the notion of

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