Investigating marketing managers' perspectives on social media in Chile

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ABSTRACT

Social media have global proportions, yet little is known about firms' engagement with these Web 2.0 technologies in emerging markets within Latin America. The study investigates Chilean marketing managers' perspectives on social media platforms, the benefits or barriers to their firm's marketing practices and the impact they have on the immediate marketing environment based on in-depth interviews. Applying Okazaki and Taylor's (2013) social media framework the findings provide an understanding of social media's role for Chilean firms in customer engagement, brand image enhancement, return on investment, and meeting consumer needs through time and place. Additional themes emerged on the use of social media through Smartphones and their value for future marketing activities.

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1. Introduction

Marketing managers seek to harness the power of social media to improve firm profits and competitive advantage (Schulz & Peltier, 2013). At the same time, they need to find the best way to introduce and utilize interactive digital communication technologies. Research abounds on consumer behavior with technology and social media, together with related practitioner implications (e.g. Gironda & Korgaonkar, 2014). Yet studies from a managerial perspective are far less prominent in the literature and tend to focus on conceptual discussion of how digital communications impact firms (Leeflang, Verhoef, Dahlström, & Freundt, 2014). For example, studies provide prescriptive advice for marketing managers (e.g. Berthon, Pitt, Plangger, & Shapiro, 2012; Gensler, Völckner, Liu-Thompkins, & Wiertz, 2013), and suggest increasing value and returns on investment through measurement (Clemons, 2009; Kumar Bhaskaran, Mirchandani & Shah, 2013; Peters, Chen, Kaplan, Ognibeni, & Pauwels, 2013). While such work is important, there is scant research that explores managers' concerns when implementing social media strategies (Michaelidou, Siamagka, & Christodoulides, 2011).

Even less research focuses on social media challenges for marketing practitioners in emerging markets, such as Latin America (Rohm, Kashyap, Brashear, & Milne, 2004) despite the region's substantial economic importance (Fastoso & Whitelock, 2011, 2012). Industry statistics show a substantial take up of social media in Latin American countries by both firms and consumers (comScore, 2014; Global Information Technology Report (GITR), 2014) demonstrating the importance of digital technology to the region.

Chile is one of the more technologically developed countries in Latin America. Experts recognize Chile as an emerging country that is quickly moving towards a more developed market and a top performer for its focus on networked readiness and application of information and communication technologies (ICTs) to promote economic growth (GITR, 2014). Such outcomes are also supported by Chile's Digital Agenda 2013–2020 and expectations that the country's digital economy will be around 10% of gross domestic product in 2020 (Prochile, 2013).

Chile is not the highest performer in social media participation compared to Brazil and Argentina, but has seen significant growth over the past 18 months (comScore, 2014). For example, Chile has recorded a 314% growth in fans engaging with firms' social media pages. In the same period Chileans increased their use of Instagram by 183% and in 2012, Twitter followers rose to 13,000. According to Latin American statistics in 2013, 65% firms use at least one social media platform, up from 49% in 2010 (Latin Links, 2013). At least one social media platform is used by 76% of firms. Additionally, 50% of Chilean firms use Facebook, 53% use Twitter, and 31% use YouTube. Moreover, the Internet now reaches 81% for socioeconomic class ABC1, 70% for class C2, and 57% for class C3, suggesting superior Internet reach for higher income consumer segments (Galofre, 2013).

Chile's improvement in network communication technology and readiness, as well as firms and consumers' significant engagement with social media, means that Chilean marketing managers need to be integrating these new technologies into their marketing strategies. Yet limited research addresses how these practitioners view the move to social media, their understanding of these platforms, and their

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perceptions of the benefits or drawbacks for their firms. Therefore, the focus of this study is to understand how Chilean marketing managers deal with implementing digital strategies that take account of social media. Such knowledge can help to minimize the pitfalls of the "launch and learn" approach so prevalent in the early days of the commercial Internet that led to the early demise of many Internet-based Latin American firms (Rohm et al., 2004, p. 373).

Given the focus of the research, three relevant studies that specifically investigate managers' perspectives of the digital marketing landscape are now discussed. Chaffey (2010) drew on practitioners' perspectives to identify a model relevant to assessing internal digital-marketing capabilities. Valos, Ewing, and Powell (2010) derived a framework capturing marketing managers' perspectives on important projections on the future of online marketing. Leeflang et al. (2014) gained insights from marketing executives regarding the challenges and opportunities firms face with digital marketing communication. Taken together the studies are a useful starting point, while recognizing that there are some limitations. First, they do not reflect a comprehensive survey of the managerial literature per se. Second, the studies focus on digital capabilities relating to firm responses to main challenges and the practitioners' perspectives are prescriptive only. Finally, the samples are very senior level executives in prestigious firms. Thus, the overall findings in these studies may not reflect the perspectives of the average marketing practitioner in mainstream firms responsible for implementing social media strategies.

The literature also recognizes a number of factors that are common to firms' experiences with digital communication and social media regardless of where they are located. However, some factors might affect Latin American firms more specifically (Fastoso & Whitelock, 2012; Rohm et al., 2004). Such factors may relate to political, cultural and business environments, technological readiness, and technology usage by governments, businesses and consumers (GITR, 2014). There are also indications that cultural factors may influence firms' perceptions of how they should use digital technologies to engage with their customers (Fastoso & Whitelock, 2012; Grandón, Nasco, & Mykytn, 2011). It is argued, therefore that researchers should explore how Latin American marketing practitioners perceive and deal with these factors since there are limited studies in the practitioner area.

The present study investigates marketing practitioners' integration of social media in a Latin American context to partly address the limitations noted earlier. The study was conducted in Chile, and provides a qualitatively rich exploration of marketing managers' perceptions of social media platforms, the benefits or barriers to their firms' marketing practices and the impact they have on the immediate marketing environment.

2. Social media and the marketing environment

Social media encompasses interactive digital communication technology, such as Facebook, YouTube, Twitter, LinkedIn, Instagram and country-specific social media popular with local consumers. Organizations can use social media to interact with highly-dispersed customers online, form communities that interactively communicate, build brand credibility and reputation, as well as becoming part of customer conversations (Gensler et al., 2013; Sashi, 2012). Customers' interactions can add value to firms by generating content, becoming brand advocates, as well as influencing other customers' purchase behavior through electronic word-of-mouth (Bruhn, Schoenmueller, & Schafer, 2012; Kozinets, de Valck, Wojnicki, & Wilner, 2010).

Social media has not only changed the way in which organizations and their brands interact with their customers but in many ways has also changed the way business is conducted (Leeflang et al., 2014; Patino, Pitta, & Quinones, 2012; Schulz & Peltier, 2013). This media has implications for firm's marketing strategy variables such as communication costs (Gecti & Dastan, 2013), branding (Bruhn et al., 2012), sales (Chen, Fay, & Wang, 2011; Kumar & Mirchandani, 2012),

segmentation (Foster, West, & Francescucci, 2011), market research (Patino et al., 2012), and public relations (Eyrich, Padman, & Sweetser, 2008; Luo & Jiang, 2012).

Additionally, research provides insights on how consumers use various forms of social media to interact with firms and their brands, such as consumer engagement with brand Facebook pages (e.g. Gironda & Korgaonkar, 2014; Muk & Chung, 2014) consumer-generated brand content across Facebook, YouTube and Twitter channels (Smith, Fischer, & Chen, 2012), and retweet behavior (Kim, Sung, & Kang, 2014). With the advance of mobile phones, some studies examine the use of mobile phone social media such as brand QR codes (Okazaki, Li, & Hirose, 2012) and shopping apps (Cameron, Gregory, & Battaglia, 2012; Kim, Lin, & Sung, 2013). These consumer studies all contain the obligatory managerial implications for marketing managers to suggest ways to improve their strategy implementation.

A common assumption in these studies is that marketers can take a more standardized approach to implementing digital strategies. However, it is evident that more research is needed on social media in various countries (e.g. Berthon et al., 2012; Okazaki & Taylor, 2013) because there may be technological and environmental differences that affect consumer use and acceptance of new communication technologies; and that this may be so in Latin America (Ferreira, da Rocha, & Ferreira da Silva, 2014; Grandón et al., 2011; Ramírez-Correa, Rondán-Cataluña, & Arenas-Gaitán, 2014). Since there is limited research on Latin American marketing practitioners' perspectives on social media, a study conducted in a specific emerging Latin American market such as Chile, is important. It will shed light on the extent to which marketing managers perceive that technology readiness and environmental factors facilitate or impede how they can integrate social media into their marketing strategies.

3. Theoretical framework and method

3.1. Theoretical framework

Since the goal is to capture practitioner experiences, a conceptual framework around which to sensitize the investigation will enhance the depth and breadth of the study. Chaffey (2010), Valos et al. (2010) and Leeflang et al. (2014) were ruled out based on the limitations noted earlier (i.e. organizational development and high level marketing practitioner focus). Instead, Okazaki and Taylor's (2013) conceptual framework based on three principal theoretical dimensions, networking capability, image transferability and personal extensibility, is used. The framework draws together extensive relevant research from the digital/social media marketing and advertising literature to underpin the three dimensions. The framework is conceptual in nature. Therefore, there are opportunities to not only develop themes within the broad theoretical dimensions, including mobile social media, but to do so in a less developed, but technologically emerging market. Descriptions of these three dimensions, summarized from the extensive literature discussed in Okazaki and Taylor (2013) now follow.

3.1.1. Networking capability
This dimension refers to the capacity that Web 2.0 technologies provide for users to establish and maintain social networks. They allow customers and non-customers to connect and interact with each other in ways not possible previously. Networking capability provides ways to understand how social networking sites function for electronic word-of-mouth, encourage exchanges of information between users, and their potential for social influence. This capability also helps organizations to better interact with their customers through new configurations and allows an understanding of environmental variability.