

# Chapter 13: Connected Consumers

## Keywords

Content Marketing, Ideological Capital, Network Analysis

## Introduction

Social interaction has always shaped consumer behaviour. People look to their friends for shopping advice (Feick and Price 1987), modify their food selections based on those sitting across from them at the restaurant (McFerran et al. 2010), and choose clothing in anticipation of how others will react (Chan et al. 2012). Social media, like Facebook and Twitter, have placed social interactions front and center in the minds of organizations. These platforms do not just let organizations monitor interactions between consumers; they allow them to participate in these conversations like never before. In light of their new role as active participants, organizations need new frameworks that can help guide their interactions with consumers over social media (Mangold and Faulds 2009, Kaplan and Haenlein 2010, Keitzmann et al. 2011).

This chapter starts out with the assumption that online interactions between organizations and consumers represent a new kind of *sociality*. Indeed, even online interactions between people are often not social in a traditional sense. Social media let people broadcast information to large and diverse audiences (Shmargad 2014). On Twitter, for example, even ordinary people can broadcast messages to hundreds of followers. When celebrities and politicians promote their movies and ideas over broadcast television, we do not usually refer to these activities as social. Likewise, organizations that broadcast content over social media should think of themselves as engaging in a new kind of social activity. People tend not to treat organizations like their friends, and organizations that pretend to be friends with consumers run the risk of coming off as disingenuous and creepy.

In this chapter, we present a framework to help guide organizations as they interact with consumers over social media. In the next section, we develop this framework, called *ideological capital*, and distinguish it from frameworks that scholars use to study social relationships. We provide a primer on network analysis, and describe how organizations can collect and analyze social network data. We then discuss how such data can inform and organization's social media strategy and conclude with key takeaways. After reading this chapter, you will:

1. appreciate the difference between what scholars mean by social and how companies should engage with consumers;
2. understand the basics of network analysis and how companies can use it to analyze social media data; and
3. possess marketing strategies that organizations can use when interacting with consumers in an increasingly connected world.

## **Ideological Capital, or How Not To Be Social**

Social relationships provide a host of benefits for people, including emotional and financial support in times of need (Wellman and Wortley 1990). Social scientists refer to the benefits accumulated from social relationships as *social capital*, which relies on *trust* that good deeds tend to be reciprocated (Coleman 1988). From this perspective, it is clear that relationships between organizations and consumers are not social in a strict sense. This is not to say that organizations should not use social means to interact with consumers. Organizations often hire agents to generate buzz about their products (Godes and Mayzlin 2009), and bots provide an automated way for organizations to engage with consumers through a social façade (Ferrara et al. 2016). However, these methods should not serve as an organization's primary marketing strategy. Rather, they should complement and reinforce the messages and content that the organization disseminates.

How, then, should organizations think about their relationship with consumers when producing and disseminating content, and how should they assess the accumulated benefits gained through successful interaction? To capture these benefits, we borrow a concept from economics known as *ideological capital*. In an illuminating passage, Lin (1989) expands on this concept:

“The ability to produce [piety]... depends on an individual's ideological capital. When an individual's ideological conviction is strong, it implies that his ideological capital is large, and that the shadow price of producing piety is low” (Lin 1989, p. 11).

For Lin (1989), ideological capital is related to a person's ability to produce *piety*. Piety is thus to ideological capital what trust is to social capital. While piety can refer to religious belief, it can also be used more broadly to mean belief or devotion. Organizations may not be able to produce trust, at least not in the way that trust is characterized in social relationships, but they can produce beliefs and devotion in

the minds of consumers. Indeed, we argue that an organization’s social media strategy should be oriented towards the production of piety, in this sense.

Three recent trends make ideological capital ripe for use by the marketing community: 1) the increasing focus, by consumers, on the *values* that organizations hold; 2) the emergence of *technology* that streamlines the dissemination of content; and 3) changes in the *structural* makeup of society into networks. In the remainder of this section, we discuss how these trends can inform marketers in the production, dissemination, and assessment of their social media content. First, we elaborate on expectations that consumers have about organizations’ values and how they should shape the messages that marketers produce. Next, we consider how marketers can use new media to disseminate messages and content that communicate their values to consumers. Finally, we outline how a deeper understanding of network structure can be used to construct metrics that assess an organization’s content marketing strategy. Table 1 summarizes these aspects of our framework.

**Table 1: Content Marketing through the Lens of Ideological Capital**

<b>Societal Trend</b>	<b>Content Activity</b>	<b>Marketing Decision</b>
<b>Values</b>	Production	Messages
<b>Technology</b>	Dissemination	Media
<b>Structure</b>	Assessment	Metrics

### *Values*

Consumers increasingly care about the values that organizations hold. This is best exemplified by the rise of *cause marketing*, activities that organizations engage in that directly benefit society (Smith and Alcorn 1991). For example, Toms, a shoe company, gained international attention through their promise to give a pair of shoes to people in need for every pair they sold (see Chapter 10 for more about their campaign). Organizations can also express their values by aligning with certain political stances. Mark Zuckerberg, the CEO and public face of Facebook, helped to found FWD.us, a pro-immigration lobbying group. When Arizona was considering a bill that would let businesses discriminate against consumers based on religious grounds, the National Football League (NFL) sided with the LGBT community and issued a statement against the bill.

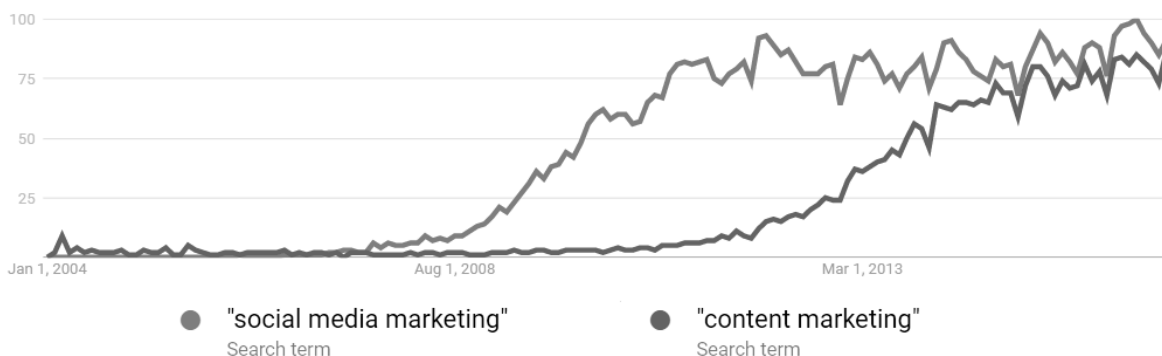
In the case of Toms, the value communicated was that of *equality*, whereas for Facebook and the NFL it was that of *inclusion*. The specific values that an organization should communicate will depend on the nature of its products and

services. An organization that properly aligns itself with the values of its target audience will build ideological capital and, if truly successful, can become a thought leader in its industry. According to Lin (1989), organizations that achieve this will find it easier (and cheaper) to shape the beliefs of consumers. The ability to build ideological capital depends not just on the activities that an organization chooses to pursue, but on messages that communicate these activities and the values associated with them. New technology can facilitate the dissemination of an organization's messages and thus the communication of its values.

### *Technology*

When social media platforms first started gaining prominence, they represented a new opportunity for marketers simply because this is where consumers were spending much of their time. However, as these platforms (and the thinking around them) matured, they were increasingly viewed as providing new ways of engaging consumers. This is evident from the shift in how social media activities are described, from *social media marketing* to *content marketing* (see Chapter 14). Figure 1 depicts trends in Google searches of these two terms. The y-axis of this chart captures the relative popularity of these terms, while the x-axis captures time. Social media marketing took off in 2007 but plateaued in 2011. Content marketing entered the discussion in 2011, and the two terms are now equally popular.

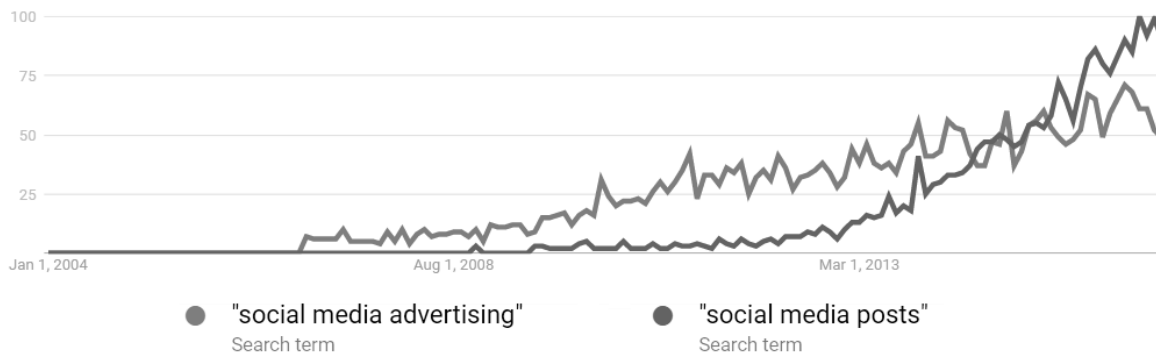
**Figure 1. Search Trends for Social Media and Content Marketing**



The shift in thinking is also characterized by a focus away from social media *advertising* and towards social media *posts* (see Figure 2). A post is content that an organization disseminates through its *page* on social media. Consumers engage with an organization's posts by liking, sharing, or commenting on them. These also happen to be terms that Facebook uses to describe the various activities, but social

media platforms usually offer similar functionalities, albeit under different labels. On Twitter, for example, users favorite, retweet, and reply to a tweet, respectively. The set of consumers who engage with an organization's content constitute a social network. By analyzing this network, organizations can construct metrics to assess how the content they post contributes to the accumulation of ideological capital.

**Figure 2: Search Trends for Social Media Advertising and Posts**



### *Structure*

Social media have facilitated the shift from a group-based to a *network society* (Rainie and Wellman 2012, van Dijk 2012). In the past, people were defined by the community to which they belonged, and relationships largely depended on physical co-presence. As technology enabled communication across distance, people could belong to multiple communities, and the makeup of society more closely resembled a network of people connected through their interactions, near and far (see Chapter 2 for more about society's increasing interconnectivity). An analysis of the patterns of these connections, or a network's *structure*, can reveal deep insights about the ways in which society functions. For example, the structure of a person's network of social relationships can be used to assess the amount of social capital that they have accumulated (Coleman 1988, Burt 1992).

A fundamental tension arises in the structural analysis of social capital, between the benefits that accrue from a tight-knit, *dense* set of relations and those that accrue from a loosely-connected, *diverse* set. This tension between density and diversity is also likely to appear in the analysis of ideological capital. A dense set of hardcore believers can be easier for an organization to mobilize, but a diverse set of retweeters can communicate the organization's message to a broad audience. Indeed, dense networks more readily facilitate the spread of behaviors (Centola

2010), while diverse networks are better-suited for disseminating information and content (Watts and Strogatz 1998, Yoganarasimhan 2012).

The tension between density and diversity may translate from social to ideological capital, but not all aspects of social capital are likely to carry over. For example, Burt (2007, 2010) shows that, while it is beneficial for a person to have a diverse set of social relationships, there is little to no benefit of *knowing* people with diverse relationships. In the dissemination of content, however, there is good reason to believe that knowing well-connected individuals can be beneficial. The successful spread of information is largely driven by large broadcasts (Goel et al. 2016), and targeting opinion leaders can even help organizations sell their products (Iyengar et al. 2011). Indeed, the discovery of similarities and differences between social and ideological capital is a promising area of future research.

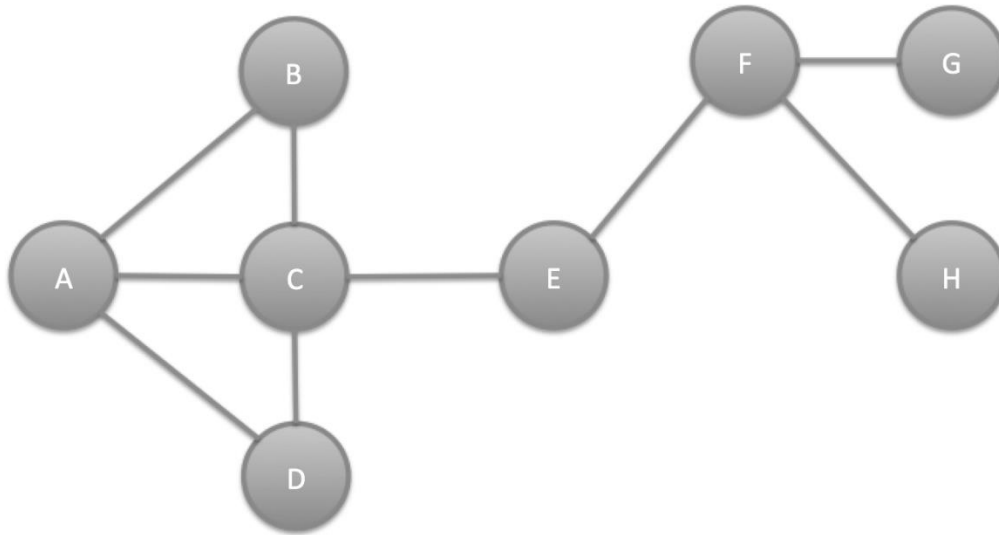
## **Network Analysis of Social Media Content**

As we just discussed, when people interact online they form a web of connections called a *social network*. Platforms like Facebook and LinkedIn often encourage the formation of such connections with algorithms (Shmargad and Watts 2016a). However, the interactions that constitute a social network can also promulgate more organically. For example, email communications can also be formulated as a social network (Aral and Van Alstyne 2011). Regardless of the media that facilitate interactions, certain *patterns* of relations have predictable implications for behavior. It is thus helpful to have a deep understanding of some fundamental network patterns before we introduce specific strategy recommendations.

Figure 3 illustrates a typical (albeit artificially small) representation of a social network. The circles symbolize social actors and the lines between these circles indicate the presence of a relationship between these actors. In the language common to this area of research, we refer to these circles and lines as *nodes* and *edges*, respectively. The letter in the middle of each circle is simply a label for that particular node. When an edge exists between two nodes, they are said to be *tied*, or *connected*, to each other, such that nodes with many edges can be said to have many *ties* or *connections*.

Given this example network, we can make certain statements about its *structure*, or the way that the various nodes and edges are organized. For example, we can say that node A has a relationship with nodes B, C and D, but not with nodes E or F. We might also observe that node C has the most ties to other nodes in the network, which places it in a *central* position relative to nodes A, B, D, and

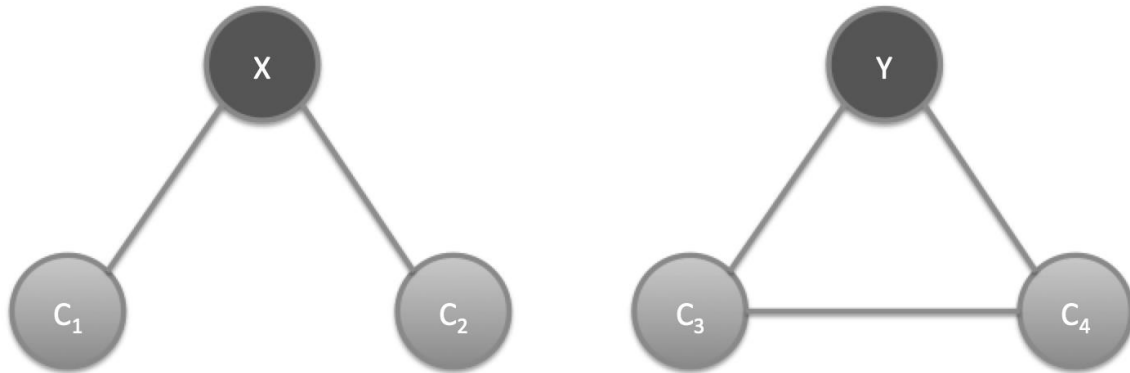
**Figure 3: A Simple Social Network**



E. Finally, we could notice that the nodes on the left side of the network appear to be somewhat more *interconnected* than those on the right hand side, and that Node E appears to form a *bridge* between different regions of the network

Notions of *centrality*, *interconnectivity*, and *bridging* are examples of the types of patterns that scholars typically use to understand and predict the behavior of networked actors (Watts and Koput 2014). In the marketing literature, *centrality* is the most commonly utilized concept because central actors are often vital to the diffusion of information about new products (Tucker 2008, Iyengar et al. 2011). Consequently, the practice of influencer marketing has focused on basic measures of centrality, like the number of followers that a person or organization has on Twitter. However, the concepts of *interconnectivity* and *bridging* also have implications for digital marketing (Shmargad and Watts 2016b). To illustrate this, we depict two organizations (X and Y) and their connections to consumers in Figure 4. In X's network, consumers C<sub>1</sub> and C<sub>2</sub> are not themselves connected, whereas consumers in organization Y's network have an existing relationship. One could think of this type of arrangement in the context of a platform like Facebook in which customers (or interested people) have *liked* an organization's page. An alternative is to consider the people who liked, shared, or commented on a particular piece of content that the organization posted. In organization X's network, consumers are not connected or, in Facebook's vernacular, *friends* with each other. The organization's ties thus act as bridges into potentially distinct consumer communities. In contrast, all of those in Y's network are interconnected.

**Figure 4: Example of Two Organizations with Different Types of Networks**



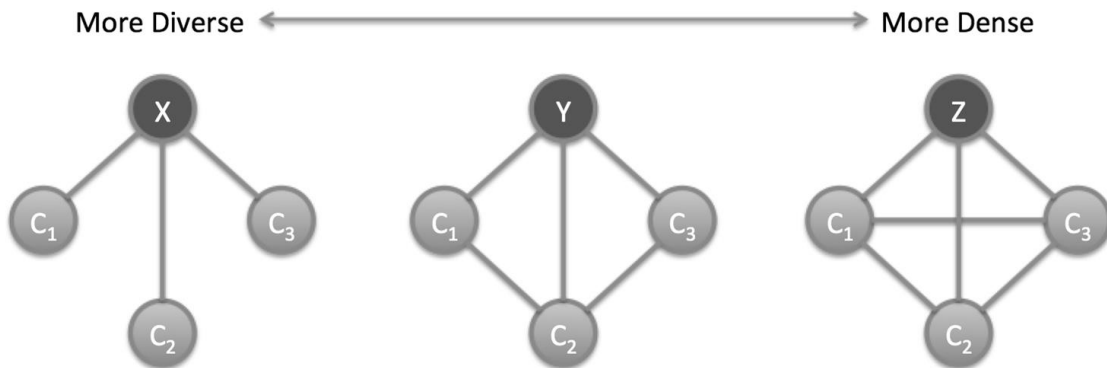
Given these two distinct types of networks, should organization X have a different digital marketing strategy than organization Y? As we will see shortly, the answer is almost certainly yes. However, before we consider why this is the case, let's dive into the details of how an organization can analyze the social network of consumers who interact with them on social media to infer whether it is more like X or Y.

From the previous example, the primary difference between the networks of organizations X and Y lies in the answer to the question, “are the consumers who interact with me connected to each other?” We can answer this question by counting how many connections exist between these consumers and dividing this by the number of relationships that could exist. This definition describes a continuum between networks that are *diverse* (low interconnectivity, many bridges) and those that are more *dense* (high interconnectivity, few bridges). Though not covered in detail here, various tools can help marketers analyze the networks of their customers. For example, Netvizz and Mentionmapp can be used to analyze consumer networks formed around specific content.

Figure 5 depicts three networks, each with four nodes (i.e. one organization and three consumers) and differing levels of interconnectivity. In each one of these networks, the number of possible connections between the consumers is three. This can be generalized to networks of any size using the equation  $n*(n-1)/2$ , where  $n$  is the total number of nodes in the network (not including the organization). In X's network, there are no edges out of a possible of three, and so it has a density of 0%. In Z's network on the right hand side of Figure 5, all three possible edges are present, so that it has a density of 100%. Broadly speaking, diverse networks have more bridges, whereas dense networks have greater interconnectivity. Our task then is to sort out strategies that work best for organizations with diverse networks and those that work best for organizations with dense networks.



**Figure 5: The Continuum between Diversity and Density**



## **Marketing Strategies for the Connected Consumer**

Consider the following comment posted to Facebook’s community discussion forum on September 30<sup>th</sup>, 2015 (Facebook 2015):

*“I don't mind if my comments and 'likes' on the political pages that I support are viewed by others who also follow the same pages as I do, but wtf are all my comments and random 'likes' doing automatically showing up in my regular friends news feeds? Not only do I feel that this violates my privacy, but it is also pissing my regular friends / gaming buddies off to the point where I am getting un-followed / unfriended. Your decision to change FB to do this is flawed. I want to be able to air my political views without having FB ram them down everyone I knows throat. That isn't social networking. That's social harassment. Fix it please.”*



When an organization encourages Facebook users to engage with its content, it often does so with the explicit intention of spreading that content to other users of the platform to increase awareness of its brand or cause. Facebook aids in this endeavor by broadcasting to a user’s friends when they engage with an organization (e.g. like or comment on the organization’s page or posts). However, as we can see from the above comment, aggressive sharing policies are not always well-received.

The knowledge that their activities can be shared without consent has led to a change in the way consumers behave on social media platforms. For example, Bernritter et al. (2016) show that non-profit organizations are easier for people to

endorse on social media than for-profit organizations. This occurs because endorsements (e.g. likes on Facebook) are used to signal a consumer’s values, and non-profits tend to encompass a more socially agreeable set of values. In a related study, Watts and Shmargad (2015) show that people are less willing to use a digital gifting service when there is a greater risk that friends of the recipient can see gifts that are being exchanged.

So how does knowledge of a person’s social network help us avoid these types of conflicts? The answer depends on the type of interaction that organizations are engaging in. When engaging in *outbound marketing* (e.g. paid advertising), organizations should use targeted content for customers in diverse networks and broad-themed content for customers in dense networks. On the other hand, when engaging in *inbound marketing* (e.g. content creation like posts on a social media page), they should use broad-themed content for diverse networks and content that is targeted to the values of the community for dense networks.

**Table 2: Content Marketing Strategies by Network Type**

	Diverse Network	Dense Network
<b>Outbound Marketing</b>	Targeted to Customer	Broader 
<b>Inbound Marketing</b>	Broader 	Targeted to Community

We summarize these strategies in Table 2. The key difference between the different marketing activities is in the level of publicity associated with them. For outbound marketing strategies, consumers have some control over whether or not their engagement is made public. For example, a click on an advertisement is not automatically broadcast to a person’s social media connections. For this reason, organizations can create targeted (e.g. narrow) advertisements when consumers are more diverse. Since consumers tend not to be connected in a diverse network, they are less likely to find out about messages that do not target them (and which may conflict with their values).

To illustrate, consider a product like the Toyota Prius that has two key benefits: low fuel cost and low carbon footprint. While many customers care about both of these benefits, it is also easy to imagine a group of individuals in which cost savings is important, but the environment is less of a concern. In fact, some individuals might even have a negative attitude towards products that purport to address environmental concerns. However, when consumers are not themselves connected, as in a diverse network, there is less of a chance for interactions that

highlight these competing emphases. In contrast, consumers in a dense social network are much more likely to compare product claims. If these claims are perceived to be in conflict, then discussion between consumers can undermine a brand's credibility. For this reason, organizations should craft more general outbound marketing campaigns that are consistent with the values of the group.

For inbound marketing campaigns (e.g. posts on a social media page), the logic flips. Creating content on a blog or Facebook page invites public engagement by consumers. When consumers are in a diverse network, they are usually different from each other, and some in the network may view a given person's public engagement negatively. This concern is clearly what motivated the complaint displayed at the beginning of this section. Inbound marketing efforts to diverse networks should therefore avoid specific product claims that have the potential to conflict with the worldview of consumers. Dense networks by contrast, are often indicative of ideological homogeneity (McPherson et al. 2001). When organizations target a dense network with inbound marketing content, messages targeted at this homogenous community can be safer and more effective. Since consumers in a dense network tend to share a similar worldview, there is less potential for conflict arising from public engagement.

## **Conclusion**

The rise of social media means that consumers are now more connected than ever before. However, organizations that use social media to interact with existing and future customers should understand their limitations. The first step is to recognize that interactions with consumers are not necessarily *social*, in the traditional sense. Consumers do not typically trust organizations in the same way they trust close family members and friends. Nonetheless, organizations can engender a certain degree of belief in their message or commitment to their causes through the dissemination of useful or compelling digital content – a process that culminates in the accumulation of *ideological capital*. This practice has matured under the label of *content marketing* as organizations have concluded that the phrase “social media marketing” overemphasizes the amount of meaningful social interaction that occurs. Instead, organizations that focus on ideological capital to realize value in subsequent interactions with consumers and perhaps even the eventual conversion of an interested person into a committed believer and customer.

The practice of digital marketing is fraught with risk. When consumers are heavily connected to one another, many of their interactions with organizations

become visible to those in their social network. For some, this is a welcome signal of their identity and an invitation to promote themselves to the world. For others, the indiscriminate sharing of engagement activity can feel like an invasion of privacy. By understanding the structure of an organization's consumer network, digital marketers can craft content that fits the privacy expectations of their audience. We summarize our recommendations in Table 2. The key difference between inbound and outbound marketing is the degree of control that consumers has over the publicity of their engagement. Because consumer control is higher for outbound digital marketing campaigns (e.g. paid banner ads), content can be more targeted, but only for consumers in diverse networks. For inbound campaigns (e.g. blog posts), consumers in diverse networks will respond better to content that has a low risk of offending those in the network who may have different worldviews. This occurs because invited engagement is often publicized indiscriminately by platforms like Facebook, Twitter, and LinkedIn.

There is still much to learn about the connected consumer. However, we hope that our focus on social networks and network analysis provides insights that can help organizations craft better digital marketing campaigns in the future. While the tools that facilitate the type of analysis we recommend are plentiful, new methods and tools are constantly on the horizon. However, by using the framework of ideological capital, and the social network analysis methods presented in this chapter, you should feel comfortable crafting strategies using any of the current or emerging technologies available to the modern-day marketing professionals.

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