SOCIAL MEDIA IN MARKETING COMMUNICATION IN THE SERVICE SECTOR

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The growing awareness of consumer rights, the increased transparency of markets and the global character of competition have the effect of stimulating customers to make their purchasing decisions in an informed manner, based on analyses and evaluations of product/service alternatives. One of the most important decisions for customers is the choice of a service provider, since services – as opposed to replicable products – are individualized and, in most cases, directly attached to specific recipients. Since the key factor in making informed decisions is the availability of information or knowledge, companies can make good use of fast, reliable and valuable sources of information, such as the modern social media, and explore the new potential for company-customer interaction, with such benefits as better adjustment to customer needs and more accurate targeting of services on offer. Social media, when used in marketing communication, open up previously unattainable levels of content circulation, such as systems based on recommendations from friends or virtual avatars. This paper addresses some of the most characteristic features of the service market, and offers suggestions for social media solutions that can be adopted for marketing communication in this particular market segment.

Keywords: social media, marketing communication, service sector

1. Introduction

Market behaviours of consumers and their purchasing decisions evolve gradually with the progress in technology and civilization. The growing awareness of consumer rights, the increased transparency of markets and the global character of

competition have the effect of stimulating customers to make their purchasing decisions in an informed manner, based on analyses and evaluations of product/service alternatives. One of the most important decisions for customers is the choice of a service provider, since services – as opposed to replicable products – are individualized and, in most cases, directly attached to specific recipients. The key factor in making informed purchasing decisions is the availability of relevant information. Regardless of time constraints of the decision-making process – e.g. meticulous verification of offers on a desktop vs. the ad-hoc decision on the go, made with the help of portable telecommunication devices – the informed consumer needs unrestrained access to reliable and valuable sources of information. Social media can be a potential source of such information, offering new methods of company-customer interaction, with a range of benefits, such as better adjustment to customer needs and more accurate targeting of products and services on offer. The aim of the paper is to show the specificity of the services market, and a summary of the characteristics of the social media, which will form the basis for showing social media as a tool suitable to a wide range of communication services market. This article is also a prelude to a larger study on the use of social media in the enterprise services.

2. Service sector companies

Companies, defined for our purposes as isolated legal, economic and organizational entities involved in business activities, can be divided into production companies (with manufacturing of goods as their prime source of proceeds) and service companies (service providers) [13]. To a certain degree of simplification, production companies are involved in provision of goods that fulfil certain specifications, that are relatively comparable across the segment, and distributed to end users via a network of resellers and intermediaries. In the above model of distribution, the end users interested in the purchase of a particular product may freely compare the offers of several distributors and select the one that best addresses their personal expectations (in terms of price, availability, order completion, location, payment schemes, and so on). In contrast to production companies, the service sector enterprises operate in a somewhat different environment. According to the definition by Adrian Payne, service is characterized by its influence on the consumer or the goods in his/her possession; and the service itself may not necessarily be closely related to any material goods as such [10]. This has the effect of low standardization of the market, since each provider may elect to offer services of different quality. Moreover, the service recipient (consumer) is not so much involved in the selection of a service as such, but rather faced with the task of selecting the most suitable provider of such service [6]. From the marketing viewpoint,

the most interesting aspects of this process are the results that accompany the process [11], namely:

– services are directly attached to the consumer,
– services are transitory (cannot be stored for future use), therefore the current demand and its fluctuations are directly reflected in the value of the service provider's turnover,
– services cannot be transported; consequently, the two parties of the exchange must meet in person: either by making the consumer visit the provider's facilities or by obliging the provider to make their presence at the time and place indicated by the consumer,
– the lack of material qualities means that the evaluation of services is a highly subjective task, and individual consumers may have extremely varied opinions on the level of a particular service.

Focusing on the service itself and the strong position of consumers in the course of service provision require a specific approach to marketing communication. Just as the continuous development of production processes (quality improvement, cost reduction) is essential for companies in the production sector, the need to provide a suitable level of services is of utmost importance for companies in the service sectors. Service companies should also focus on the consumer as such, and promptly respond to his/her needs. Service providers should respond as early as the moment a given need arises, by providing the consumer with suitable information as required for purchasing decisions. In this sense, the marketing communication process for service companies should take into account such aspects as:

1. **Recommendations** – well before the Internet and new digital media, recommendations by service recipients and providers played an important role in consumers' purchasing decision processes. Consumers are more inclined to order a service that is recommended by others, regardless of the level of personal relations with the recommending party (although the strength of relations is considerably lower if the interacting parties are not acquainted) [7]. Therefore, when faced with the task of selecting a service provider, consumers are more inclined to focus their efforts primarily on those providers which are well-represented in public opinions (verification of the provider's authenticity), followed by the evaluation of the opinions (evaluation systems, comments, opinions of other persons who have had the chance to use the service).

2. **Information on the consumer** – here, the correlation is straightforward: the more information available on the consumer, the more adjusted services can be offered. Access to such information as the product-browsing history, favourite brands or personal interests helps the provider make personalized services for specific targets (either automatic or 'hand-crafted'), since they have the potential of making a more effective impact (in terms of finalized transactions) than the general offer addressed to the whole consumer segment.

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For example, communicating a well-timed and individualized offer of skiing trips in the Alps to a particular consumer group (existing or potential recipients) may prove decidedly more effective and attractive (from the consumer's viewpoint) than sending the annual catalogue of travel services on offer for all seasons.

3. **High susceptibility to the level of services** – in their search for quality service, consumers are inclined to test the offers from alternative providers. They also tend to stick with a particular provider on a permanent basis when they find that the quality of the service is up to their preferences. Constant improvement of procedures and making efforts to meet consumer expectations offer a chance to retain present recipients and acquire new ones. However, the aforementioned attachment between the consumer and the service may have the result of forcing the consumer to change the provider if he/she finds that the quality of services is not up to his/her standards and preferences (which, in turn, may evolve over time – particularly the expectations).

4. **Post-sale servicing** – customer satisfaction from the level of service provided may result in mere contentment, but it also has the potential to become a powerful instrument for the provider to broaden the relation network. Inducing the consumers to express their post-sale opinions may serve as a starting point for new transactions and attract new customers. At the same time, those consumers who use the service only sporadically or seasonally (as opposed to regular customers) may still be inclined to formulate their recommendations when properly motivated to do so. Motivational instruments may include discount vouchers for future services or technical support offered by the provider (or by the social network associated with the provider).

3. Social media

For our purposes, the term 'social media' refers to online communities offering public or semi-public profiles within a limited virtual space or/and formal user groups interacting via digital media and dedicated social media networking systems. Among other things, these systems offer a range of analytical instruments to track the user connections with other members of the community, and to track the connections of other users linked to them within the system. The character, the forms, and the settings of such connections vary by system [2].

The precursor of social media in its present form is the Web 2.0 concept, incorporating a range of new functionalities and improvements. This phenomenon resulted in a dynamic expansion of quality content across the Web. In time, the term Web 2.0 was associated with the new generation of Internet connectivity, with bi-directional flow of interaction (as opposed to the unidirectional nature of com-

munication in the traditional Web. The key factor in this concept is the user and the evolution of his/her role: from a reader and passive recipient of content to a co-author and active creator of content. The Web 2.0 concept has changed the form of Internet connectivity for good [1].

To provide a better overview of the specific features and types of social media, let us take a closer look at a topology of social media services (Tab. 1).

Table 1. The topology of social media

Form of service	Role, examples
User profiling	Users may create their personal profiles to help them access and maintain contact with other users or services. Examples include Facebook, Google+ and Nk.pl.
Micro-blogging	Designed to facilitate information exchange between users through short text messages (up to 140 octets) and links to other content. The most popular service at present is the Twitter.
Professional media	Online communities of professionals, designed to form and maintain business contacts. Examples include LinkedIn and Gold-enLine.
User portals	Portal members may exchange interesting content found elsewhere on the Web (examples: Digg.com, Wykop.pl).
Citizen journalism	Social media portals for user publications on a wide range of subjects, devoid of formal editorship supervision (e.g. Wiado-mosci24.pl).
Blogs	Personal websites for informal and conversational presentation of the user's views, similar in form to traditional journals.
Opinion and recommendation sites	Designed to collect and exchange user opinions on various products and providers, e.g. Opineo.pl.
e-commerce	Designed to facilitate the exchange of products and services between users based on mechanisms typical for social media services (e.g. Allegro.pl, ebay.com).

Source: own research based on: Bonek T., Smaga M., Biznes na Facebooku i nie tylko, Oficyna a Wolters Kluwer business, Warsaw 2013

To illustrate the extent of social media use, it may be useful to track popularity reports of individual sites offering social interaction in Polish webspace. The most popular social media sites include: Google, facebook.com, youtube.com, ONET – RASP and Allegro – GG. On average, those sites cater for more than 70% of Internet users in Poland [8].

Based on the above topology of social media and detailed reports on the popularity of individual sites in Poland, one may conclude that social media solutions not only exist and are easily accessible, but also that they offer the potential to reach the marked majority of the digitally literate population in the country.

One of the indicators showing the development and growing phenomenon of social media is the indicator of penetration (a number of users using social media in relation to the total population). Figure 1 shows the penetration of social media in the selected countries of the world, the results are based on a survey of Internet users in the each country.
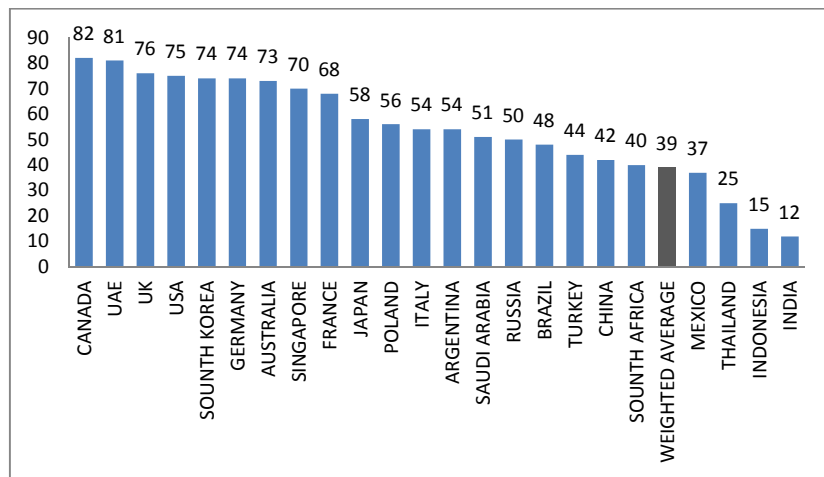
Figure 1. Social media penetration by country [15]

The results show a high degree of penetration in developed countries (reaching up to 82%). Poland with a penetration value of 56% reaches about 17 percentage points higher than the weighted average of the study population.

4. Selected aspects of social media communication

For our purposes, communication may be defined as a process of information exchange between the participating parties. However, it must be noted that the term itself refers to a much wider range of behaviours, and comprises a broad set of expressions, both verbal and non-verbal. Communication can also be defined as a flow of information from a sender to any recipients capable of decoding the message contained in the content being exchanged. In other words, communication can be interpreted as a series of notifications or messages. And based on the term's etymology, communication is just another term for conversation [4].

The etymology of the term 'to communicate' is derived from Latin 'communico', with the literal meaning of 'making something common', 'connecting with others' or 'conferring with others', and from Latin 'communio' (literally: communion, the feeling of being with touch with others. With propagation of mod-

ern languages, the term 'communication' has slowly evolved to represent the transmission of messages. Research on communication offers multiple definitions of the process. The common denominator of these definitions is the act of interaction (mutual exchange) between the communicating parties [4]. Defining the individual aspects of communication and social media allows for precise analysis of the most important elements of this process, as it applies to the social media environment.

The first aspect under study is the process of social recommendations. While browsing for products and services on the Web, consumers typically look for opinions from peers and friends to help them evaluate the prospective purchase. Social media sites respond to this need by offering social recommendations displayed on the margins of the product/service page being viewed. For example, when browsing the online resources for a good hotel nearby, potential consumers may also get personal opinions from other customers, often with precise user profile information and photos. Such recommendations may be included natively, as an integral part of the social network functionality, or come from external sources, via various social media plug-ins or widgets. In this way, consumers may offer their recommendations in a number of ways and evoke different impressions, depending on the type and functionality of the social media service being used:

– hotel recommendations offered via Google+ will be visible both on the hotel's Google+ profile and – via widgets (dedicated modules offering the functionality of another site or parts thereof) – in the recommendation module of the Google Maps service; they will also be displayed on the list of browse results in Google.com;
– hotel recommendations offered as part of the TripAdviso social network for travellers and tourists may be displayed in dedicated booking sites (such as esky.pl or trivago.pl), and in the relevant mobile apps (such as the City Guides Catalog).

Another interesting aspect of social communication media is the so-called social login (or social sign-in). This mechanism allows consumers to log in to various sites without going through a time consuming user registration process, with the help of a dedicated plug-in that uses the existing social media account login details. This solution eliminates the need of keeping stock of multiple accounts for different sites by offering a single sign-on (much as a single key that opens multiple doors). For example, by having a Facebook account, users may use it to access other social media sites, such as endomondo.com, runkeeper.com and pinterest.com. By using this functionality, consumers may place automatic Facebook posts detailing their activities on the associated sites. Although the mechanism was intended to help users manage their log-in details, it may offer huge advantage for external service providers – by offering social login functionality with their marketing communication endeavours, they can access a wealth of relevant and valua-

ble information on their consumers. The range of information being passed in this manner is precisely defined, and the provider's policy of privacy must be agreed upon by the consumers willing to use this function. This solution helps the provider access detailed information on consumers' lists of contacts, favourite brands and products, personal interests and any other details shared on their profiles. These are passed by the social media site in accordance with the pending privacy policies.

Another notable aspect of social media communication is the so-called social scoring. Using this method has the potential of radically changing the provider-customer relations. To illustrate the use of information stored on social media profiles for the purpose of marketing communication, let us consider the strategy of SMART bank. In this case, the original idea was to facilitate the procedures involved in applications for consumer loans. To make use of this solution, customers need to register to the bank's online site by means of their social networking login (e.g. Facebook or LinkedIn) and give their consent for the bank to access some of the specific personal information stored with their personal profiles. In this way, the bank may retrieve certain information (birth date, e-mail address, phone number, employment details) and use it to fill the associated positions on the digital credit application form. Data is entered automatically. Access to customer details offers the bank a chance to verify the application and to streamline the customer service procedures [3, 9, 14].

The last aspect to be covered in this context is the post-sale servicing. A professional approach to consumer servicing increases the potential for customer retention. Modern online stores are no longer interested in fast, one-time transactions – they recognize the need to retain customers in a long-time perspective. Other benefits aside, this is a purely economic decision, since the acquisition of new customers is typically more costly than the retention of the existing ones. It is the provider's task to ensure that their customers return to the company website. The provider is the sole party responsible for shaping the company image and brand image in such a way so that consumers are more inclined to become loyal and regular customers. Users are interested not only in the act of purchase of a particular product or service, but also in post-sale servicing. Post-sale servicing in this context refers to a range of activities that offer the company a better contact with their customers, such as [5, 12]:

- informing on any changes in the status of orders made,
- automatic confirmation of orders placed in the system and approved for realization,
- confirmation of payments received,
- product availability,
- confirmation of order dispatch,
- facilitation of product return procedures,
- post-sale support.

The post-sale servicing is an extremely important aspect, since social media recommendations from past customers may greatly increase the chance to acquire new customers or close new transactions. The use of social media in post-sale services, in this context, is beneficial to customers, since – by selecting the range of applicable social media services – the provider enters an area favoured by the consumer, thus extending the effort to respond to the customer needs. The social media environment is an expression of the consumer's volitional choices, personal preferences and convenience (i.e. visited at convenient times). By offering good quality of marketing communication in the post-sale servicing period, the provider may build durable relations with existing customers and increase the chance of acquiring new customers.

5. Conclusions

By combining the specific aspects of service sector activities with social media opportunities and practical solutions, modern marketing teams gain access to a wealth of instruments for effective communication with their target segment. Through the use of online social networks and relation networks, the service sector companies can make creative relational links between the existing and the prospective customers, by elevating the former to the status of brand ambassadors actively involved in recommending the company and its services to others. New possibilities, such as the social login, open up new paths in the task of shaping the adjusted and personalized offers for specific target segments, while the constant market contact and feedback have the potential of improving the quality of services rendered. However, it must be remembered that dissatisfied customers are also free to pass on their opinions to others, and their negative opinions may strongly affect the market position of the provider, or even make the existing customers more inclined to seek the services elsewhere.

It should also be noted that the specificity of the services market correlates well with the possibilities offered by social media, but the complexity of the phenomenon (social recommendations, a number of factors that can authenticate the service provider, social tools that allows to increase the coverage etc.) requires further research to examine the impact of social media on the services market.

The economic aspect of this synergy is reflected primarily in the financial results of companies that choose to incorporate social media in their marketing strategies – from cost reduction obtained through precise targeting of service recipients to the overall increase of sales volumes.

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