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# Influence of social media networks on corporate communication strategies

Sylwia Majewski

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**INFLUENCE OF SOCIAL MEDIA NETWORKS ON CORPORATE  
COMMUNICATION STRATEGIES**

by  
Sylwia Majewski

A Thesis

Submitted to the  
Department of Public Relations & Advertising  
College of Communication

In partial fulfillment of the requirement

For the degree of  
Master of Arts

at

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Thesis Chair: Joseph Basso, Ph. D.

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## **Abstract**

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AN EXPLORATORY INVESTIGATION OF THE LITERACY SKILLS OF  
STUDENTS WITH DOWN SYNDROME  
20011/12  
Joseph Basso, Ph.D.  
Master of Arts in Public Relations

This study examined the use of social media networks for corporate marketing and communication by United States based companies. The researcher surveyed marketing, advertising, communications and sales professionals of nearly 80 companies and conducted in-depth interviews with four corporate marketing experts.

Survey participants provided data about the extent of use of social media networks in corporate marketing and communication strategies and their effectiveness.

The findings show that the majority of corporate marketing strategies (77%) incorporate the use of social media. The social media networks are also viewed as an effective means of communication.

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## Chapter 1

### Introduction

Social media is a hot topic in communication. Social media spreads its wings across several disciplines including public relations, fundraising, advertising and marketing. Social media has transformed the old communication tactics. The new ways of sharing information or seeking knowledge become simpler, easier and, above all, they become *instant* and wide open to masses. As the new online tools grow in popularity, the youngest in history entrepreneurs become CEOs of the hottest and fastest growing startup companies such as Christopher Hughes, a co-founder of Facebook. “At the age of 25, Hughes has helped create two of the most successful startups in modern history, Facebook and the campaign apparatus that got Barack Obama elected” (Article published in April 2009, *Fast Company*, *Boy Wonder*, by Ellen McGirt, p.59).

Millions use these new communication channels (Social Networking Goes Global, comScore, published July 2007) to express opinions, download video clips, learn about new products and connect with friends. “Social networking behemoth MySpace.com attracted more than 114 million global visitors age 15 and older in June 2007, representing a 72-percent increase versus year ago” (Social Networking Goes Global, comScore, published July 2007, para. 2).

Historically, social media channels were used for personal communication, but that is no longer their sole purpose. The corporate world has slowly adapted social media channels as important parts of corporate communication strategies. Today, more and more companies use the new social media tools to tell their corporate stories, interact with customers, raise money or promote new products. According to Michael Stelzner

(2009) Social Media Marketing Industry Report, nearly 88 percent of marketers use social media to market their businesses (Social Media Marketing Industry Report, March 2009, WhitePaperSource Publishing).

According to a recent study (Reality check: Social Media Survey 2009, *PRWeek/MS&L Social Media Survey*) conducted and published in October, 2009 by the PR Week, 63 percent of surveyed companies reported using a variety of social media channels. Social media tools such as social networking websites, digital video and audio, blogs, RSS feeds and Wikis were used for internal and external corporate communication purposes.

Many companies use social media networks on a daily basis for customer relationship management (CRM) to launch new marketing campaigns or to communicate with stakeholders. For example, General Motors elected to communicate with its stakeholders about its Chapter 11 filings on Twitter to answer concerns and illustrate GM's openness on the issue (*The New Rules of PR and Marketing*, David Meerman Scott, 2009). According to Jim Kelly, COO of ING Direct, the company widely uses Twitter and Facebook as a CRM tool to converse with customers. PepsiCo has integrated networking sites into its marketing strategy to represent each of its brands. The Ford Motor Company integrated social media channels as part of its corporate communication strategy and currently reaches out to its potential customers on Facebook, Twitter, YouTube and Flickr. Additionally, the Ford Motor Company has dedicated a special social media hub that encourages customers to join the online conversation. The site displays company and customer generated content. (*The New Rules of PR and Marketing*, David Meerman Scott, 2009, p.191)

## **1.1 Statement of the Problem**

Despite the growing popularity of Social Media, 37 percent of companies surveyed in the study (Reality check: Social Media Survey 2009) reported that they do not use any social media and approach such tools with caution. Some companies are unsure whether they can benefit from social media at all, and some even discourage employees from using such tools to communicate on behalf of the company.

Organizations of various sizes and industries that approach social media tools reluctantly prefer traditional communication methods because they present a familiar ground. Such traditional tactics rely on print media and TV advertising, direct mail marketing and print-based public relations efforts. Often marketers and advertisers prefer traditional communication methods because they offer more control over the contents of the message and its distribution.

In today's world of information overload businesses realize that traditional methods of communication become less effective. PR and marketing professionals constantly seek to improve ways of communicating internally with employees or stakeholders, and externally with consumers. But marketers are concerned as to whether social media networks offer an appropriate answer to designing more effective corporate communication strategies. They also ask whether social media tools can be applied successfully to meet the needs of all types of organizations and industries? And finally, marketers ask why some companies appear reluctant about incorporating the social media networks into their communication strategies?

## **1.2 Purpose of Study**

The purpose of this study was to understand how social media and its growing popularity have impacted corporate communication strategies. This study sought to explore how companies successfully integrate social media as part of their communication efforts. It also sought to understand the corporate attitude toward Internet-based communication tools. The study explores corporate communication practices in order to compare the traditional tactics to new communication practices that integrate social media.

## **1.3 Procedures**

The author of the study reviewed already existing literature about social media and its integration into the corporate communication practices. The literature included a mix of scholarly journals, books, articles and trade publications.

The author explored currently used corporate communication strategies that integrate social media and compared them to traditional communication methods. The author also performed in-depth interviews with corporate communication directors, marketing directors and PR directors to provide qualitative data for the study. Additionally, quantitative data was collected from surveys of 46 companies. The author designed a survey regarding the use of social media networks in corporate communication strategies. The survey was distributed via email, fax and in person. The survey provided both quantitative and qualitative data.

#### **1.4 Delimitations**

The author was limited to investigating the effective use of social media tools as part of corporate communication strategies. The study did not analyze the return on investment (ROI) of social media integration into communication and marketing tactics. The study cannot be generalized to the larger universe because data collection was non-random.

The source of data for the study came from a survey, a non-random convenience sample of 46 companies in the United States including small businesses, mid and large corporations. For purposes of this study the author defined small business or organization as any company employing between one and 20 employees. A mid-size business was defined as a company employing between 21 and 300 workers, and a large corporation was defined as any company employing more than 300 employees. A variety of businesses participated in the study including for profit and nonprofit organizations. Participants represented marketing, sales and advertising professionals of the surveyed companies.

Additionally, the author derived data from in-depth interviews of four marketing and communication executives who spoke about social media channels and their use in a corporate environment.

## **1.5 Hypothesis and Research Questions**

The author of the study tested the following hypotheses:

Hypothesis 1: The majority (51 percent or higher) of corporate marketing professionals believe that social media networks have a positive impact on corporate communication strategy development.

Hypothesis 2: The majority (51 percent or higher) of corporate marketing professionals perceive social media as important marketing and advertising tools.

Hypothesis 3: The majority of corporate marketing professionals (51 percent) believe that social media can be an effective mode of communication that crosses generations and genders.

The author attempted to address the following research questions:

Question 1: To what degree of effectiveness do social media networks impact corporate marketing strategies?

Question 2: What types of social media networks are perceived by marketing professionals as most appropriate for corporate communication in terms of their effectiveness?

Question 3: To what degree do social media networks impact corporate communication strategies dedicated to internal employee communication, external communication, and advertising and marketing initiatives.

## 1.6 Significance of Study

Many companies plan to engage in social media, or already use social media, to communicate. Still, some marketing professionals are unaware of the benefits that social media can bring to corporate marketing, advertising and communication efforts. This study attempted to show how social media networks are successfully integrated into corporate communication strategies and how companies can benefit from their use. This study was not a one-size-fit-all formula for successful online marketing, but rather an overview of how social media impacts corporate marketing and communication strategies.

### **Terms**

**Blog** – website maintained by an editor, publisher or “blogger” with posts of commentary related to specific subject. *(As defined by Wikipedia, <http://en.wikipedia.org/wiki/Blog>)*

**Blogger** – person responsible for publishing and editing of a blog. *(As defined by Wikipedia, <http://en.wikipedia.org/wiki/Blogger>)*

**CRM** – customer relationship management. Term used by companies to define methods of interaction with customers. *(As defined by Wikipedia, [http://en.wikipedia.org/wiki/Customer\\_relationship\\_management](http://en.wikipedia.org/wiki/Customer_relationship_management))*

**Microblog** – as described by David M. Scott in his book “*The New Rules of marketing & PR*”, microblog is a form of a blog only it is based on the idea of “away message”. Users send brief text updates about what they are doing while being away; example Twitter

Podcast – series of digital media files such as video or audio available on a website for download through web syndication. *(As defined by Wikipedia, <http://en.wikipedia.org/wiki/Podcast>)*

Organic search – search engine results that list a website because the website contains relevant content to the search term. Non-organic ranking is a paid listing that involves payment for specific key words.

ROI – return on investment. Metric used to evaluate the efficiency of an investment. The results are expressed in percentage or ratio. To calculate ROI companies use the following formula. Cost of investment is deducted from investment's gains, and then divided by the cost of investment. *(As defined by Investopedia, <http://www.investopedia.com/terms/r/returnoninvestment.asp>)*

Social media – form of online communication channel that disseminates information through social interaction. The channel is accessible to mass audiences, is free of usage charges and accepts user published content. Examples of social media tools: Twitter, Facebook, LinkedIn, MySpace, Squidoo, MySpace. *(As defined by Wikipedia, [http://en.wikipedia.org/wiki/Social\\_media](http://en.wikipedia.org/wiki/Social_media))*

Social media hub – online pages specially designed for social media visitors accepting user-generated content. Described by David M. Scott in his book “*The New Rules of marketing & PR*”

Squidoo - as defined by David M. Scott, Squidoo is a social media site based on expertise in a niche subject ([www.squidoo.com](http://www.squidoo.com))

Referrer or HTTP referrer – as defined by *About.com* a referrer is anything that directs visitor traffic to a specific website. Referrers can include search engines, banner ads or affiliate links

Target audience – people, a group with defined demographics (age group, gender, marital status, etc.) to whom a communication or advertising campaign is directed to. *(As defined by Wikipedia, [http://en.wikipedia.org/wiki/Target\\_audience](http://en.wikipedia.org/wiki/Target_audience))*

Viral marketing – online marketing techniques that utilize social media networks to spread marketing and advertising messages. *(As defined by Wikipedia, [http://en.wikipedia.org/wiki/Viral\\_marketing](http://en.wikipedia.org/wiki/Viral_marketing))*

Web syndication – form of content distribution in which website material is available to multiple other sites. *(As defined by Wikipedia, [http://en.wikipedia.org/wiki/Web\\_syndication](http://en.wikipedia.org/wiki/Web_syndication))*

## Chapter 2

### Literature Overview

#### 2.1 Traditional Communication Models

Four types of traditional communication models were discussed in “Managing Public Relations” by James E. Grunig and Todd Hunt, also referenced in “Practical Public Relations” (Practical Public Relations, Don Bagin and Anthony Fulginiti). Grunig and Hunt define one-way communication models as *press agentry* and *public information*. Two-way communication may be *asymmetric* (persuasion) or *symmetric*. Depending on the organization’s goals, Public Relations practitioners apply the appropriate method to communicate with their target audience.

#### One-Way Communication

When PR professionals control the message and the communication flows one-way only, the *press agentry* communication model is used. Press agentry, also called a *propaganda model*, is intended to gain the audience’s attention and send messages one-way from organization to the public. Advertising is a good example of the press agentry model. In this model, controlled messages are released to the public but the organization must purchase media placements for the messages. Media buys, may involve a variety of channels such as print publications, radio, TV or outdoor placements. In summary, the propaganda model is based on imaging and organizations completely controlling the message (Bagin & Fulginiti, 2005, p.2); however, this type of communication is viewed as less credible.

*Public information* (Bagin & Fulginiti, 2005, p.2) also represents a one-way communication model. This model is based on publicity. PR practitioners work with this communication model in order to influence attitudes and public opinions. Public relations efforts are a good example of this communication model. In this model organizations intend to inform the public by sending news releases to major news agencies including newspapers, TV and radio. News releases can be published directly by news sources or they can engage journalists and inspire them to write stories. Because this communication model involves journalism, and the information is published by the news agencies, it is viewed by the public as a very credible source of information.

### **Two-Way Communication**

When the purpose of the communication is to persuade the target audience, the organization uses a *two-way asymmetric* communication model. Marketers also refer to this model as a *persuasion model* because its purpose is to persuade the public to think or act a certain way. This communication model proves to be more effective than the *press agency* and *public information* models because it uses research to define which messages the target audience finds more believable. Many advertising, marketing and public relations campaigns are based on the persuasion model. During the initial research stage of the campaign, an organization tests ideas, images and slogan messages to receive feedback from the audience. Feedback collected from the public is carefully analyzed and then used by marketers to refine campaign messages, images and slogans. In summary, the purpose of this communication model is to modify the marketing message based on audience feedback (Bagin & Fulginiti, 2005, p.3).

The *two-way symmetric model* is used when an organization needs the public opinion to decide on its own course of action. This model applies when communication happens two-way, the organization and the public communicate to negotiate and arrive at a mutually beneficial decision. In this case, the organization uses the feedback to change its behavior rather than merely change its persuasive message. (Bagin & Fulginiti, 2005, p.3)

## **2.2 The Medium is the Message**

In 1964 Marshall McLuhan, a Canadian scholar and philosopher published “Understanding Media: The Extensions of Man”. His book introduced the famous phrase the medium is the message and talked about the relationship between the medium and the message. McLuhan’s book further influenced media theories and communications studies as well as the advertising and communications industries. Some even claim that McLuhan in his theories predicted the World Wide Web years before it was invented. (Levinson, Digital McLuhan: A Guide to the Information Millennium, 1999)

In the article “What is the Meaning of The Medium is the Message,” Mark Federman talks about the McLuhan theories. (Federman, 2004) “In a culture like ours, long accustomed to splitting and dividing all things as a means of control, it is sometimes a bit of a shock to be reminded that, in operational and practical fact, the medium is the message.” (McLuhan, 1964, pp. 23) Federman writes that McLuhan’s work is often interpreted incorrectly in that “the channel supersedes the content in importance, or that McLuhan was saying the information content should be ignored as inconsequential.” (Federman, 2004, p. 2) The author states that most interpretations of McLuhan’s words

associate *medium* with *mass-media of communications* and the *message* with the actual content or information. (Federman, 2004, p. 2) According to Federman, McLuhan's *medium is the message* suggests that people often focus on the obvious and that "in doing so, we largely miss the structural changes in our affairs that are introduced subtly, or over long periods of time. (Federman, 2004, p. 3) Federman further explains that "there are conditions in our society and culture that we just don't take into consideration in our planning." Non-obvious conditions including culture, religion, history and other existing conditions affect the way people communicate and interact because such conditions create the "ground or context." (Federman, 2004, p. 4) Federman says of McLuhan's "medium is the message" that it suggests to people to "look beyond the obvious". (Federman, 2004, p. 6) In summary, Federman states that McLuhan defines the meaning of the medium as well and calls it "any extension of ourselves." (McLuhan, 1964)

In summary, Federman says that understanding the meaning of the *medium is the message* is very useful because people tend to notice changes "noticing change in our societal or cultural ground conditions indicates the presence of a new message, that is, the effects of a new medium". (Federman, 2004, p. 9) The author further explains that McLuhan's words serve as an early warning to help people identify potential detrimental effects of the new medium on the society or culture thus allowing people to control the process to avoid a negative outcome on society.

### **2.3 Online Communication Channels & New Opportunities**

In his book *The New Rules of Marketing & PR*, David Merman Scott writes about the advantages the web gave professionals to communicate. He states (Scott, 2007,

2009, Welcome to the New Rules section, para. 3) “Before the web came along, there were only two ways to get noticed: buy expensive advertising or beg the mainstream media to tell your story.” (Scott, 2007, 2009, p. XXI) According to Scott, the web today presents a better option for marketers and PR professionals. It allows them to communicate with the public directly without having to rely on the mainstream media or allocating large advertising budgets for media purchases.

Scott emphasizes to readers that the traditional rules of PR and marketing have also changed and the new online communication channels require implementation of a different approach. He claims that the old rules of communicating do not apply to the web environment because they are based on the “skills of interruption and coercion.” (Scott, 2007, 2009, Welcome to the New Rules section, para. 3)

According to Scott (Scott, 2007, 2009, p. 68) the old rules of PR and marketing limited ways in which companies could share information with the world. Summarizing the old PR and marketing rules, Scott states (Scott, 2007, 2009, p. 12) that the media was the only way to publish a story, and that only journalists and editors got to read the actual news releases. Scott also says that companies wrote press release only to communicate very important news and that jargon was used in writing because journalists understood it. Furthermore Scott states (Scott, 2007, 2009, p. 24) that the only way buyers could be exposed to the information contained in a release was when the media decided to do a story on it and that clip books were the only way to measure effectiveness of a release. Scott reflects (Scott, 2007, 2009, p. 26) that the PR and marketing used to be totally separate disciplines with separate goals.

## 2.4 New Rules of PR and Marketing

The web gave PR professionals and marketers a new medium to communicate and so, in effect, the traditional rules of PR and marketing had to be transformed to be successful with the new online tools. In “One-Way Interruption” section (Scott, 2007, 2009, p. 6) of the *New Rules of PR & Marketing*, Scott explains that advertising and marketing traditionally relied on interrupting the audience to divert their attention to a one-way message. Moreover the messages were mostly product-focused. He claims the web communication requires a different approach. Scott says “Web marketing is about delivering useful content at just the precise moment that a buyer needs it.” (Scott, 2007, 2009, p. 7) In addition, by creating desired content that is written specifically toward a defined audience, organizations have a chance to “develop relationships with consumers” directly (Scott, 2007, 2009, p. 5). The author gives example of *Cervélo Cycles* (Scott, 2007, 2009, p. 15), a company that focuses on cultivating such relationship with consumers online. This manufacturer of the time trial and triathlon bikes puts extreme effort into creating web content that educates consumers about a very technical product. Scott claims such content is a perfect fit for it caters exactly to the needs of the buying audience.

Scott’s *New Rules of PR and Marketing* (Scott, 2007, 2009, p. 25) state that there is more to marketing than just advertising and that Public Relations should reach beyond the main stream media. Content published is a reflection of the individual or a company and that consumers hate propaganda, desire authenticity and prefer participation to just one-way messages. The *New Rules* state that online marketing is about delivering the appropriate content to a consumer at the precise time it is needed and that marketers

need to implement new strategies designed to reach vast numbers of audiences on the Web. Scott also says that the Internet made PR public and PR professionals should expand their efforts to communicating with buyers on the web and that the Internet blurred the lines between marketing and PR disciplines.

In summary, the author of “The New Rules of Marketing & PR” explains to readers how the web and the online tools (social media networks, blogs, podcasts, online news releases) opened up new communication channels and gave marketing and PR professionals better opportunities to disseminate their message (Scott, 2007, 2009, p. 31).

In the New Rules of PR & Marketing, Scott also addresses the principle behind the four Ps of marketing taught by traditional marketers. (Scott, 2007, 2009, p. 114). According to traditional marketing, four Ps (product, price, place and promotion) are the most important principles behind a marketing strategy. “That’s nonsense,” (Scott, 2007, 2009, p. 114). Scott states while referring to the online environment. Scott suggests that marketers should focus their attention on the buyers for they are the most important in an online marketing strategy. He claims that understanding the buyers is key to creating “compelling Web content” that allows an organization to reach them directly. Scott’s view on the four Ps is rather controversial and the author says “marketers often argue” with him on this point. (Scott, 2007, 2009, p. 114)

## **2.5 Social Media Networks Overview**

Social Media is defined by *Wikipedia* (*Wikipedia*, Social media, 2011) as media that disseminates information through social interaction via web-based and mobile technology. Social media websites are widely accessible and allow users to view, publish and share variety of media such as photos, videos, text or sound to social network groups.

Among the most popular social networking sites listed often are Facebook, LinkedIn, MySpace and Twitter (eBizMBA, 2011).

### **Facebook**

At first Social Media tools have been primarily in use for personal communication. Facebook, for example, was originally intended to serve college students. The founder of the site (Mark Zuckerberg) and the three co-founders (Chris Hughes, Dustin Moskovitz, Eduardo Saverin) were all students at Harvard University where Facebook made its debut. As the website grew in popularity its use spread to other universities and beyond. Today Facebook (*Facebook, Fact Sheet & Founder Bios, 2009*) reports to have over 300 million active users who use the site to communicate with friends, family and co-workers globally.

(<http://newsroom.fb.com/content/default.aspx?NewsAreaId=22>)

According to Scott, Facebook serves as a great tool “to deliver information and ideas to a network of people interested in *your* products and services.” (Scott, 2007, 2009, p. 232)

Today, Facebook serves businesses as an online tool to communicate with customers directly. According to David M. Scott, Facebook can be used as a marketing tool in three different ways: friend-to-friend communication, groups and applications.

(Scott, 2007, 2009, p. 232)

Friend-to-friend communication is based on communicating through a personal profile. As new information is posted to a personal profile and all friends connected to that profile receive an instant update message about new things posted.

A Facebook group (Scott, 2007, 2009, p. 232) involves grouping friends according to a common interest. Facebook groups can be closed (available to users per invitation only) or open to any user to join. Unlike the personal profile updates, update emails are not sent to users. The group members access this information at their own convenience, as they need it. According David Meerman Scott, this technique is a great way for organizations to communicate with users about their product and service. Scott also gives an example of how companies use Facebook groups. He interviews the director of marketing Philip Robertson at *ooVoo* (company providing video conferencing software) who says “People join Facebook groups because they want to stay informed about subjects they are interested in.” (Scott, 2007, 2009, p. 233) Robertson later on explains how *ooVoo* used a Facebook group to communicate with users of the software.

A Facebook application is another way a social media network can be used as a marketing tool. According to Scott, organizations that build applications use Facebook as a free branding tool. Facebook allows anybody to create applications because all of the programming source code is open. This means companies create applications specific to their industry needs that help them promote their own products and services. In addition, applications help them promote their own brand image. As a company releases a free application, the new app is downloaded and used by other organizations. As the application grows in its popularity, more and more users of that application are exposed to the brand image of the company responsible for creation of that application. The author provides examples of travel applications and mobile application that work with Facebook. (Scott, 2007, 2009, p. 235)

## **LinkedIn**

According to the mission page on the LinkedIn website, the purpose of the site is to serve as a professional networking site (<http://www.linkedin.com>). The mission of the website is emphasized by the company's slogan that states that Relationships Matter. (LinkedIn, 2011). The website enables professionals to stay in touch with their colleagues, find business opportunities and connect with industry experts. LinkedIn reports to have more than 50 million users and is available in four different languages.

Recently, a beta version of LinkedIn became also available to companies. In the beta version of LinkedIn companies are able to create their specific profiles. (Gordon Choi's Blog, 2011)

## **MySpace**

According to David M. Scott MySpace sites can present a challenge for marketers. He states that the audience *hates overt commercial messages* and that the use of a different approach is often needed for success with this particular social media network. The author states that the best approach to marketing on MySpace usually involves "an offline personality" that creates MySpace page in order to "build and expand an online following." (Scott, 2007, 2009, p. 230)

As an online marketing tool, MySpace proves to be a great fit for many purposes and organizations such as musicians, bands, nonprofit organizations and corporate promotions. Nonprofit organizations encourage their employees to create pages on this social networking site to support the cause they are passionate about. Political personalities create pages to support their election campaigns. Some universities use

MySpace to connect with current students or use this social network for recruitment purposes. For example, Post University of Connecticut (post.edu) uses MySpace to post latest university announcements, campus or sports events. The university's page (myspace.com/postuniversity) lists all available academic degrees, offers video clips with academic information, shows photo albums from graduation ceremonies, enables students to take a poll and befriend the university. (<http://www.myspace.com/postuniversity>)

In his book, Scott provides readers with an example of how the creative thinking of Volkswagen corporate marketers created a very successful MySpace campaign. This German automobile manufacturer uses a fictional character, Helga, who had appeared in some Volkswagen's TV commercials in the past. Helga is a funny woman with a strong accent that entertains. She has more than 7,587 friends on MySpace and can be seen at ([www.myspace.com/misshelga](http://www.myspace.com/misshelga)). Helga's MySpace page is clever advertising that works great with this social media network. (Scott, 2007, 2009, p. 230)

In summary of MySpace, Scott states that "authenticity and transparency are critical." The author emphasizes the importance of ethics while creating content for all online communities. (Scott, 2007, 2009, p. 231)

## **Twitter**

According to Scott, Twitter is a form of a microblog based on the idea of sending short instant messages. (Scott, 2007, 2009, p. 243) This social media site serves friends, family and coworkers who communicate with each other by answering one question: What are you doing? Users answer this question with a short post limited to 140 characters. The social character of this online tool lies in the followers, people who

subscribe to the Twitter feed. By subscribing to a Tweet, followers are able to stay up-to-date on the activities of the tweeting party.

Scott shows examples of how public relations and marketing professionals use Twitter for marketing purposes, but he discourages readers from using this tool for pure advertising purposes. (Scott, 2007, 2009, p. 244) Scott Monty, digital and multimedia communications manager at Ford Motor Company states “If you want to use Twitter as a marketing channel, you have to put yourself out there as an interested member of the community.” According to Monty Twitter is a powerful online tool that allows individuals to invest in relationships and become a valued member of a community. According to Monty some companies also use Twitter to inform their customers of special deals or sales such as *JetBlue* that alerts customers of specials on airfare. (Scott, 2007, 2009, p. 245)

### **Squidoo**

David M. Scott describes Squidoo ([www.squidoo.com](http://www.squidoo.com)) as a social media site that is based on expertise in a niche subject. The author states that this social media network gives another opportunity for marketers to establish an online presence at no cost.

Squidoo allows users to create a so called “lens”. (Scott, 2007, 2009, p. 236) Squidoo defines lenses as pages, online flyers or overview articles that gather entire user’s knowledge on a specific topic. An individual who creates a lens is called a *lensmaster*. Squidoo states that a lens is not a final destination but rather a place to start. Once the lens is created it provides additional references for readers and directs them to sources such as blogs, Amazon books, website links, RSS feds, Google maps, photos etc.

By directing traffic to other websites Squidoo proves to be a very good *HTTP referrer* and can be responsible for a major increase of visitors to a website. In his book Scott illustrates with an example of how increased traffic to a website can translate into dollars. Scott talks about a professional automotive technician, Vince Ciulla, who created his own lens called “Auto Repair.” Ciulla states “My Web site and links from my Squidoo lens are how people can get information they need for free.” (Scott, 2007, 2009, p. 237) Visitors use the information Ciulla provides in his lens to either diagnose the problem in the car or repair it themselves. Increased traffic to his site allows Ciulla to make money from advertisements he runs on his website. He also makes money from telephone consultations when people call to discuss a specific auto problem. (Scott, 2007, 2009, p. 237)

Squidoo is used by nonprofit organizations as well. In his book Scott talks about Global Action Foundation (GAF), (Scott, 2007, 2009, p. 237) an organization that works to eradicate extreme poverty. This nonprofit organization is using a Squidoo lens to promote their mission and group efforts. The lens includes information, photos, links to a blog and an online donation. According to Scott the lens successfully portrays GAF’s work with comprehensive content and it encourages visitors to contribute to the organization’s mission. (Scott, 2007, 2009)

## **2.6 Integration of Social Media into Corporate Communication Strategies**

### **Use of Twitter by 500 Fortune Companies**

In a study retrieved from the ABI research database, author Darrell Heaps performs analysis of corporations that report using social media networks. He focuses in his study on the use of Twitter for Investor Relations (IR) purposes. (Heaps, 2009)

The author states that Twitter provides IR professionals with ability to “directly communicate, interact and build relationships” with stakeholders. He shows in his study how some of the fortune 500 companies have used this social media tool to announce latest quarterly earnings or stakeholder meetings. Heaps also writes about best practices for Twitter’s use. (Heaps, 2009, p.21)

In the findings of his study, Heaps reports that companies used Twitter to provide links to earnings releases, notice of call and webcasts. He states that some of the companies also used a more creative way to tweet about their quarterly financials such as Cisco. Cisco posted a link to a video containing an interview with the company’s CEO and CFO providing insights on the financial matters. Similarly, Time Warner posted a tweet with a link to a YouTube video with an interview of the company’s CEO. (Heaps, 2009, pp.18-22)

In his study results, Heaps also states that 52 percent of the researched companies used “Twitter as a broadcast channel for news.” (Heaps, 2009, p.19)

In such instance “the company’s tweets came from Twitterfeed or a similar service.” (Heaps, 2009, p.19) In reviewing the replies to the tweets that companies posted on Twitter, Heaps listed user questions about product inquiries, support or employment.

In addition, some companies used retweets to attract attention of the media and major news publications. Businesses used Twitter to also converse with representatives of other companies within the industry such as scientific, technical or medical.

### **The Use of Facebook by Aflac**

In a recent article (*What the duck? Aflac gets quackin' on Facebook*) posted on the ZDNet blog, the author, Jennifer Leggio, writes about Aflac's use of Facebook. The company uses this social media network for two specific reasons. Aflac's goal is to increase the company's brand awareness through a Facebook fan page and its famous Duck character. In addition, Aflac is using a Facebook application called *Causes* for the company's charitable initiative Aflac Cancer Center at the Children's Healthcare of Atlanta. (Leggio, 2009, para. 2)

According to Leggio, Aflac's *Cause* application enabled Facebook users to create "charitable causes benefitting nonprofit organizations that rose more than \$14 million." (Leggio, 2009, para. 3) In addition, during the Childhood Cancer Awareness Month, the application enabled Aflac to "raise \$1.16 million to benefit the Aflac Cancer Center" during that month. The author states that the Aflac campaign was "the largest sponsored campaign in the history of Causes." (Leggio, 2009, para. 3)

According to the author, the Facebook fan page used to promote company's brand awareness has 164,000 fans. Aflac uses it to interact with visitors, announce charitable events and disseminate company's news. According to Laura Kane, Aflac's vice president of external communications, Aflac uses social media "as an opportunity to generate awareness and establish an ongoing relationship with users in a way that is relevant to their lives." (Leggio, 2009, para. 7-8)

## **The Role of Social Media in Presidential Election Campaign**

Another example of the successful use of social media networks is illustrated in the article published by the Fast Company in the April 2009 issue of the magazine (*Boy Wonder by Ellen McGirt.*) “The kid who made Obama president” (McGirt, 2009) is how the author refers to Chris Hughes, a 25-year-old Facebook cofounder. According to McGirt, Chris Hughes “changed politics and marketing forever” (McGirt, 2009, p.1) by developing powerful social networking tools to be used in a political campaign.

According to the author of the article, the tools Hughes built helped energize citizens, enabled them to become activists and helped support community action. McGirt gives an example of the networking website built by Hughes for the purposes of the campaign MyBarackObama.com. (McGirt, 2009).

As the campaign ended, the website had more than two million user profiles, enabled users to plan 200,000 events, form 35,000 groups, post 400,000 blogs and raise \$30 million. (McGirt, 2009).

## **2.7 Generations and Social Media**

According to the information published by Wikipedia (Wikipedia, Demographics, Cultural Generations 2011) we can identify seven cultural generations.

The Lost Generation is a generation of 1914 of World War I participants. The Greatest Generation, also called the G.I. Generation is a generation of those born in between 1901 and 1924 including World War veterans and those coming of age during the Great Depression. The Silent Generation includes birthdates from 1925 to 1945 and

the Baby Boomers generation those born after the war to approximately 1964. The Baby Boomers generation is generally thought of as a generation that rejected or rebelled against traditional values. The Generation X is a generation of people usually born in the late 1960s and up to early 1980s. The Generation Y is a generation also known as the Millennials born after 1982 up until the year 2000. The Generation Z, also called the Internet Generation, includes individuals born in the early 1990s through 2010s. Members of this generation are typically children of generation X. (Wikipedia, Demographics, Cultural Generations 2011)

According to an article “All in the Facebook family: older generations join social networks” written by John Sutter, CNN Tech writer, social networks such as Facebook, Twitter and MySpace have become more and more popular among the older generations. (Sutter, 2009, para. 4) The author mentions a study “Pew Internet & American Life Project” that suggests that only “7 percent of people older than 65 have online social networking profiles.” (Sutter, 2009, para. 6) However, the study also details the use of Internet across generations including Generation X, Y, Baby Boomers, the Silent Generation and the G.I. Generation. (Study *Generations Online in 2009* by Fox, Susannah, Associate Director, Digital Strategy, Pew Internet.) According to this study published in January of 2009, 13 percent of the Older Boomers (born between 1946-1954, ages 55-63) were Internet users. (Fox, 2009) The author of the Pew Internet study presented a summary of Internet’s use by the adult population. The study was based on surveys gathered from 2006 to 2008 that revealed. The use of Internet across generations included 28 percent of Generation X, 30 percent of Generation Y, 22 percent of Younger

Boomers, 13 percent of the Older Boomers, 4 percent of G.I. Generation and 7 percent of the Silent Generation. (Fox, 2009)

## **Chapter 3**

### **Research Design**

#### **3.1 Data Needed**

The author of this study conducted an analysis of corporate communication strategies in order to ascertain the following:

- Whether businesses use or do not use social media in their communication practices;
- How corporate decision makers evaluate factors for and against the use of social media in corporate communication;
- How companies incorporate the social media networks into their communication strategies;
- What types of social media networks are preferred by corporate communication professionals;
- What successes and challenges of the use of social media do corporate communication professionals find in corporate communication practices.

In summary, the purpose of this study was to understand the impact of social media networks on corporate communication strategies. This study sought to gather information about the use of social media networks within corporate communication strategies, examine attitudes of corporate communication professionals toward social media networks and understand behaviors or ways that social media networks are used by companies to communicate with their target audiences. (Target audiences can be defined

as internal representing employees, stakeholders or investors. External target audiences are defined as those representing viewers, customers or clients, members etc.)

### **3.2 Data Sources**

The author gathered the data from interviews and surveys of sales and marketing professionals, corporate communication directors, marketing directors and PR directors. In addition, the author gathered scholarly journals and articles retrieved from the ABI research database, trade publications and news articles available on the Internet and books to provide background information.

### **3.3 Sample Selection**

The author of the study drew a non-random convenience sample from the universe - a list of one hundred companies representing mid-to-large size businesses employing anywhere from 25 to 300 employees. The author designed a survey and implemented it online so that the public relations and marketing professionals from the selected list of 100 companies could conveniently answer the survey questions.

An email was sent to corporate representatives inviting them to participate in the survey. Data from the survey questions was collected into a database to be retrieved for analysis. Once the survey was completed, an email was generated to participants thanking them for their time and input.

A separate list, a non-random convenience sample, of six corporate marketing and communication directors was compiled. Three professionals from the list agreed to an

interview. The author of the study conducted phone interviews in order to obtain qualitative data for the study.

### **3.4 Instruments & Procedures**

As defined by the authors of *Practical Public Relations (Theories and Practices That Make a Difference)*; Don Bagin and Anthony Fulginiti) qualitative research is used to describe things instead of measuring them. In contrast, quantitative research is used to measure things mathematically. In short, qualitative research describes and quantitative research measures.

Both qualitative and quantitative data were obtained in this research. Quantitative data was obtained from a survey of 11 questions. The survey contained both Likert Scale and open-ended questions. Often called a rating scale, Likert Scale, from its designer Rensis Likert, is commonly used in questionnaires and surveys. Likert Scale questions require respondents to express their level of agreement with a given statement. Likert Scale measures not only the quality but also the strength of the response by assigning numerical point value to each response. (Bagin & Fulginiti, 2005, p. 78) To obtain richer data, the researcher used open-ended questions that allowed survey participants to compose their own answers. The surveys were distributed via email, fax, through social media and in person.

Additionally, three phone Interviews were conducted to deliver information regarding attitudes and behaviors of public relations and marketing professionals toward social media's use as part of corporate communication strategies.

## **Procedures**

### ***Quantitative***

The surveys were first distributed in early November, 2010 among corporate sales, marketing, communication and public relations professionals. Only 30 surveys were returned by early December and the researcher sent a second round of reminders for the survey completion. By late December 47 surveys were completed resulting in 47 percent response rate.

### ***Qualitative***

The researcher arranged phone interviews with four marketing and communication experts; however one interview was cancelled and rescheduled. Only three interviews were completed by late December of 2010. Interview subjects included a director of Internet and Marketing Communication, a president of a communication's agency, and a director of sales and marketing.

## **3.5 Data Analysis Method**

The author analyzed the quantitative survey data using statistical tools of Microsoft Excel. Results are described in chapter IV and include percentages and cross tabulations.

The use of a convenience sample prohibits the author from generalizing the results to the larger universe. However, it provided productive data about the universe.

Population validity enables the researcher to generalize the outcome of a study to a larger population only when the researcher randomly selects a sample from the defined larger population. As described in Educational Research; Quantitative, Qualitative, and Mixed Approaches “generalizing from a sample of individuals to the larger target

population is a two-step process of defining the larger target population of individuals of interest and then randomly selecting a sample of individuals from this target population.” (Burke & Christensen, 2010, p. 257) This study lacks population validity and therefore cannot be generalized to the larger universe. The author used a convenience sample rather than a random sample.

## Chapter 4

### Results

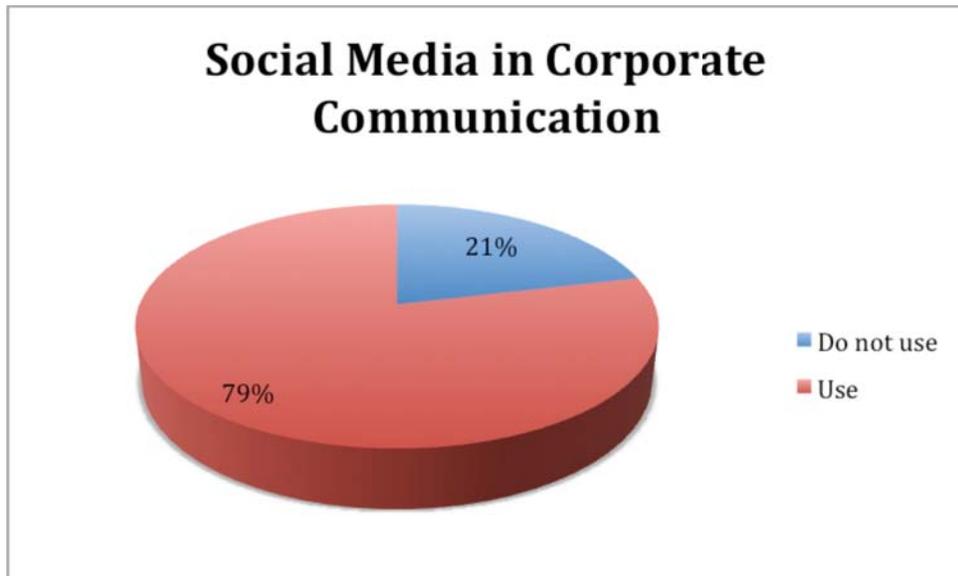
#### 4.1 Survey Results

The researcher developed a quantitative instrument containing 11 questions using both Likert Scale and open-ended questions. The list of participating companies came from a non-random convenience sample. The researcher disseminated 80 surveys among sales, marketing, PR and advertising professionals representing a variety of American companies.

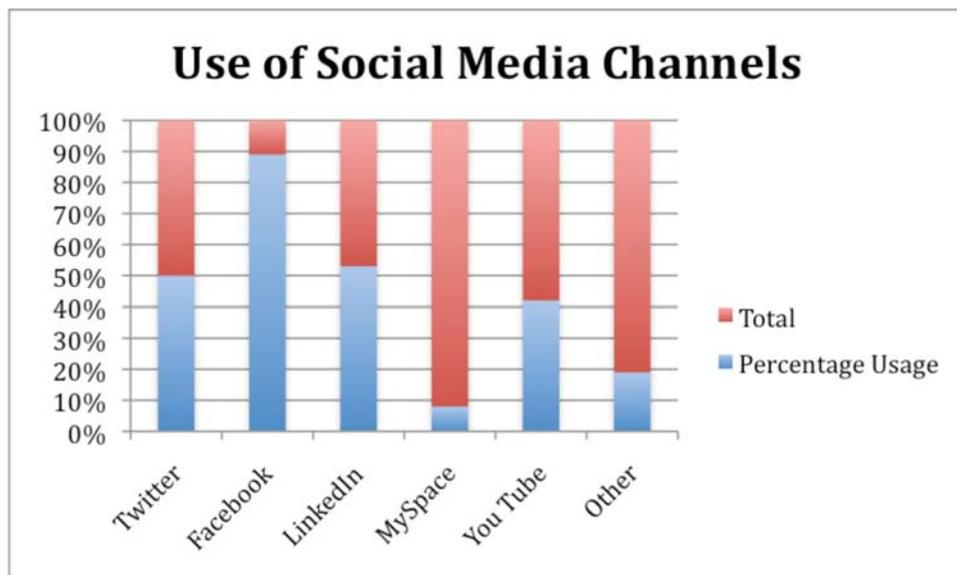
Forty seven completed surveys were returned, providing a 59 percent response rate. One recipient declined to participate in the survey informing the researcher that the company did not share such information with the public. Seventy nine percent of those surveyed reported that their companies used social media for corporate communications.

Only 21 percent of those surveyed reported that their companies did not use social media. The popular channels used were Facebook, LinkedIn and Twitter. Other commonly named social media outlets used for corporate communication included blogs (Wordpress), custom website programs with video format, Foursquare, and other forms of mass email. Only one responded answered *other* and did not respond with an explanation of what other social media was used.

Question 1: Does your company use social media networks for corporate communication? If you answered “yes”, proceed to question 2a. If “no”, skip to question 2c.



Question 2a: Which social media outlets does your company use? Check all that apply.



Question 2b: If your company uses other social media channels for corporate communication please name them.

**Other Social Media Channels Used**

Number of Respondents	Respondents' Answers
1	Website
1	Industry specific blogs
1	Internal video that is based on YouTube due to confidentiality
1	Vimeo
3	Wordpress blog utilizing Search Engine Optimization through SEO content driven posts
1	Constant Contact
1	FourSquare

Question 2c: If your company does not use social media, please list why.

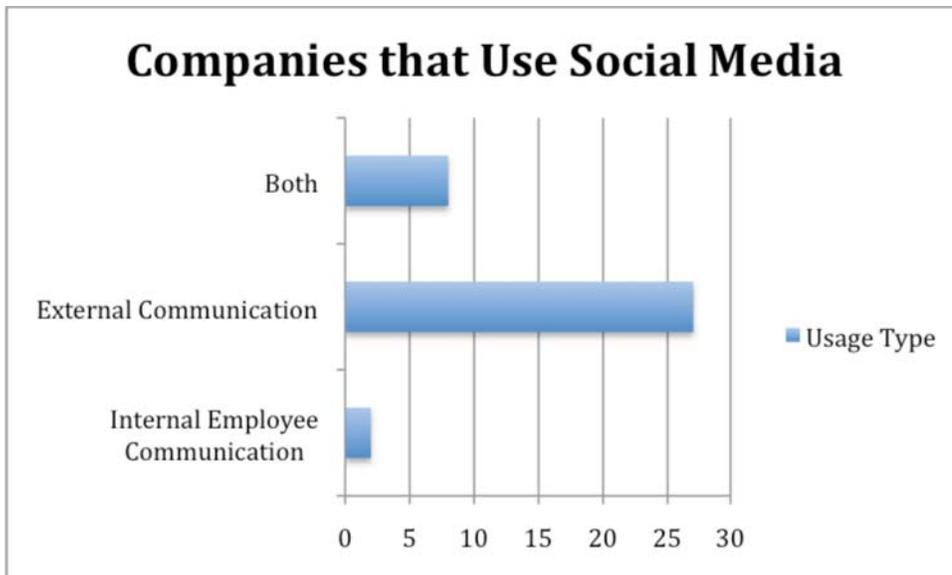
**Reasons for Not Using Social Media In Corporate Communication**

<b>Number of Respondents</b>	<b>Answers</b>
<b>3</b>	Not a fit for corporate environment
<b>5</b>	Prefer traditional advertising
<b>1</b>	Does not apply to my industry
<b>3</b>	Too much time and effort to maintain
<b>2</b>	My company discourages from using social media
<b>2</b>	Inability to control what is said about my company
<b>3</b>	Other, please explain. Answers included dislike of social media and government security.

Question 3: How does your company use social media?

Only 10 of the 47 respondents answered “My company does not use social media.” From the remaining 37 respondents, two selected “Internal Employee Communication Only”, 27 selected “External Communication Only,” and eight selected “Both External and Internal Communication.”

**Use of Social Media In External And Internal Communication**



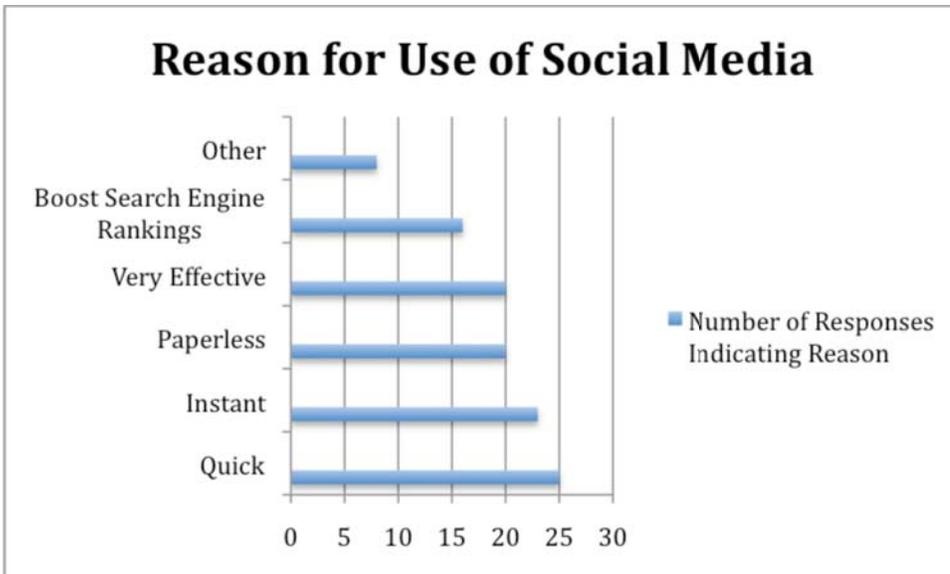
Question 3a: Why does your company use social media for this purpose? Check all that apply.

Two respondents did not answer the question. The following reasons for using social media were given:

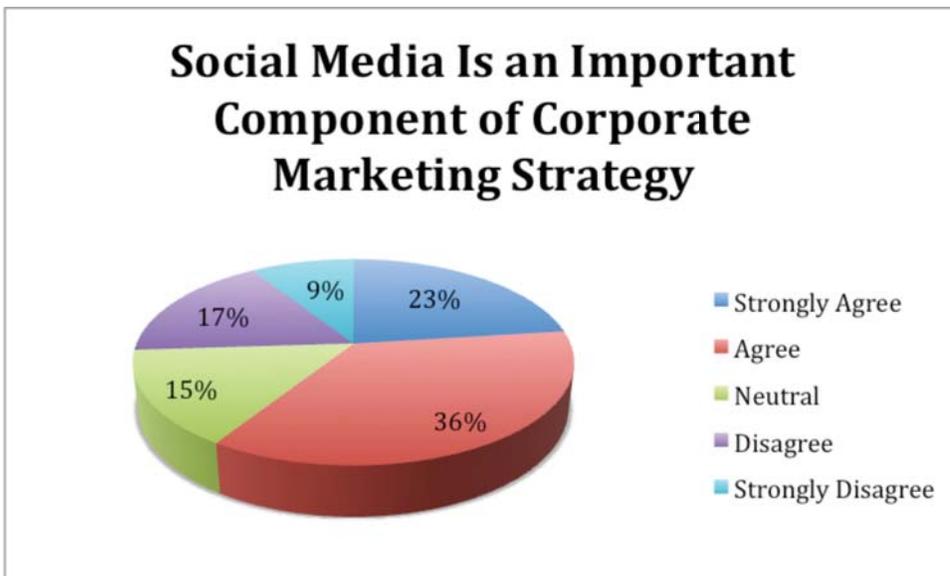
**Reasons for Social Media Use in Corporate Communication**

<b>Number of Respondents</b>	<b>Answers</b>
<b>25</b>	Quick
<b>23</b>	Instant
<b>20</b>	Paperless
<b>20</b>	Very Effective
<b>26</b>	Boost Search Engines
<b>8</b>	Other Reasons

Other reasons listed by respondent included: connecting with new clients, another avenue of communication that is more personal than email, the only way to reach individuals that do not use email, just to have presence in the social media world, it is irrelevant to what we do, reach a targeted customer, advanced thought leadership in industries we serve, new business and PR, networking and visibility, ease of use, to avoid being “left behind.”



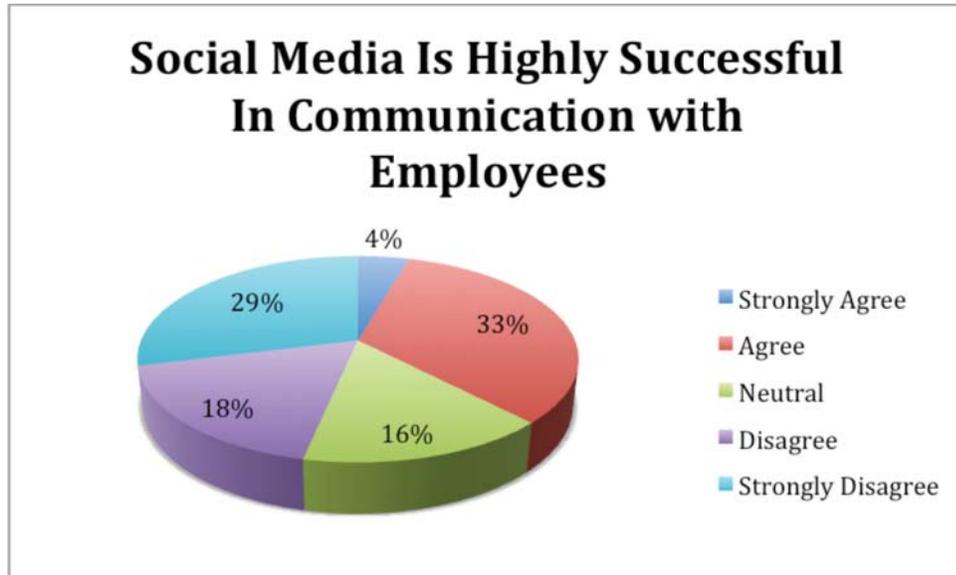
Question 4: On a scale of 1-7 with one being strongly disagree and seven being strongly agree rate the following statement: Social Media is an important component of my company’s corporate marketing and communication strategy.



Question 5: On a scale of 1-7 with one being strongly disagree and seven being strongly agree rate the following statements:

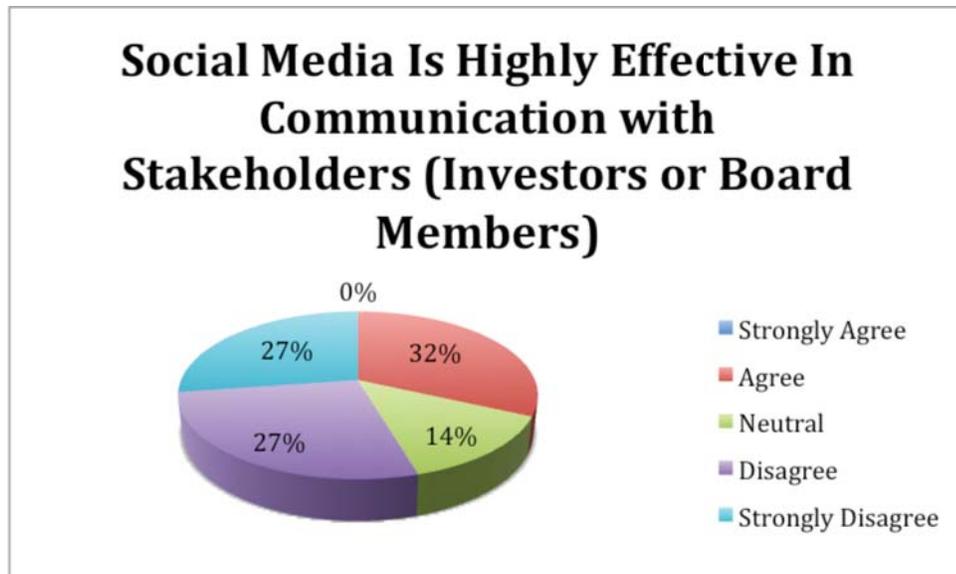
Two respondents did not answer question 5 A. at all.

a) Social media is highly successful in communicating with employees.



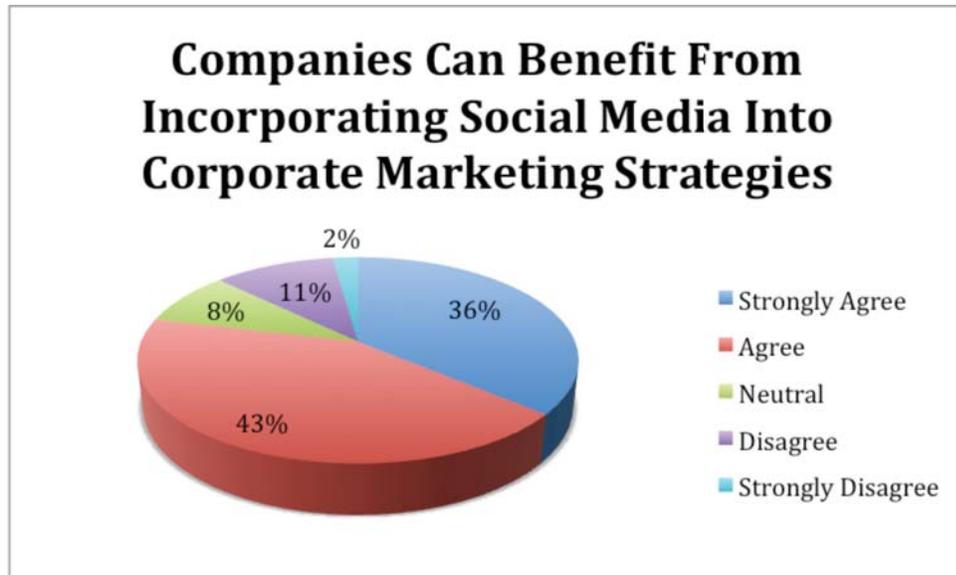
Three respondents did not answer question 5 B at all.

b) Social media is a highly successful tool for communication with stakeholders such as investors or board members.

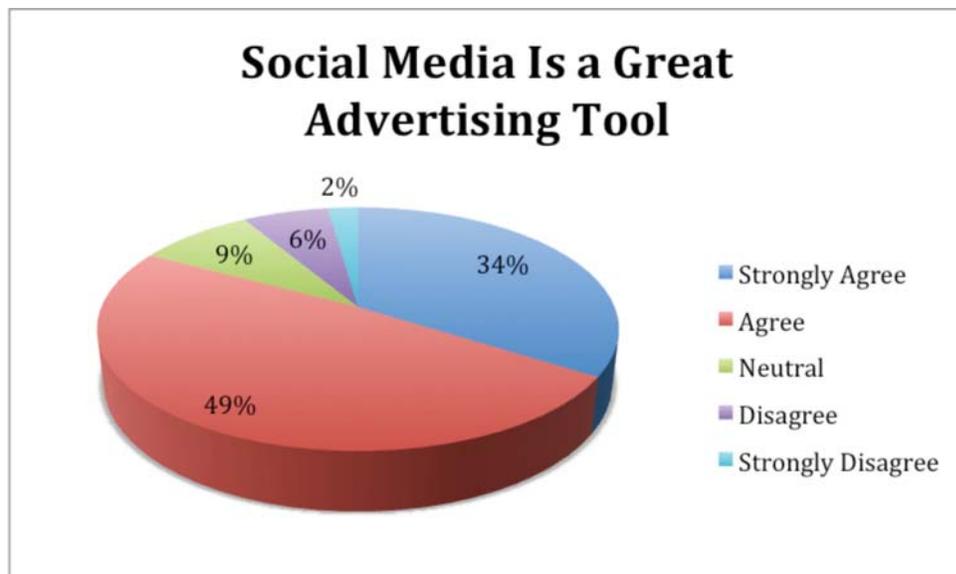


Question 6: On a scale of 1-7 with one being strongly disagree and seven being strongly agree rate the following statements:

- a) Companies can benefit from incorporating social media into corporate marketing strategies.

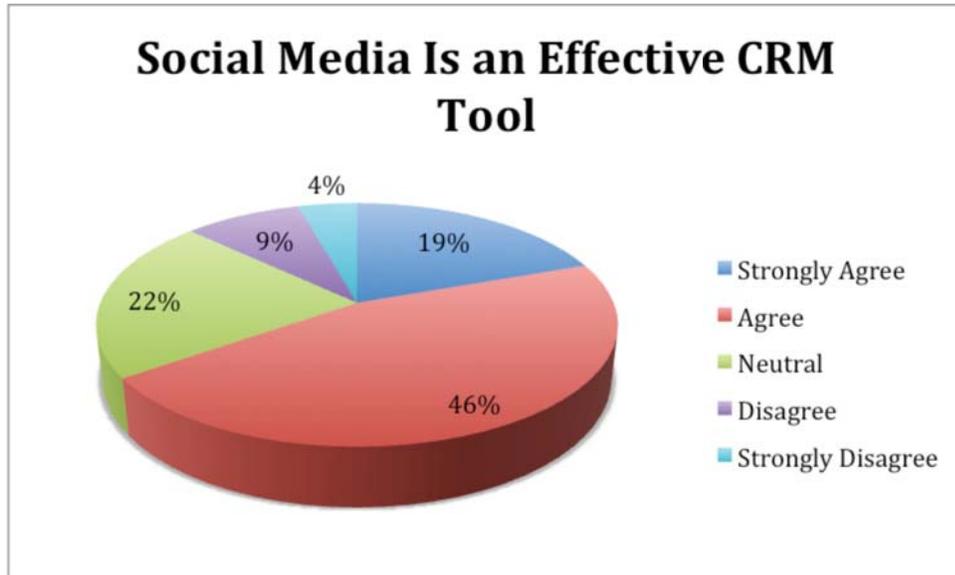


- b) Social media can serve corporations as a great advertising tool.

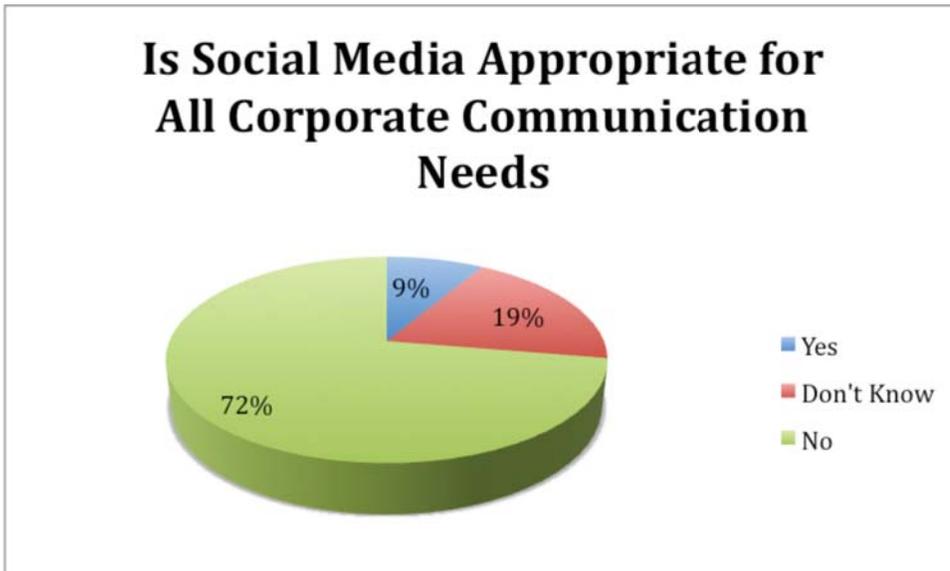


c) Social media networks are effective customer relationship management tools (CRM).

One respondent did not answer question 6C.



Question 7: Do you think the use of social media is appropriate for all corporate communication needs? If not give example why.

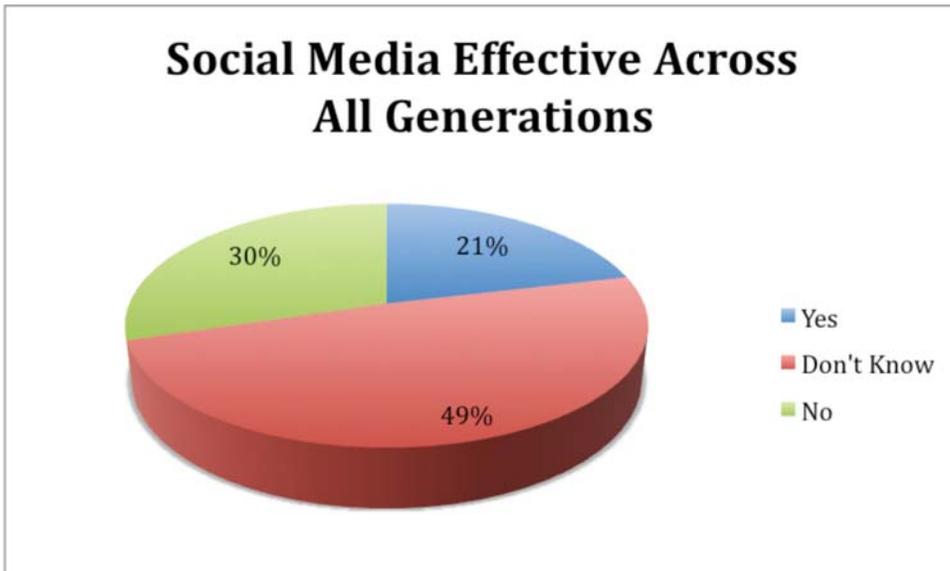


One respondent did not answer this question. Two respondents said some issues may be too personal for mass notifications. Respondents also said social media may not be

appropriate for all audiences and that not all demographics are reached by social media. Two respondents stated it was best to handle serious customer complaints through traditional means of communication. Seven respondents listed concerns about security issues. Individual respondents also listed inability to control what is posted on social media, and that in some cases one-to-one meetings may be more effective.

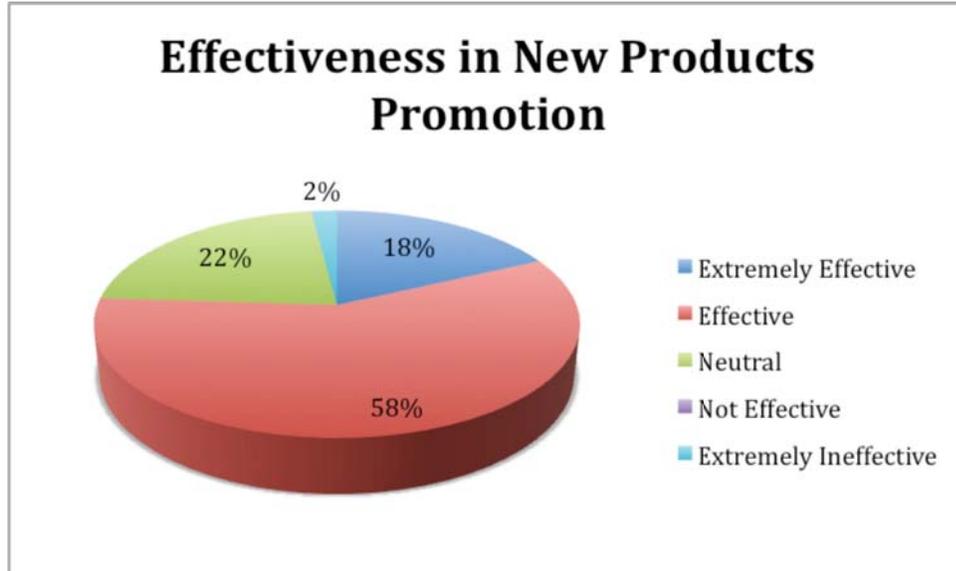
Two respondents said that some communication needs to remain within company structure and cannot be shared publically. Social media is not a good solution in case of negative PR where misinterpretation of messages can happen. Social media is not a one-size-fits-all strategy. Social media should not be used to communicate bad company news or poor earnings.

Question 8: Advertising and marketing through social media is effective across all generations.

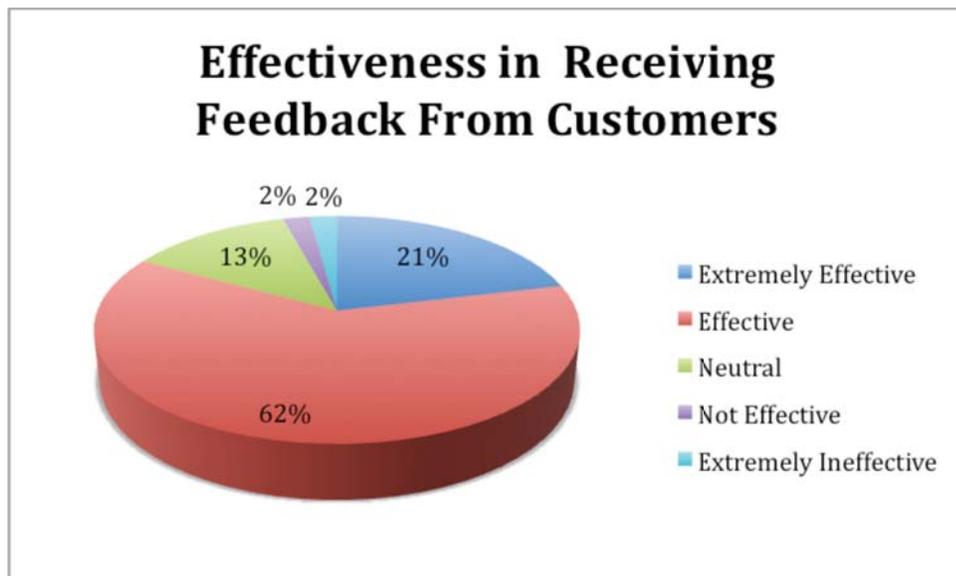


Question 9: Rate the effectiveness of social media when used:

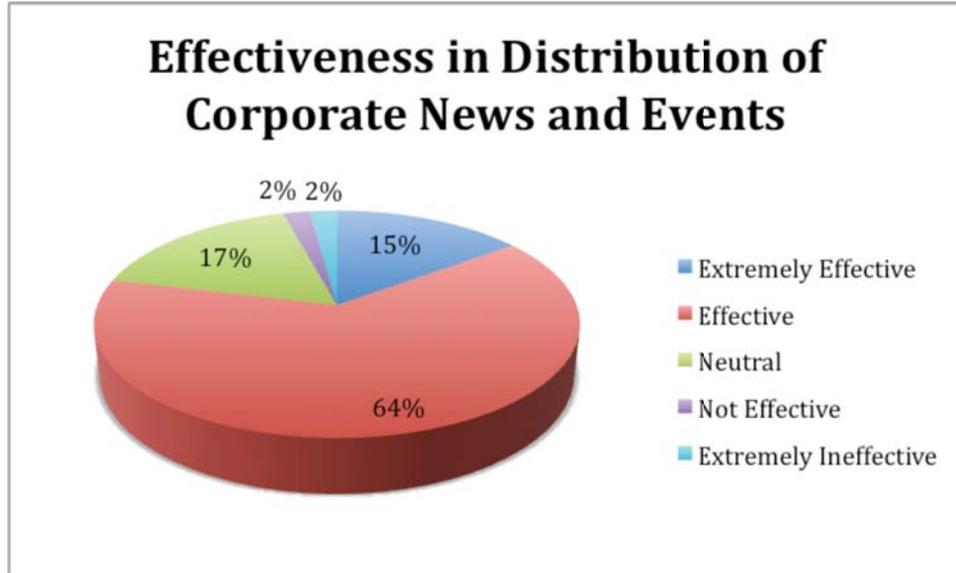
a) To promote new products



b) Receive feedback from customers

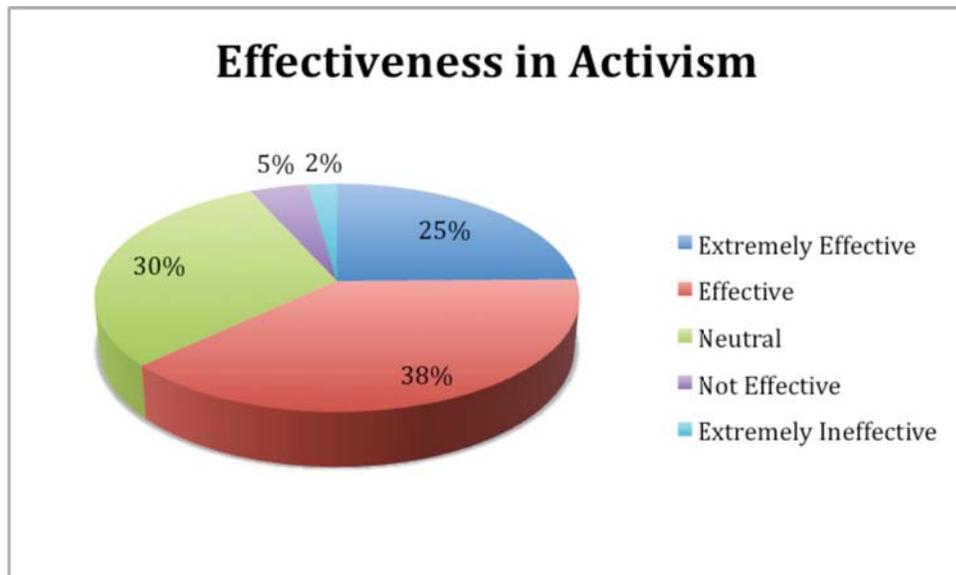


c) Distribute corporate news and information about events



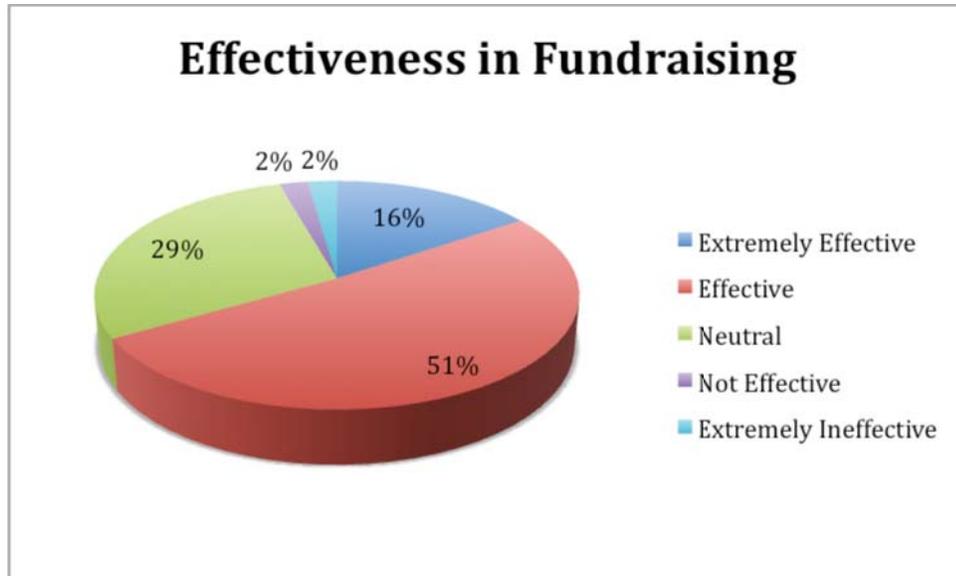
d) For activism

Two respondents did not answer this question at all.



e) For fundraising purposes

Two respondents did not answer this question at all.



Question 9.1: What other purposes not listed above does your company utilize social media for and with what effectiveness?

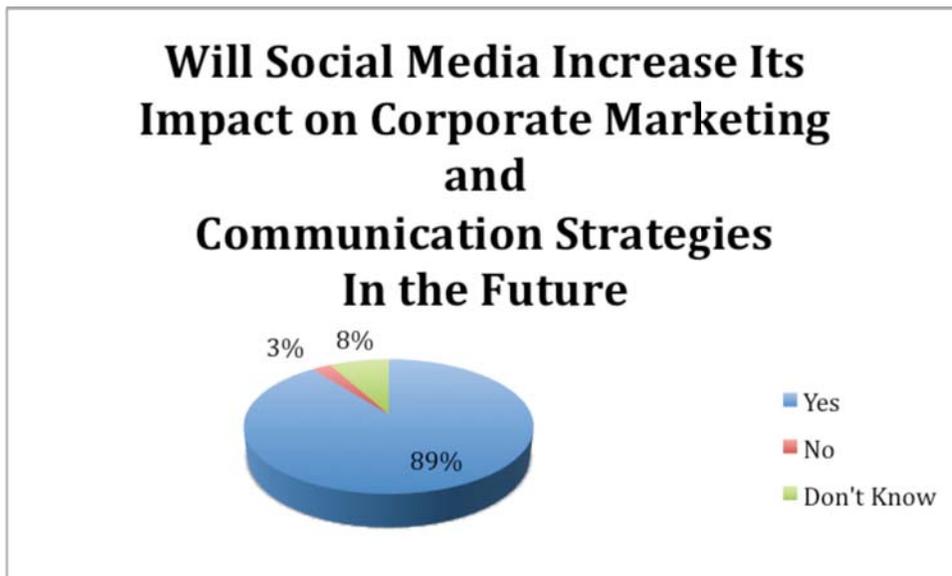
Eleven respondents answered they use social media for other purposes including announcements, education and awareness or to further interact with loyal brand followers.

Respondent also used social media for talk amongst employees, announce benefit changes, communicate daily advertising specials. Social media was also used as a mini website to ad photos and info to generate more business and promote information to customers and stakeholders and to receive feedback on particular events.

From the eleven respondents, seven found social media effective for other listed purposes and four remained neutral in rating the effectiveness.

Question 10: In the future, do you see social media increasing its impact on corporate marketing and communication strategies? Explain why or why not?

Twenty seven respondents ( 57.4 percent) explained their reasons why they believed that social media would continue to impact (or not) corporate marketing strategies. One respondent did not answer this question at all.



Respondents listed the following reasons why they thought social media would further increase its impact on marketing and communications strategies. Respondents stated that users make decisions based on reviews and social media is a way to increase reviews. Development of technology and the fact that the upcoming generations are savvy with social media will increase the importance of social media in the future.

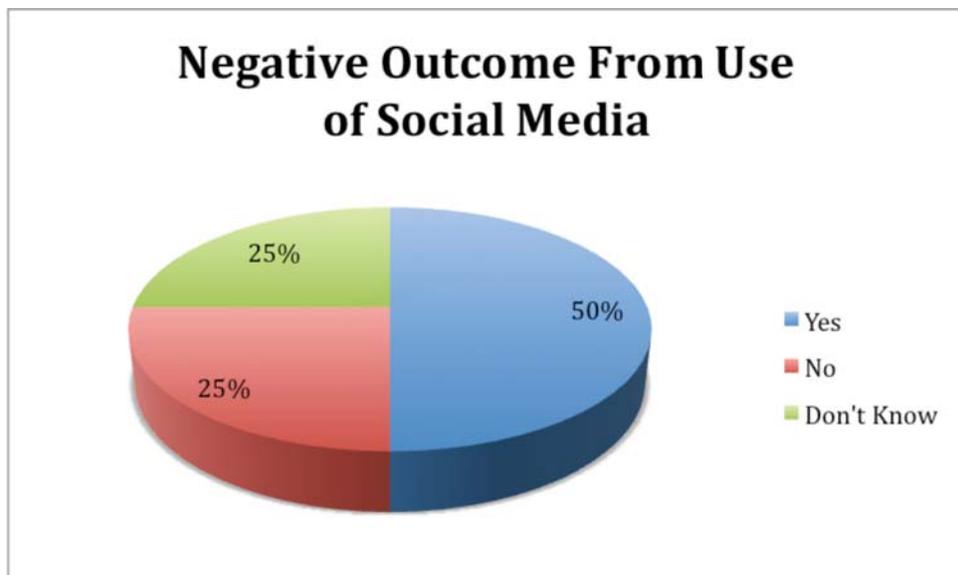
Respondents also stated that social media is a growing advertising tool and is an inexpensive way to reach large diverse groups of people, that young generation uses it in all aspects of life and that more and more people will access social media with time.

One respondent thought social media was a fad and usage will level over time and one respondent said the usage is dependant on industry type. Respondents also said search for information happens more and more online and that's where companies have to disseminate their news and that social media provides an easy interaction and more consumers embrace it. Social media gives companies ability to reach wide audiences.

Respondents thought social media is still evolving especially in B2B and that its use will increase in marketing but not in internal communication. Respondents also thought that as the young generation enters the workforce social media will be a standard tool and that social media provides the easiest and most effective way to communicate to large audiences.

Question 11: Has your company ever faces a negative outcome resulting from use of social media? If yes please explain.

Two respondents did not answer this question.



## **Interview Results**

Interviews were conducted in later December of 2011 with three professionals responsible for corporate PR, sales and marketing. One interview subject was an expert in online marketing, blogging and Search Engine promotion, one was a 20 year corporate Public Relations professional, and one was a director of marketing, sales and operations. Interviews were conducted over the phone. The subjects were asked to share their experience about the use of social media in the corporate environment. Subjects were selected from a convenience sample. Eleven questions were asked.

Respondent 1 is a director of Internet and Marketing Communication and president of an international communicator's association. He has been an online communicator since 1995 and is an expert in business-to-business communication, industrial marketing, e-marketing, web development, search engine optimization, blogging and social media. He is an accomplished public speaker and writer as well as an associate professor at Rowan University.

Respondent 2 is a director of operations, sales and marketing in Philadelphia PA.

Respondent 3 is the president and founder of a public relations firm in New Jersey. He began his career as a public relations professional in 1989. He is an adjunct instructor of public relations and public speaking for a university in Pennsylvania.

1. For what reasons did your company decide to engage the social media into corporate communication strategies?

**Respondent 1**

“At first the company was very reluctant toward the use of social media but with the ongoing push we started engaging social media for corporate communication in 2004. The reason for the social media push was so that the company could prepare for communicating with the emerging new generation of engineers and company’s customers who are familiar with that type of communication on the Internet.”

**Respondent 2**

“Most of our competitors have used social media and the recommendation of our PR firm.”

**Respondent 3**

“The main reason is to get the name out and keep in contact and also for search engines.”

Summary: All respondents use social media but for different reasons. Main reasons listed by respondents behind the decision to use social media included the following: to communicate with a new generation that is familiar with Internet communication, to promote business, to enhance Search engines results.

2. How long have you used the social media?

**Respondent 1**

“We have been communicating through social media for more than six years.”

**Respondent 2**

“First month using it.”

### **Respondent 3**

“Since 2009, Facebook Twitter and Linked in and YouTube.”

Summary: All respondents differed in length of use. One was a veteran of social media (six years), one was a novice (one month) and one used social media for two years.

3. Do you think the social media has a positive or negative impact on corporate communication strategies?

### **Respondent 1**

“Our communication is business-to-business only and in this environment I cannot see any negatives. It may be a bit different with the consumer-oriented communication where companies have to worry about negative consumer feedback. “

### **Respondent 2**

“Positive impact meaning we are expect good things from it such as establishing a community of readers interested in educational travel.”

### **Respondent 3**

“Very positive impact, through social media companies can talk directly to consumers or customers, there is no gate keepers, and no expensive advertising.

Summary: Two respondents agreed that social media has a positive impact on corporate communication strategies. One agreed on positive impact in the business-to-business environment and thought a consumer-oriented communication may be a different case.

4. Who represents the target audience your company communicates with via the social media?

**Respondent 1**

“Our target audience represents engineers who are our customers.”

**Respondent 2**

“Teachers, students and their parents interested in international educational travel.”

**Respondent 3**

“Small business owners and marketing professionals, other bigger marketing companies and entrepreneurs.”

Summary: Target audience was represented by engineers, teachers, students, parents, marketing and PR professionals, business entrepreneurs.

5. How do you measure effectiveness of your communication sent via the social media networks?

**Respondent 1**

“With blogging we see results in terms of traffic and search engine visibility. “

**Respondent 2**

“It’s hard to figure out we are yet to determine.”

**Respondent 3**

Measurement comes from calls or emails from people seeking PR services, however that has not happen very much so I cannot say it’s been very effective. It’s been

very effective as far as search engine results for specific keywords like ‘South Jersey public relations’.”

Summary: Two respondents agreed that effectiveness of social media use can be seen in increased search engine results. Effectiveness is mostly measured by traffic to the website, calls or search engine terms/keywords. One respondent noted no change in business increase. One was not sure about measuring the effectiveness.

6. What benefits has the use of social media brought to your company?

**Respondent 1**

“I see some future benefits to the projects the company is working on and planning to launch and the benefits relate to the positioning and expanding of our markets as well as penetrating new markets. I see social media as a powerful tool in selling services as suppose to hardware. It’s a good fit for companies who are trying to sell services because social media can help position those companies as experts and industry leaders. It’s easy to write a blog and sell a service - something we hope our competitors will not figure out for a while.”

**Respondent 2**

“Something we are yet to determine.”

**Respondent 3**

“SEO results greatly improved. People that I network with get instant news about the company.”

Summary: Two respondents agreed on exposure of the business as a benefit of utilizing social media. One respondent was not sure of benefits and said it was too early to determine.

7. In your opinion are there any disadvantages to using social media in corporate marketing, communication and advertising.

**Respondent 1**

“The disadvantage is to be bale to allocate the resources necessary to maintain communication via the social media networks. Many companies do not realize the time and participation that is required here. It’s not something you can set up and forget about, it is an ongoing effort. With the new generation coming and the growing popularity of the social media such as Facebook or MySpace, communicating via social media is more natural to that generation. Companies need to understand that they will need people and may need to relocate resources to social media. A good example is print advertising. As more people switch to the web more resources will be switched to the Internet sales. Companies struggle understanding that they need to relocate their resources. With some technical industries you cannot just hire a PR person to write about technical issues, you may need to train your engineers to do write your blog.

**Respondent 2**

“Yes, when people post something to your wall that criticizes the service, maybe exaggerated complains about the services or tours. But we can also respond or delete and monitor them. Few negative posting would not hurt us, as long as, there is more positive

feedback. Social media could give us a way to respond to generic feedback which is much easier than getting a phone call or a letter.”

**Respondent 3**

“There could be, I think that some companies can become over reliant on social media, I think that traditional marketing methods and PR are also very important.”

Summary: Each respondent listed their own idea of what disadvantages could be expected from the use of social media. One disadvantage was the allocation of resources to maintenance of corporate social media networks, other respondent said that overreliance on social media could present a disadvantage and the third one was concerned about the negative consumer feedback.

8. Has your company faced a negative outcome resulting from the use of social media?

**Respondent 1**

“No, not yet.”

**Respondent 2**

“We Google ourselves to check other sources no negative outcome so far.”

**Respondent 3**

“Not at all. “

Summary: All three respondents agreed on no negative outcomes resulting from use of social media in their corporate practices.

9. Do you think negative feedback posted by customers on corporate social media networks has negative impact on companies or their sales?

**Respondent 1**

“There is a difference between comments on blogs and comments on social media channels like Facebook. Blog comments may not be as important as we were originally thinking. We see two types of blogs: super blogs with a lot of comments or blogs with no comments at all. On super blogs, blog readers are very unlikely to review hundreds of comments. Other blogs have no comments at all. I think comments on blogs may even go away at some point. Another big problem on blogs is SPAM and many companies implement captcha or moderators to protect their blogs from SPAM.

It’s different with social media channels like Facebook or MySpace where customers share feedback for example about a hotel they liked or a travel destination. Customer feedback is extremely important to retailers for example L.L.Bean or Amazon because negative comments may influence your decision to buy.

A blogger I met few years back said to me once: The negative feedback that can be seen is definitely better than negative feedback you cannot see. When your company does not see the negative feedback that’s going around it’s not able to do anything about it? Corporate social media networks like Facebook help you manage and correct impact of negative feedback. It’s important how people respond to negative feedback and the response is what determines in what way your organization will be impacted. There is research indicating that negative feedback only impacts organizations if they respond to it in a defensive way.”

**Respondent 2**

“Yes it could hurt a company in general.”

**Respondent 3**

“Yes it can have a negative impact but the good outweighs the bad, it’s a way of addressing the concerns and addressing negative issues on a larger scale. For example the recent Dominos pizza and the employee who posted an inappropriate video about making pizza (could have had a negative effect and hurt sales) on a short term.”

Summary: Two respondents agreed that negative feedback may hurt a company or it’s sales. Third respondent said receiving negative feedback is important to a company for it gives company understanding of what consumers desire.

10. Do you think social media is an effective form of corporate communication across generations and genders?

**Respondent 1**

“Yes, it certainly embraced all generations at this point. In terms of our industry, a lot of trade publications have created Facebook accounts. I think the most effective social media networks in B2B environment are LinkedIn groups and blogging. “

**Respondent 2**

“It’s becoming more effective with the older generation especially Facebook is becoming main stream.”

### **Respondent 3**

“Genders yes, generations no, there is a whole segment of the population that does not use social media.”

Summary: Two respondents thought that social media is effective across all generations one did not agree.

## **Chapter 5**

### **Summary**

The researcher obtained information from 47 returned and completed surveys and three phone interviews. The researcher surveyed a variety of US companies including small, mid and large corporations representing both business-to-business and business-to-consumer environments. Marketing, PR and sales professionals representing the surveyed companies provided information about the use of social media in a corporate environment.

The study revealed that a majority of US companies, 79 percent, do incorporate social media networks into their corporate marketing and communications strategies. The top three social media channels in corporate use were: Facebook, followed by LinkedIn and Twitter. My Space was the least used network. The top reason companies listed against the use of social media in a corporate environment included their preference of traditional advertising and marketing methods.

In summary the majority (59 percent) of surveyed companies agreed that social media was an important part of their marketing and communication strategies, 26 percent disagreed and 15 percent stayed neutral toward social media.

### **5.1 Hypotheses**

Hypothesis 1: The majority (51 percent or higher) of corporate marketing professionals believe that social media network has a positive impact on corporate communication strategy development.

The researcher investigated this hypothesis with numerous questions in a survey instrument and through the phone interviews, and the collected data led the researcher to accept this hypothesis.

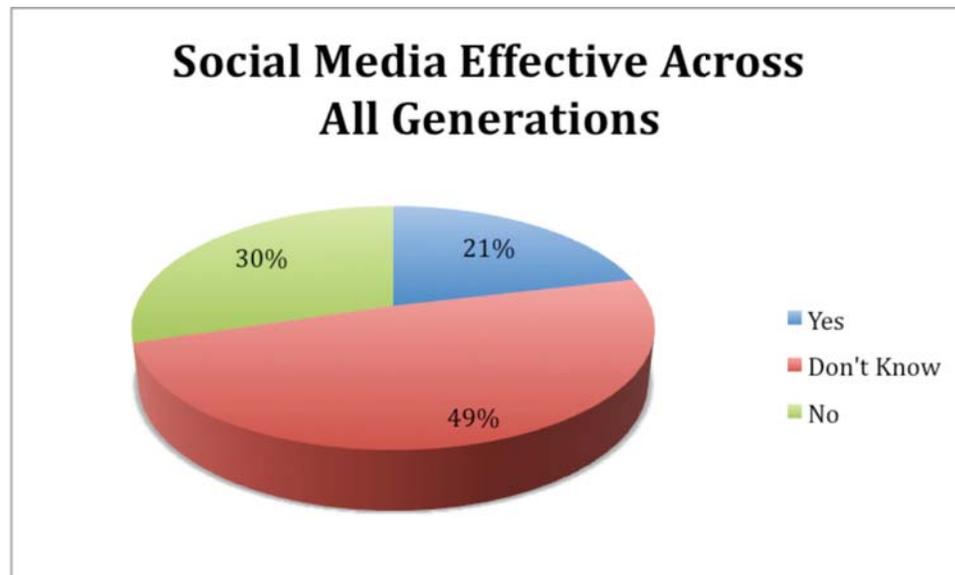
Respondents were asked if their corporate communication strategies included social media, what kind of social media, how the corporations used the social media networks and with what effectiveness. Majority of respondents, 59 percent agreed or strongly agreed that social media was an important part of their communication strategies. Additionally respondents thought that social media was effective tool to in corporate communication and 79 percent of respondents agreed that companies can benefit from incorporating social media into corporate marketing and communication strategies.

Hypothesis 2: The Majority (51 percent or higher) of corporate marketing professionals perceive social media as important marketing and advertising tools.

In survey question number four respondents were asked if they perceived social media as important part of corporate communication and marketing strategies. The collected data led the researcher to accept this hypothesis. Majority of respondents, 59 percent agreed or strongly agreed that social media was an important part of their corporate marketing and communication strategy. In summary 23 percent strongly agreed, 36 percent agreed and 15 percent remained neutral to the question. Those who disagreed made up a total of 26 percent with 17 percent disagreeing and 9 percent strongly disagreeing.

Hypothesis 3: The majority of corporate marketing (51 percent) believe that social media can be an effective mode of communication that crosses generations and genders.

The researcher tested this hypothesis with survey question number eight and during the interviews. The survey results rejected this hypothesis by showing that 49 percent of respondents did not know whether social media can be effective across all generations and 30 percent of the surveyed professionals did not think social media is effective across all generations.



Two out of the three interviewed subjects stated that social media is effective or is crossing over to all generations and genders, one thought that social media is effective with all generations but not genders.

Question 1: To what degree of effectiveness do social media networks impact corporate marketing strategies?

The researcher concluded from the data that the majority of surveyed respondents found social media very effective with fundraising, activism, product promotion, receiving feedback from customers and distribution of company news.

Question 2: What type of social media networks are perceived by marketing professionals as most appropriate for corporate communication in terms of their effectiveness?

The majority (89 percent) of respondent used Facebook, followed by LinkedIn (53 percent) and Twitter (50 percent) for corporate communication.

Question 3: To what degree do social media networks impact corporate communication strategies dedicated to internal employee communication, external communication, and advertising and marketing initiatives.

The majority (72 percent) of respondent thought social media is not appropriate for all corporate communication needs. However 89 percent of respondent thought that social media will keep increasing its impact on corporate marketing in the future.

## **5.2 Conclusion**

In conclusion the research concluded that the majority (79 percent) of marketing, sales and communication professionals thought that companies could benefit from incorporating social media into corporate marketing and communication strategies. Although social media is not appropriate for use in all corporate communication needs, the majority (65 percent) found social media to be an effective tool to manage customer relations and (83 percent) thought that social media is a great advertising tool for their business or product. The majority of respondents (54 percent) disagreed that social media is effective in communicating with stakeholders such as investors and board members. In communicating with employees, 49 percent of respondents thought social media is not a

highly effective tool. The majority (59 percent) agreed that social media is an important part of their corporate marketing strategies.

To further understand how companies could benefit from incorporating social media into corporate marketing and communication strategies, the researcher suggests future studies may be needed.

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## **Appendix A List of Surveyed Companies**

ADaGeo Communications, NJ

Advanced Physical Therapy, NJ

Allstate Insurance, NJ

Anonymous per request, NJ

AtlantiCare Health Engagement, NJ

Audubon Savings Bank, NJ

Bishop & Smith Architects, NJ

Booyah Advertising, CO

Capital Bank, NJ

CHA Educational Tours, PA

Charleston Marriott, SC

Clear Channel, PA

Colehour & Cohen, WA

Comair, Inc, JN

Comcast, PA

Condurso & Sons, SC

CrossBridge, SC

Delaware Riverkeeper, PA

Dental Arts of South Jersey, NJ

Discmakers, NJ

FoodRoutes Network, PA  
GreenTreks Network, PA  
GreenWoods Charter School, PA  
Innova Health & Rehab, NJ  
Jersey Outdoor Media, NJ  
JUVO Charleston, SC  
K-Tron, NJ  
Life Resources, CS  
Lifeline Screening, NJ  
Lighthouse Church, CS  
Marcus Law, NJ  
Melow Mushroom, SC  
NMB National Mobile Media,FL  
PDS Tech, SC  
Post university, CT  
Rawle Murdy, SC  
Ritz Carlton, PA  
Rocket Interactive, NC  
SNJ Steel, NJ  
Soleil Sotheby's International Realty, NJ  
Swordfish Communications, NJ  
The Herald-Mail Company, MD  
Turnberry Solutions, NJ

Twelve Ounce Studios, NJ

VA Hospital, PA

Vecna Technologies, MA

YMCA, NJ

## **Appendix B List of Interview Respondents**

Don Dannington, director of Internet and Marketing Communication, K-Tron, NJ

Lisa Falcione, director of Operations, Sales and Marketing, CHA Educational Tours, PA

Gary Frisch, president, Swordfish Communications, NJ

## SURVEY INSTRUMENT

1. Does your company use social media networks for corporate communication?  
Yes No

If you answered “yes”, proceed to question 2 a. If “no”, skip to question 2c.

2. Which social media outlets are used by your company? Check all that apply.
- a) Twitter Facebook LinkedIn My Space You Tube Other
- b) If your company uses other social media channels for corporate communication please name them \_\_\_\_\_.

Briefly explain why your company uses the other social media networks you named and not the ones listed in question 2a.

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- c) What is the reason your company does not use social media networks? Check all that apply.

- Not a fit for corporate environment
- Prefer traditional advertising and marketing
- Does not apply to my industry
- Too much time and effort to maintain
- My company discourages form using social media
- Inability to control what is said about my company
- Other, please explain: \_\_\_\_\_

3. How does your company use social media networks?

- Internal Employee Communication
- External Communication
- Both External and Internal Communication
- My company does not use social media

If you selected “My company does not use social media” skip to question 4, otherwise answer 3a.

- 3a) Why does your company use social media for this purpose? Click all that apply.

- Quick Instant Paperless Very Effective Boost Search Engine Rankings

- Other \_\_\_\_\_

4. On a scale of 1-7 with one being strongly disagree and seven being strongly agree rate the following statement: Social Media is an important component of my company's corporate marketing and communication strategy.  
1 2 3 4 5 6 7
5. On a scale of 1-7 with one being strongly disagree and seven being strongly agree rate the following statements:
- a) Social media is highly successful in communicating with employees. 1 2 3 4 5 6 7
- b) Social media is a highly successful tool for communicating with stakeholders such as investors or board members. 1 2 3 4 5 6 7
6. On a scale of 1-7 one being strongly disagree and seven being strongly agree rate the following statements.
- a) Companies can benefit from incorporating Social Media into corporate marketing strategies.  
1 2 3 4 5 6 7
- b) Social Media can serve corporations as a great advertising tool.  
1 2 3 4 5 6 7
- c) Social media networks are effective customer relationship management (CRM) tools.  
1 2 3 4 5 6 7
7. Do you think the use of social media is appropriate for all corporate communication needs?  
Yes No Don't Know

If not, give example why: \_\_\_\_\_

8. Advertising and marketing through social media is effective across all generations.  
Yes No Don't Know
9. Rate the effectiveness of social media when used:
- a) To Promote New Products  
Extremely Effective Effective Neutral Not Effective Extremely Ineffective
- b) Receive feedback from customers  
Extremely Effective Effective Neutral Not Effective Extremely Ineffective
- c) Distribute Corporate news and information about events  
Extremely Effective Effective Neutral Not Effective Extremely Ineffective
- d) For Activism  
Extremely Effective Effective Neutral Not Effective Extremely Ineffective
- e) For Fundraising purposes  
Extremely Effective Effective Neutral Not Effective Extremely Ineffective

9.1 What other purpose not listed above does your company utilize social media and with what effectiveness?  
Other purpose \_\_\_\_\_

Rate its effectiveness.

Extremely Effective Effective Neutral Not Effective Extremely Ineffective

10. In the future, do you see Social media increasing its impact on corporate marketing and communication strategies?

Yes No Don't Know

Explain why or why not? \_\_\_\_\_

11. Has your company ever faced a negative outcome resulting from use of social media?

Yes No Don't Know

If Yes, please explain \_\_\_\_\_