Latin American Marketing Managers’ Perspectives on Social Media

Abstract

Social media has reached global proportions, yet little is known about Latin American firms’ engagement with these technologies. This paper investigates Chilean marketing managers’ perspectives on social media platforms, their benefits or barriers to their firm's marketing practice and their impact on the immediate marketing environment. Drawing on Okazaki and Taylor’s (2013) social media framework, the findings provide an understanding of social media’s role in a firm's customer engagement, brand image enhancement, return on investment, and meeting consumer needs through time and place. Three additional themes emerged relating to social media through Smartphones and their value for future marketing activity.

Keywords: Social media, marketing managers, Latin America, Chile
1. Introduction

The more recent introduction of Web 2.0 has facilitated the creation of what is now termed social media. Social media is an umbrella term representing a wave of new technologies that “enables the social phenomenon of collective media and facilitates consumer-generated content” (Berthon et al., 2012, p.262). Under this term, consumers and firms engage with each other through internationally recognized social media platforms such as Facebook, YouTube, Twitter, LinkedIn, as well as country specific social media that have emerged in popularity (Berthon et al., 2012; Kaplan and Haenlein, 2010; Mangold and Faulds, 2009; Okazaki and Taylor, 2013).

Organizations use of social media environments, particularly those in the Fortune 500 list, has increased extensively over the past year five years (Okazaki and Taylor, 2013; Valos et al., 2010). This movement suggests that participating in these new forms of marketing communications is fast becoming a norm (Okazaki and Taylor, 2013). Moreover, firms are recognizing that engagement with social media means a shift away from the computer desktop to the online environment (Berthon et al., 2012; Mangold and Faulds, 2009; Valos et al., 2010). This in turn means shifts in value production and power away from the firms towards the consumers through the digital environment’s capacity for interaction and interactivity (Berthon et al., 2012). These shifts in the locus of control from firms to consumers are often less well understood by managers involved in marketing communication strategy and planning (Dahlström and Edelman, 2013; O'Brien, 2011; Okazaki and Taylor, 2013).

Over the years marketing practitioners have been challenged to find the best way to introduce and utilize communication technology successfully into their domain (Brady et al., 2008). Yet there is limited academic research that explores practitioner’s perspectives on these important challenges. Valos et al. (2010) discuss practitioner prognostications on the future of online marketing as it evolved between 2003 and 2008 capturing their perspectives on a number of important dimensions and projections at both points. Chaffey (2010) applies capability maturity models to assess how firms manage their use of digital channels. Furthermore, the literature on marketing practitioner’s perceptions of, and take-up of communication technology has been conducted in developed markets (Brady et al., 2008; Valos et al., 2010), and less is known about marketing practitioners' experiences with new digital technologies in less developed regions of the world. This is important to address since consumers’ use of information on the Internet and social media may differ between countries (Grandón et al., 2011; Vuylstekea et al., 2010).

Interest is evident in how firms harness the potential of social media both locally as well as internationally (Berthon et al., 2012; Okazaki and Taylor, 2013). However, this phenomenon needs some understanding of a country’s level of technological advancement, such as infrastructure availability, the culture or shared values regarding social media, and the government’s rules and regulations that determine technological development as well as governing the population’s access to social media (Berthon et al., 2012; Patino et al., 2012). Thus, international firms must consider that marketers
from different countries may not follow a standardized approach when it comes to social media usage, which is relevant for designing international communication strategies. This is the particular focus of our study.

We chose a Latin American country as the context of our study because this region has one of the fastest growing Internet market in the world, having increased 12 percent in the past year to more than 147 million visitors in March 2013 (comScore, 2013). Furthermore, the Latin American market was also the most social with the majority of people spending 10 hours a month, on social media networks. With such a huge Internet population and consumption a better understanding of this region’s marketer’s experiences with social media is particularly relevant. Thus, the objective of our research is to qualitatively elicit Chilean marketing managers’ perceptions of social media platforms, their benefits or barriers to marketing practice in their own firm and their impact on the immediate marketing environment.

The rest of the paper is organized as follows. First we examine current literature to determine how social media is understood and used for marketing purposes while taking into consideration issues involved in the level of technological readiness when positioning our research in the Chilean context. Next, we identify the methodology and conceptual framework used. The findings are reported and the paper concludes with a discussion of their implications and suggestions for future research.

2. Social media and the marketing environment

Social media encompasses a wide range of online word-of-mouth forums including blogs, company sponsored discussion boards and chat rooms, consumer to consumer e-mail, product and service rating forums, Internet discussion boards and forums, websites containing images, digital audio movies or photographs, and social networking sites, to name a few. Through social media organizations are now able to reach highly dispersed customers online and interact with them, as well as becoming part of customer conversation (Sashi, 2012). Using social media, organizations can forge relationships with existing and new customers and form communities that interactively communicate, as well as building brand credibility and reputation (Kaplan and Haenlein, 2010; Valos et al., 2010).

The social media's interactive nature also allows consumers to engage, share and exchange information with other consumers (Hennig-Thurau et al., 2010; Sashi, 2012). It provides an unparalleled environment for consumers to publicize and share their product experiences and opinions through word-of-mouth or reviews (Chen et al., 2011a; Trusov et al., 2010). Through these interactions, customers can add value by generating content, becoming advocates for a brand or organization, as well as influencing other customers’ purchase behavior through electronic word-of-mouth (Bruhn et al., 2012; Kozinets et al., 2010). In many ways, social media have not only changed the way in which organizations and their brands interact with their customers but it has also changed the way business is conducted (Nambisan and Baron, 2007; Patino et al., 2012). For example, social media have changed marketing by shifting the scalability of influence, and the ways consumers share, evaluate and choose information (Christodoulides et al., 2011).
Several studies have examined the implications of social media on marketing strategy variables such as communication costs (Gecti and Dastan, 2013), branding (Bruhn et al., 2012), sales (Chen et al., 2011a; Kumar and Mirchandani, 2012), segmentation (Foster et al., 2011), market research (Patino et al., 2012), and public relations (Eyrich et al., 2008; Luo and Jiang, 2012). Additionally, past research has looked at the usefulness of online consumer reviews and interactions for consumer decision-making (Chen et al., 2011b; Sen and Lerman, 2007), the value of online consumer reviews for purchase intention (Kim and Ko, 2012; Wang et al., 2012) and sales (Dhar and Chang, 2009; Sen and Lerman, 2007), and consumers main motivations to post their opinions on websites (Chen et al., 2011a).

A common assumption in the literature is that all markets take a common approach to using the Internet and consumer websites. We agree with Berthon et al. (2012) and Okazaki and Taylor (2013) in that research of social media and marketing in various countries is required. This is because cultural differences may affect consumer acceptance of new communication technologies (Jackson and Wang, 2013; Maldifassi and Canessa, 2010). Consequently, differences can be expected in the way marketers and consumers from developed and emerging countries use social media.

Overall, most of the available research has been conducted in relation to branding, advertising and consumer behavior issues and is of a prescriptive nature, but less research is available that investigates how actual marketing practitioners view this important topic and the challenges they face (Chaffey, 2010; Valos et al., 2010). Furthermore, we note that there is even less research on the role of social media in marketing conducted in emerging countries (Gecti and Dastan, 2013; Jackson and Wang, 2013; Luo and Jiang, 2012). For example, there has been limited research conducted in Latin America in areas such as online marketplaces (Rohm et al., 2004), technology readiness (Donoso and Crittenden, 2008) and e-commerce development (Grandón et al., 2011; Nasco et al., 2008). This is consistent with a general lack of research on marketing topics in emerging regions in Latin America (Fastoso and Whitelock, 2011; Manzur et al., 2012) despite this region’s substantial economic importance (Fastoso and Whitelock, 2011; 2012).

Taking Latin America as an example: e-commerce almost doubled in two years, registering sales for US$ 42 billion in 2011 (Contreras et al., 2012). Social networking is among the largest of the world, with a yearly growth of 16% (comScore, 2013). By April 2012, Latin America was the most socially-engaged global region (comScore, 2013), as users spend 7.5 hours on social networking sites, with Brazil, Argentina and Chile leading the region (ComScore, 2011b). Chile has the fourth largest Internet population in the region and is the third largest market in the world for facebook.com in terms of percentage reach of visitors (comScore, 2011a). As of March, 2013 there were 9.5 million Facebook users and almost 900,000 Twitter users in Chile (comScore, 2013). As Chile is regarded to be among the top e-ready countries in Latin America (Contreras et al., 2012), it is important to know how marketing practitioners view the move to social media, their understanding of these platforms, and their perceptions of the benefits/drawbacks for their firm.
By investigating the Chilean marketers’ perceptions of social media platforms in their communication strategy our research contributes to a stronger understanding of local firm's responses to the global challenges presented by fast paced technological development. The study also contributes to the existing literature by providing insights for scholars and marketing managers about the role of social media in a less developed, but technologically emerging market setting. Finally, the study contributes to the body of research into marketing topics in Latin America, particularly on the use of modern communication technologies.

3. **Theoretical framework**

We draw on Okazaki and Taylor (2013)’s conceptual three dimensional framework on social media identified as: **networking capability, image transferability and personal extensibility**, which are embedded in the social media marketing/advertising literature. The authors argue that these three perspectives “provide marketers with new opportunities to be effective in reaching consumers [around the globe]” (p.67). Although focused on international advertising through social media, we argue that it provides a suitable framework to examine how Chilean marketing managers discuss their own current and emerging social media practices.

3.1 **Networking capability**

Networking capability refers to the capacity provided to users by Web 2.0 technologies for establishing and maintaining social networks. It allows customers and non-customers who would have never been able to do so previously, to connect and interact with each other. It provides ways to understand how social networking sites function for electronic word of mouth and encourages exchanges of information between users, as well as its potential for social influence.

Networking capabilities also assist organizations to better interact with their customers through new configurations.

There is a need to examine social networks in terms of cultural variability, particularly from an individualism / collectivism viewpoint (Berthon et al., 2012; Hofstede, 1980). For example, members of individualistic cultures tend to have more friends but are more loosely connected to them, and tend to focus on their own goals rather than any in-group goals (Okazaki and Taylor, 2013). In collectivistic cultures, the group to which one belongs is the major source of identity and the unit to which one owes loyalty (Hofstede, 1980). Thus, marketers in collectivistic cultures may use social media more extensively to pursue greater connectedness with customers (Okazaki and Taylor, 2013).

3.2 **Image transferability**

Image transferability refers to the process of “brand image construction” (Okazaki and Taylor, 2013, p.62) and is an important and central part of an organization’s advertising strategy (Okazaki and Taylor, 2013). The emergence of social media has made it possible for one person to communicate with many people about companies and their products In turn, such communication may influence customers’ brand awareness and evaluations independent of any action by the firm, meaning marketers having limited control over information being disseminated through social media (Mangold...
and Faulds, 2009). However, social media offers marketers new opportunities for differentiated and sustainable brands, as it is more nimble, can reinforce an advertising strategy and can be tailored for the local market (Kaplan and Haenlein, 2010; Okazaki and Taylor, 2013). In terms of image transfer advertisements that go viral and the use of recognized celebrities can play a role (Kaplan and Haenlein, 2011; Southgate et al., 2010). Additionally, the use of advergames or online games can enhance image transfer (Okazaki and Taylor, 2013). The appeal to younger consumers could lead firms to examine how their use of social media impacts the global youth culture (Taylor, 2002).

Okazaki and Taylor (2013) also raise the issue of culture moderating how image transfer might occur given that not every brand is relevant for all customers as well as taking into account issues within the individualistic or collectivist dichotomy. In instances where self concept is more strongly connected to consumption behavior, image transfer through social media could be a more effective strategy, although research on this issue is limited (Okazaki and Taylor, 2013).

3.3 Personal extensibility

Personal extensibility refers to the ability of customers to use communication technologies to communicate at any point in time and place. Social media permits customers to engage with firms and their brands whenever they want, regardless of cultural, economic and geographic distance (Okazaki and Taylor, 2013). With the extension of social media onto the mobile platform, the capacity to increase personal extensibility is enhanced in ways that were not possible before.

However the capacity for social media to facilitate personal extensibility depends on the country’s level of development in terms of availability and access to these communication technologies (Berthon et al., 2012). The internet bandwidth and speed availability may affect the preference of some social media more or less prominent than others. Furthermore, government regulations may also impact the choice of social media. For example, in China Facebook and Twitter are banned (Berthon et al., 2012). Thus, marketers’ ability to provide customers with the immediacy and perceived reduction in distance will vary between countries (Okazaki and Taylor, 2013).

In concluding this discussion of Okazaki and Taylor’s (2013) theoretical framework, it can be seen that the three dimensions provide sufficient scope to now examine how Chilean marketing practitioners perceive the social media landscape in terms of their own engagement with the possibilities it can afford. Moreover, the dimensions also suggest the possibility to examine whether there are culture-specific facilitators or inhibitors apparent when developing strategic marketing communication in the social media era.

4. Methodology

We conducted in-depth interviews with marketing managers in Santiago, Chile at the end of 2012. The managers were recruited through a network sampling method where they were either known to the Chilean researcher or recommended for interview by a participant or colleague. This purposive sampling method resulted in twelve participants for the study, who are based in and around Santiago. The sample contained five female and seven male Chilean marketing
managers. Seven respondents worked with consumer products and five with service businesses. Product firms ranged from FMCGs (fast moving consumer goods) and beverages to stationery and pharmaceuticals. Service firms included financial services, consulting, recruitment and higher education. Not every marketing manager interviewed currently used the various types of social media, but all were able to comment on them. Table 1 shows both the sample characteristics and their engagement with social media.

The interview guide had three general sections. Initial questions related to their firm’s website and how it is used by marketers. This was followed by questions focusing on the manager’s understanding of: 1) their social media marketing activity; and, 2) activity in the mobile technology space. The interviews were conducted in Spanish by the Chilean researcher and lasted around one hour. The audio recordings were transcribed in Spanish by a native Chilean Spanish speaker who is not a member of the research team and checked with the Chilean researcher. Subsequently they were translated into English and double checked for veracity of meaning from Spanish to English by the two Chilean speakers (Brislin, 1970). The importance of the respondents’ sayings that capture local meanings or viewpoints when doing the translation/back translations was also considered, as suggested by Usunier and Sbizzera (2013).

The transcripts were examined using thematic analysis to identify, analyze and report patterns or themes that emerge from the data (Braun and Clarke, 2006). We chose to sensitize our thematic analysis using Okazaki and Taylor (2013) conceptual framework. As we are cognizant of the country level technology issues in Chile, we use thematic analysis within a constructionist methodology, with a focus on descriptions of events, realities, meanings and experiences that arise within the discourses that influence a society (Braun and Clarke, 2006). Each researcher closely read the transcripts several times to identify initial codes and categorize them within the dimensions of the framework.

The second stage was to combine the codes into categories to achieve more coherent pictures of the issues being considered. In the final stage each researcher collapsed their categories to determine the key themes that can be classified into the three dimensions in Okazaki and Taylor’s (2013) framework. The researchers then came together to discuss their independent findings and determine their reliability and trustworthiness. Discussion focused on the themes, and their underlying narratives, as well as their fit with the dimensions.

5. Findings

The first part of the reported findings focus on comments regarding their firm’s website. We then discuss the emergent themes that reflect dimensions of networking capability, image transferability and personal extensibility (Okazaki and Taylor, 2013). From here on, marketing managers are referred to as 'the managers' for brevity.

5.1 Websites as a central tool
All managers’ firms use the Internet for various purposes in their current marketing strategy. Websites seem to be a central tool for communicating with customers. The following quotes provide a general understanding of the central place of a company website: “today we have a big website that has more than 5,000 pages of content” (ID:05), as well as: “we have everything that has to do with our company in our website. Our company information is located there…. we have an e-catalogue, which is the platform we use for the web” (ID:04). Respondents in general update their WebPages and invest in relevant content as mentioned by this respondent “we invest in our web page with monthly updates” (ID:10). However, as the following quotes indicate, there is a degree of criticism regarding their website’s capability in the current times: “It’s a very basic website with little to no interaction... but it’s the only place with the greatest amount of information available for our customers” (ID:06).

The next section examines a practitioner’s perspective of Okazaki and Taylor’s (2013) three theoretical dimensions of social media: networking capability, image transferability and personal extensibility. While this authors’ emphasis is on international advertising, we have focused on how social media creates value for firms through marketing communication activity, thereby extending the potential of the perspectives beyond their original conceptions.

5.2 Networking capability

This dimension focuses on the extent to which the managers perceive that social media provides enhanced opportunities for interaction as well as facilitating their customers interactions with each other regarding the firm’s products and services. Three main themes emerged from the data for this dimension: ‘Creating/maintaining customer engagement’, ‘Perceived uncontrollability’, and ‘New resource configurations’.

Creating/maintaining customer engagement

This theme reflects the managers’ perspectives of how Facebook, YouTube and Twitter help them to create and maintain their engagement with customers. What we noted in the data is some managers reflect that they are using social media for engagement purposes yet others see these as being more in line with traditional media outcomes. The following quotes show this dichotomy within the various social media used: “There [in Facebook], kids generate a community where they have an interaction with the brand and they can do whatever they want with it. For example, they can share experiences, upload videos and do things they want to do” (ID:03). Another example of managers engaging with consumers through social media is: “Facebook is a friend network. We have fan pages where we try to communicate things that are interesting for our target market, which are younger consumers” (ID:05).

Other managers mentioned that they use of social media for more specific outcomes that one would see in more traditional marketing media, as seen in the following quote: “Generally we incentivize them to participate, for example, in our big contests; it’s not just to ‘like’ something, but we also expect they make a comment on a photo and to essentially give us something in return” (ID:01). For those who have not yet introduced Facebook into their marketing
practices, the following comments suggest differences in product categories and identify their current thinking about creating or maintaining customer engagement: “It is difficult to generate conversations or to get more than a "like" for categories such as toothpaste and detergents” (ID:07).

It appears from the data that YouTube is considered as an important social media tool for marketing purposes but integrating it into the communication strategy is a bit more difficult for some of the managers: “What we have on YouTube is to upload commercials and try to generate “viralization” through that – so that people see it. But we don’t have a strategy associated with generating programs or commercials that go to YouTube” (ID:03). There is some recognition that the best outcome with YouTube is to get the content to go viral as quotes suggest: “… for something to really work in YouTube, it has to be viral because it doesn’t make sense to just upload content” (ID:07). Additionally, evident is the notion that going viral is unplanned, something that is not necessarily controlled by the firm, as well as being a risky investment, as the following quote suggests: “YouTube has been used virally, which means without any planning….and for an ad to be really “viral”, it can’t be planned, so it is a high risk scenario to invest in” (ID:07).

A final issue regarding use of YouTube is the type, or quality of the videos that a firm might put up. Some managers believe that the videos uploaded in YouTube should be top quality, but this is very expensive and the outcome is not certain as shown in the following quote: “We have a few videos in YouTube, but the cost of generating videos is high and the final result is not certain. I see that [competitor firms] have videos that are spectacular! But our videos are very rustic and expensive. We don’t even hire the most expensive company, we hire great local people although their videos are very poor compared to global firms, but we don’t have resources to pay for this” (ID:06).

Twitter is seen as a more recently emerged social media form and is used to engage with specific younger or more educated consumer segments, as the following quote shows “…and for some specific brands such as [product name], which is a brand for a modern woman, we have a strategy via Twitter to generate [brand] messages so consumers can follow the brand and the content” (ID:03). Twitter is also perceived as being a more formal media channel as the following quote suggests: “Twitter, is followed a lot in Chile, and leaders provide information. Customers want to know things about companies and Twitter is like an official voice of [the firm]. It’s a lot less colloquial, and we use appropriate vocabulary to tweet the events which are relevant for leaders and followers of the [firm]”. (ID:05). In the following quote - the manager explains why they have not moved into Twitter, based on some customer research: “We have nothing on Twitter. And we haven’t contemplated it for now. [when asked why …] Because when we did a survey of our clients, the designers [their customers] basically move exclusively around Facebook, not through Twitter (ID:04).

**Perceived uncontrollability**

The managers are conscious of the importance of customer comments in social media, and the fact that some of these remarks can hurt their brand. Managers attempt to address these comments to maintain some degree of control over
these communication situations and protect their image. The following quotes demonstrate this theme: “We always try to answer all forms of communication we receive .... and I insist that all of the community managers are always responding to any queries whether they be good or bad” (ID:01). Some managers mentioned that consumer comments on social media can be quite opinionated as seen in the following quote: “We want a person to leave a comment about our brand because it’s a relevant opinion for us. But some consumers are harsh with brands. If they love something, they “praise” it, but if they don’t, they make a very bad statement about it and they make it known to everyone” (ID:03).

Among managers, there is an acknowledgement of the uncontrolled aspect of social media engagement that is, trying to understand what consumers are saying about them in third party social media spaces. In this comment, it was necessary for the manager’s team to receive training to better understand how social media creates uncontrolled communication, particularly in third party spaces, but which needs to be attended to: “For example, when we developed the commercial for our [product] with [a well known celebrity], a lot of social media started commenting about this because our competition used [another family member] for their advertising. Then, there was a sort of ”war” between [the siblings] and this went viral through social media and commentaries from the public.” (ID:02). Additionally, some managers discussed the notion of negative issues arising from consumer engagement with their brands through social media, and how they deal with them, such as: Sometimes we get ’trolled’ which is when a consumer speaks badly about our brand. We never argue with them and we always give them an explanation or some form of response. We also never delete comments, whether they are positive or negative, because it can generate damaging noise to our brand” (ID:01).

The next comment reflects another dimension to this notion of negative issues, when attempting to identify segments or measure results and ask for consumers’ personal information through Facebook when attempting to engage with them: “Asking customers to provide personal information in social media sites generates unease and rejection from them. They think this information is private and may be misused. It happened with a [product] we created for Facebook” (ID:09). Another negative issue mentioned by some managers is that social media is not appropriate for some product categories such as alcohol or tobacco, since it is against the law to reach underage consumers, as shown in the following quote: “By law we can’t sell to people under 18 years of age, so we avoid using social media platforms to communicate with consumers in our industry because it is not possible to control if the person is over 18” (ID:11).

New resource configurations

This theme highlights how some of the managers view the combinations of social media to improve their targeting of particular consumer segments, as seen in the following quote: “We use websites, Facebook, Twitter; [and recognises importance of emerging social media tools], Instagram which is now a strong tool, Foursquare, and YouTube in our communication strategy” (ID:01). Another respondent highlights the use of specific social media for their market segments, as shown in the following quote: “We have different brands that communicate to their target markets through
different social media. For example, [brand name] that is for women between 35-45 years, C1, C2, content through Twitter, Facebook and the website is generated” (ID:03).

5.3 Image transferability

This dimension focuses on managers’ understanding of how social media can enhance or inhibit branding or brand image constructions. Here three key themes emerged: Social media for brand enhancement, Creating/damaging brand image and Negative image transfer.

Social media for brand enhancement

This theme captures how the managers think about the value of social media for their overall brand image. The following quote identifies perceptions about the importance of social media to improve brand image: “We have to try to achieve a strong brand identity of a serious, high standard [firm], and that should permeate all of our communication activities. Our social media cannot be a vehicle that is absent in communicating this notion” (ID:05).

Creating/damaging brand image

Several managers, when responding to how they saw social media adding value to their brands, were cognizant that things can go right or wrong, as the following quotes suggest: “The problem [with social media] is that it’s risky, and like any tool you have to know how to use it.” (ID:01). Another example is the following: “Beneficial for the brand in itself, I’m not sure...it can generate benefits for the brand if you are using them [social media] effectively and you are generating good quality content. If we generate bad quality content, all we do is damage the brand for the people that we want to consume our products” (ID:03). Similarly, another manager mentions the following: “The problem is that you lose control over what people say about your brand in social media platforms, unless you have a system to see everything that’s happening in the web and somehow manage it” (ID:12). For one manager, having to go up against competitors using social media is not necessarily a good option as the following quote suggests: “I think it’s risky to use it [social media] because you are confronted with other companies that want to communicate to them as well” (ID:03).

Negative image transfer

Under this dimension we have also included a theme relating to negative image transfer against competitors - to capture notions of how not participating in social media may negatively impact on a firm’s brand image through being ‘old school’ or too traditional. The following quote indicates how one of the managers understands the nature of social media used by their intermediary firms [providers/suppliers] to engage with their target customers in highly interactive ways that clearly enhances that firm’s image transferability. Potentially, the supplier firms may be taking business away from this firm through their social media engagement strategies as suggested in the following quote: “They have a corporate Facebook page which they have started, people follow them and in here they implement campaigns, new product
information, everything. They recommend art exhibitions where consumers can find attractive things in regards to
paper, really a bit of everything. Many of our providers also have Twitter” (ID:04).

5.4 Personal extensibility

This dimension examines the managers’ perceptions of how their use of social media deals with distance and
immediacy for their consumers. Three key themes emerged: ‘Geographic distance’, ‘Culture and segmentation’, and
‘Social media as a market thermometer’.

Bridging geographic distance

This theme reflects notions of how social media facilitate engagement with geographically dispersed customers through
constantly available information on as the following quote suggests: “We try to put interesting content [on Facebook]
relating to our service experience, especially because one third of our [customers] are from rural areas” (ID:05).

Culture and segmentation

This theme highlights managers’ perceptions of the nexus between the technological culture in Chile and the value of
social media for consumer segments. These perceptions appear to be influenced by economic, technological or social
factors and reflect what the practitioners believe their customers want, or will tolerate, as well as some of the limitations
of the technologies. The following quotes suggest this is quite predominant in the B2B customer segments: “Not all of
our databases have our client’s emails, as some of our more traditional clients still haven’t implemented the use of
Internet or computers” (ID:02). Another respondent supports this notion: “….. I would say that only 12-15% of sales are
through e-catalogues [located on the website as indicated earlier], whilst the rest of our customers openly declare that
they don’t want to [buy online] and they would rather keep buying through a salesperson” (ID:04). There are also
examples of this in relation to B2C customer segments as the following quote demonstrates in relation to a specific
socio-demographic for their product: “In Chile our target market is still mainly housewives “C2, C3”, and these
housewives don’t have such a large use of the Internet. This means they will be less likely to use YouTube (ID: 03).

Social media as a market thermometer

In this theme we have used a phrase from one of the managers who stated in relation to Twitter that “…. we mainly use it
as a thermometer for the market” (ID:01) that denotes how social media can provide rapid feedback on their campaigns
or advertising. We begin with quotes demonstrating their recognition of the value of social media to improve how they
understand what their customer segments want as mentioned the following manager: “… you can also hear what the
consumer wants, what they liked or didn’t like about our campaigns and what type of promotion they prefer over
others” (ID:01). Other advantages are shown in the next quotes: “The advantage is being able to have that direct
communication [through social media] that might help you fix things …. if you release a commercial and people don’t
like it because they feel like it’s irrelevant, missing something, disrespectful or simply boring – you then have data to fix
things ..... We can take it off the page and make a new one that is more interesting and relevant, or we can even take the whole campaign down. (ID:03). Another example is: “...you can better understand your position and your competitors [through social media]. It’s like a complaint office that is exposed, for good or bad. You can have followers and people that speak brilliantly about you and you can be sleeping with the enemy without even knowing it” (ID:05).

This theme is further extended to include managers’ perceptions about being able to measure social media ROI through available metrics: “We have the metrics so we can measure click per minute, number of visits on our website, how long a visitor stays on the website, content uploaded or downloaded, etc. On Twitter we also have access to that data” (ID:03). On the other hand, several managers mentioned that they had trouble finding ways to measure social media outcomes as shown in the following quotes: “Specifically for Facebook, the ads are expensive and again there is no evidence of the effectiveness of this media. ... [YouTube] is an all or nothing strategy since you can do something viral and it might work and you have an exponential ROI, or simple you can lose 100% of the investment. (ID:07). Moreover, one manager recognized that they are still not able to determine social media's capacity to drive sales: “...measurement data exists, but to know how much that affects our sales is difficult to measure” (ID:03).

6. Extending Okazaki and Taylor’s Framework

Much of Okazaki and Taylor’s (2013) discussion on current knowledge and future directions under each of the three dimensions refers to ‘social media’ as a generic term that, one assumes, covers all communication devices that use Web2.0 technologies. No distinction is made in these discussions between social media for computer access and social media for Smartphone access. To overcome this generic understanding of social media, the managers were also asked how they view mobile phones and Smartphones as part of their technological marketing tools. The following themes emerged that have been classified under each of Okazaki and Taylor's (2013) dimensions to more closely investigate how the managers perceive that social media via Smartphone is, or can be of benefit to their firms.

6.1 Networking capability-Smartphone enabled resource configurations

In expanding the networking capability dimension to the Smartphones, this theme explores how the managers perceive the value of social media accessed through mobile phones, in particular the use of Smartphone applications (Apps), as new resource configurations to communicate with their customers, as the following quotes highlight: “Smartphones have the possibility of downloading applications such as LinkedIn, YouTube and Facebook and email, which is how we can communicate with our customers if they want to” (ID:08), or “We don’t have it but we talked about it in the company. To have customers that download your application is a customer that loves you and is fully loyal and this is super important. The main barrier ..... was that because it is a new technology, it is expensive, and we have tight budgets so we gave priority to other things” (ID:10). Additionally, one manager explained their future plans regarding a mobile application called Whatsapp, that is increasingly gaining in popularity among young Chilean consumers. “Today, the
most attractive Mobile feature is Whatsapp. … It’s the second largest social media platform after Facebook. And there are dynamic formats with interaction and mechanics that you have to work with. With Whatsapp, for example, you cannot send a face-to-face message like in a Facebook App. Therefore that is our next challenge, we have to get to our consumers via Whatsapp” (ID:01).

6.2 Image transferability - Firm relevance in the mobile space

The image transferability dimension can be further extended by examining how the managers view marketing social media enabled Smartphones as enhancing their image. The Firm relevance in the mobile space theme continues the earlier theme related to how a firm or brand may experience negative image transfer through not meeting consumers’ expectations. In the first quote the manager not only expresses a personal viewpoint on the value of using mobile phone enabled social media, but there is also an underlying implications of damaging his firm’s or brand image through this marketing activity. “Personally, I find it very intrusive doing marketing and sales through the mobile phone [text messages], so we don’t use it in our marketing strategy as a way to communicate with our customers” (ID:08).

The next quote reflects how other intermediaries in an industry have used SmartPhone app capabilities with customers. This manager appears to infer a possible loss of brand image through the strategy not being particularly successful for a competing firm’s target customers because the firm failed to understand its customers’ needs. “For example, our providers of fine paper have applications for iPhones for customers to choose what colors of paper you want. To be honest, they haven’t done so well; it wasn’t something that was much requested. They started with a lot of energy at the beginning, but they have abandoned it a little because they realized it hasn’t prospered” (ID:04).

6.3 Personal extensibility - Consumer needs on the move

In this theme we have picked up the issues to do with marketing through social media enabled Smartphones to further enhance the dimension of personal extensibility in terms of the immediacy of consumers’ needs when on the move. Many marketers recognize the always on and brand in the hand aspects of mobile phones (Sultan and Rohm, 2005) and the capacity to fulfill customers needs and wants while on the move (Sullivan Mort and Drennan, 2002). While none of the managers interviewed have specifically embedded Smartphones into their marketing strategies at this stage, they identify this technology as becoming more important in coming years, as this quote suggests: “We have to be very prepared for when mobile phone technology becomes larger; we have to come up with solutions for our consumers, taking advantage of the possibility that they will buy a product. In Chile there are still important segments, mainly young people, who use this type of service. And there are also people with resources that can do it. What I do think is that in our industry, within the next 5 years, we have to take a leap towards this area” (ID:03).

Two managers discussed innovative engagement with customer shopping tasks in supermarket environments through Smartphones. In the first instance, the manager recognizes an innovative marketing opportunity that could
benefit the firm by helping with supermarket shopping tasks, as the following quote shows: “Today there are new tendencies, especially around ... codes which can be read via iPhone [smart code]. ... This permits these systems to detect a client entering a supermarket, and given their purchase profile, you can send them relevant discounts and get relevant information in return through their cellphones. The phone would have to be scanned at the cash register, which would read the code that would apply the discount” (ID:02).

In the second instance the firm was involved an initial participation of an innovative use of Smartphones for supermarket purchasing tasks, although the manager does not appear to have pursued this activity after the initial trial:

“We have collaborated with supermarkets to integrate a development strategy that is focused around retail. For example, we have participated with actions via virtual supermarkets that are in subway stations. So, when you’re in the subway, you find a panel of photos with products that you can scan and buy with your [Smart] phone. We have participated in that experience” (ID:03). These managers’ insights into how they perceive the role of social media technologies on Smartphones as part of their social media strategies recognizes that this is will need to be considered in the years to come. Of interest is that, as shown in the quotes above, one manager can envisage marketing usage that would be beneficial for the firm when the Smartphone technology reaches sufficient critical mass to permit it.

In summarizing this findings section, we have explored a number of themes that emerged from our in-depth interviews with Chilean marketing managers focusing on their perceptions about, and uses of social media in their marketing communications. Table 2 shows the twelve emergent themes constituting a practitioner’s perspective of Okazaki and Taylor's (2013) three dimensional theoretical framework of social media.

Place Table 2 here

7. Discussion and Conclusions

Marketing managers around the world are increasingly using social media platforms to engage with their customers, which entail a shift to the online environment for interaction (Berthon et al., 2012; Mangold and Faulds, 2009; Valos et al., 2010). Scant research has investigated how firms employ social media in different international contexts and technological environments (Berthon et al., 2012; Patino et al., 2012). The objective of our research was to qualitatively elicit Chilean marketing managers’ perceptions about social media platforms and their integration into the firm’s marketing strategies as well as the facilitators and barriers of doing so. As such, the findings represent insights into what these managers are currently doing in this changing and complex Web2.0 facilitated online marketing environment.

Our findings show that the managers interviewed who are using social media demonstrate a level of understanding of how and why they are doing so in their marketing and communication strategies, that fit under Okazaki and Taylor’s (2013) three dimensions. Consistent with previous research, all the managers interviewed acknowledge that social media has changed dramatically how their company interacts with customers and consumers and has changed the way
marketing is conducted compared to a few years ago (Nambisan and Baron, 2007; Patino et al., 2012), especially by shifting the ways consumers share, evaluate and choose information (Christodoulides et al., 2011). This seems to be a global trend that is being addressed at a local level in a Latin American region.

In terms of customer networking, managers recognize that it is not enough to have a Facebook site, or post an advertisement on YouTube. Comments such as the need for developing interesting content and the belief that YouTube videos need to go viral before they provide any return to the firm reflect this. Berthon et al. (2012) and Okazaki and Taylor (2013) recognize this issue and the importance of understanding what customer segments want from a firm’s social media. For the most part, the managers also understand the facilitators and barriers in integrating social media activity for both the firm, in terms of brand image, and their customers in terms of interactivity. What is apparent in the interviews is an underlying sense of trying to retain control the social media marketing process. This is possibly owing to a lesser understanding of its power in terms of networking capability as well as not feeling comfortable with the shift in control to the customer and how that might impact on their brand image.

Additionally, some of the managers still see the value of their traditional marketing channels to reach their identified target segments, such as the use of television advertising, or in a sales context, the use of sales representatives. Mangold and Fauld (2009), Valos et al. (2010), and Kaplan and Haenlein (2010) identify this issue and argue for the importance of retaining both traditional and new media based marketing tools for engaging with customers. However, eleven of the Chilean marketing managers are engaged in the social media space within the limitations of their firm, such as budget constraints and firm-priorities, as well as their perceptions of Chile’s technological readiness to facilitate this. The marketer not currently using social media provides useful counter-insights to this area, based on their perceptions of what their customers want and what their competition is doing. However, as we have noted under image transferability, such lack of engagement in social media when other firms in their marketing environment are doing so, may impact on a firm’s image in a technologically progressive world.

Alongside social media integration, the managers’ comments about Chile’s technological advancement in relation to some of their consumer segments are insightful. Practitioners do not appear to be capitalizing on Okazaki and Taylor’s (2013) three dimensions to bring customers together from wider geographic locations to build their international brand relationships over wider boundaries than before. Very few practitioners spoke of attracting customers outside Chile, and even when it did occur, it was near Latin American countries, such as Peru. As such findings provide insights into whether they perceive that cultural convergence is resulting in a global consumer who responds to social media marketing communications in a predictable way, regardless of where they are located worldwide.

The findings also suggest that there is a strong focus on understanding the return on investment for engaging in social media strategies. This may be a barrier that will have a lingering impact as firms juggle their budgeting priorities
to gain the best returns, which are predominantly sales focused. This issue is relevant for firms from developed countries as well, since many companies still have been unable to directly measure the effectiveness of their social media strategy (Kumar and Mirchandani, 2012).

The inclusion of the Smartphone themes under each of Okazaki and Taylor’s (2013) dimensions suggest that this is a technology for the future. Yet Smartphone penetration in Chile is quite extensive particularly among younger people (Euromonitor, 2012). For some managers in our study, the use of mobile marketing is not seen as suitable for their target segments. While not focused on engaging with customers through mobile social media, however, one manager’s firm has been involved in an innovative use of this technology through virtual supermarkets in subways. Another manager discussed the prospect of innovative communications with customers while in the supermarket. Both instances indicate managers’ ideation for this technology in future marketing strategy.

7.1 Limitations, contributions and further research

The findings make contributions to the social media literature by examining how marketing managers in developing countries engage with social media as part of their marketing strategies, identified as an under researched area in the literature. Our study extends Okazaki and Taylor’s (2013) framework by using thematic analysis to investigate a practitioner’s perspective of the three dimensions to focus more clearly on how social media is evolving in Chilean firms. Future research would benefit from further qualitative research using social representation theory to examine how specific groups in a culture “think about objects and products; which values they associate with these, which norms they follow, and in general how they view the world” (Penz, 2006, p. 418). Our study partially functions this way since marketing managers are a group that is confronting the ways in which their marketing practices are being challenged and changed by the rapidly evolving Web2.0 environment that facilitates social media technologies.
The study findings have practical implications also. Marketing practitioners can undertake further training to extend their skills in dealing with their customers’ expectations when using social media to engage with their firms of choice. Two of the marketers indicated a relationship with a digital media agency to assist them with managing these complex changes. However, queries need to be raised as to the capacity of such agency personnel to assist marketing practitioners, a point raised by Valos et al. (2010). The main limitation to the study is that the findings cannot be generalized to all marketing practitioners in Latin America. It is only to be expected that marketing practitioners in emerging economies such as those in Latin America are not as fully engaged with using social media in their marketing strategies. Thus, it is important that further research is undertaken in other Latin American countries as well as cross cultural studies to investigate points of similarity and differences in the emergence of the social media phenomenon in this economically important region. References


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**Table 1: Participant Characteristics**
Table 2: Summarizing the emerging themes in a Practitioner's Perspective of the theoretical foundations of social media (Okazaki and Taylor, 2013).

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<th>Image Transferability</th>
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