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Managing Social Media and Consumerism

The Grapevine Effect in Competitive Markets

Rajagopal

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The Grapevine Effect in Competitive Markets

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Foreword

It's a while now since I wrote a paper on the Loyalty Ladder. That's one of those pieces of marketing wisdom that one learns, alongside the four P's, or Porter's five forces, that seems to provide insight to what is otherwise a highly mysterious process. Although, the insight is actually pretty simple as people get to know you and your product better, they will become hopefully progressively more enthusiastic about both, until they are almost literally dancing in the streets while extolling your virtues to all their friends.

But still, it struck me, this view of the market space was incomplete. Because there are people out there who don't much like your brand. They won't buy it. They certainly won't praise it to their friends. Indeed, if asked for an opinion, the chances are that they will recommend another. And beyond these, it seemed, were people who were even more incensed by particular products. Not only would they not buy, they would go to great lengths to dissuade others from buying as well.

In other words, it seemed to me if the Loyalty Ladder analogy was to continue, it needed at least two further rungs—Hostile and Enemy—and these rungs should be situated below ground level. Or to put it another way, the Ladder is actually set up in a small hole in the ground. Evidence for these categories comes from disparate sources. Hostiles appear to be the equivalent of Detractors, as defined using the Net Promoter technique of evaluating customer contribution to bottom-line profit. Their value, not surprisingly, is negative.

Enemies are harder to define, but their reach and impact has been significantly boosted by the Internet and social media. Examples abound of major corporations being forced to back off from controversial new products, charges, or even attitudes, in the case of the press, following public outcry that has not simply been given voice, but seriously amplified online. In the same week that I write this Foreword, I am aware of a campaign group just started that is trying to put pressure on a national newspaper by boycotting that paper's advertisers.

Social media, it is clear, is not always your friend.

Meanwhile, also delving back into my own past, I remember how Direct Marketing tried to differentiate itself from "traditional," "broadcast" marketing methods. Direct Marketing meant that companies could "speak directly/personally" to customers. It meant that a dialog could take place. Of course, it was nothing of the sort.

The best that most direct marketing achieved was a centrally directed conversation, in which a large corporate culture attempted to promote its products to customers and potential customers, with the message ever so slightly tailored according to one or two demographic or lifestyle factors. Over time, and with the advent of database marketing, the number of available factors grew but the conversations did not become that much more intelligent, since organizations could only handle a small number of factors at any one time.

And if they tried—perhaps by creating some sort of customer relationship department—the ability of an organization to engage was always going to be strictly limited. There simply was not the margin in most products to hold conversations of any great length.

This is why the arrival of social media and the conversations that have begun through channels such as Twitter and Facebook represent such a shift change in the way that companies need to deal with their customers. Because here, at last, is genuine direct marketing, the opportunity for two-way conversation every day of the week, every hour and minute of every day with customers.

And, of course, it is unsupportable at the level that social media themselves work. No company with any major presence has the budget or resources to interact at the level those customers would, if given the chance, nor is this selling or marketing in the classical sense. Rather, social media work at every level, now circulating specific product messages, now highlighting much more nuanced brand value issues in ways and in forums that are at most partly under the control of the company concerned.

Create your own brand forum, and expect it to be hijacked should customers dissent from your corporate message. Control that forum and look out for the backlash, with either customers resenting the degree of control necessary to maintain a civilized conversation or just voting with their feet and setting up alternative spaces—Facebook pages, Twitter hash tags, and the like.

Notorious examples of big brand names that have come a cropper through social media (and also, in the end, used social media to some extent to claw back the damage done), include Toyota and BP, both in 2010. What marketing analysts really woke up to, after those histories, was that social media mattered and if they ran against you, the result could be not just reputational disaster, but major corporate damage. In both cases, billions wiped off share values.

This is where Professor Rajagopal's book comes into its own. Social media has only truly begun to have an impact in the last few years, but already the potential impact is clear for all to see. Kudos to Rajagopal for portraying social media in his book as a growing psychodynamic and arguing the grapevine effect as an integrated constituent of modern marketing-mix. Well on its way is a future in which conversation matters and in which conversations about a company's products and brand are no longer under the control, in any sense, of the marketing departments historically responsible for information flow.

These conversations can be shaped for positive purposes and can also inflict great damage. Customers and, more importantly, non-customers can turn on a dime like a flock of starlings swooping and diving this way and that. They are capricious, unreasonable and, thanks to social media, increasingly empowered.

This is what makes the appearance of this book so important. It is not, and cannot be, the final word on social media, because social media are still in their infancy. Still, it begins to map out a course for companies wishing to use them and, too, for companies who find themselves on the receiving end. It is a start, not everything it puts forward will work for you, or forever. Because the Internet is changing rapidly and it is not just the social media brands that will change, but their functionality and relationship to users as well.

But for now, this book provides good valuable insight, both on what is out there and, more importantly, how you can begin to measure social media interactions and shape them to your benefit.

Jane Fae
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Managing Editor of the *Journal of Database Marketing* (2006–2012)
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March 27, 2013

Jane Fae spent a large part of her life working in marketing, first as direct marketer, later in Data Analysis and Database Marketing. She established the Marketing Analysis function at Brann Direct, then one of the UK's leading Direct Marketing agencies, in 1988. At the time, this was one of the first such initiatives inside an agency and it helped cement Brann's leading position in the provision of Database Marketing Services. She was later Database Director for One-to-One Marketing (in Edinburgh) and later still provided analytical services for Kitcatt Nohr, another award-winning direct marketing agency. In between, she set up the database marketing function with Commercial Union Insurance—before moving back to consultancy, working with a series of major corporate enterprises, helping them to set up Database and Analytic Support. At the same time, She has focused on ideas and the development of ideas. She set up and edited the *Journal of Targeting and Marketing Analysis*, which ran for nearly 20 years before it was eventually merged with a sister journal by Macmillan

Palgrave, and also, until recently, edited the *Journal of Database Marketing*. Jane has also written books on Marketing Analysis and Market Resource Management, the latter in collaboration with a Dutch consultancy, MRMLogiq. In the last few years, she has returned to her principal interest—writing—and she works now primarily as a freelance journalist and writer, covering topics such as climate change, IT security, and identity.

Preface

The grapevine is an emerging informal channel of business communication and a critical element in building the posture of a firm in a competitive marketplace. The grapevine effect is contributed by the social media through word-of-mouth, which stretches throughout the market irrespective of the various measures taken by firms to build their brand and competitive posture. The grapevine generally develops as a result of various consumer experiences with firms, products, or services. Consumer perceptions lead to positive or negative effects of the grapevine in reference to the extent of satisfaction or dissatisfaction accrued on any incidence of business negotiation or product experience. Grapevine channels carry information rapidly and spread faster than a firm's formal business communication. There are many types of grapevine, which have developed in various niches based on emotion, sensitivity, personality, assumptions, experiences, and social conventions. Informal channels that have developed around these cognitive determinants create a sense of accord among consumers in the marketplace, who share and discuss their views with each other. Thus, the grapevine helps in developing group cohesiveness and serves as an emotional supportive value in putting forth the consumer voice in the market.

Word-of-mouth promotion has become an increasingly potent force and is capable of catapulting products to runaway commercial success. As the globalization of firms has increased during the early twenty-first century, social media have swiftly expanded their share of and attention from different consumer segments with the support of information technology. Most firms have started to redefine key aspects of their marketing-mix and by advertising and online word-of-mouth have grown stronger in order to sustain market competition. Thus, firms are leaning toward shrinking traditional advertising and communication budgets, and turning to an active presence on social media as a viable and dynamic alternative to traditional advertising. However, social media follow very different rules from conventional communication strategies as grapevines grown in a social media start conversations on the grounds of experiential consumerism and stay judgmental on various business-related factors in the market. Examining this phenomenon of grapevines and their effect, the book discusses ways to define a social media plan, citing examples of companies that got it right and offering cautionary tales of those that got it wrong.

During the early period of globalization, firms began paying closer attention to customer retention, understanding dissatisfaction and satisfaction to streamline the grapevine effect. However, in the contemporary market competition, social media is able to establish the linkages among satisfaction and customer behavior, and develop decision patterns. Based on the grapevine effect, the Net Promoter Score (NPS) has emerged as a popular metric among firms to develop strategies for sustaining competition. The NPS tool largely focuses on how customer word-of-mouth—both negative and positive—can be used to advance the growth of firms. It is often assumed on conceptual grounds that the grapevine effects guide business growth and profitability for firms. Grapevines are generally conceived as the process of informal transfer of purchase-related and consumption-related information among consumers. Less consensus, however, exists with regard to the content of the information being transferred through these media.

The discussion in this book is divided into 11 chapters across three sections, comprising the evolution of social media, analysis of social media effects, and the synthesis. Chapter 1 evaluates the various communications vehicles that have emerged in the context of globalization with the support of information technology. The discussions in this chapter propose strategies to design and disseminate market communication to build the competitive posture of firms and enhance their brand equity in the marketplace. They reveal that the growth of information and communication technologies has showed enormous power and effect in driving business among firms competing in the global markets, through networking various players in the markets and consumers in society. Chapter 2 presents an overview of market communication and the grapevine of social networks as a growing marketing media channel in the global marketplace. Considering the dynamics and emergence of social media as an effective opinion-revealing platform, this chapter discusses strategies on analyzing customer perspectives, managing dissemination of word-of-mouth and response building, planning interactive communication strategies with customers, developing plans to amplify the voice of customers, and translating learning from social media within the firm to grow it as a customer-centric organization. It is argued in Chapter 3 that social media offer information on customer needs, and firms may analyze such information meticulously to develop their customer value-driven strategies. Firms need to consider information sharing through social media to deliver customer-focused solutions and to influence consumer decision making. This chapter discusses insights on developing successful strategies that address the attributes of social media and application of social technologies to foster and capitalize on consumers' role in the business performance of firms.

Most firms making efforts to gain competitive advantage build their marketing strategies based on cause-related marketing campaigns to attract consumers and society. The discussions in Chapter 4 present the role of social marketing as a tool to expand markets in the bottom of the pyramid segment. It is contended in this chapter that social marketing campaigns raise awareness, support, and donations for social causes, and leverage the corporate image and brand value in the social markets. Accordingly, social marketing strategies enhance corporate reputations, customer loyalty, and financial gains for companies. Triggering discussion on the digital communities in Chapter 5, readers are provided with knowledge on various routes to market, which have emerged as new pathways to shopping among consumers in the global marketplace. A route to marketing is a distinct process followed by customers toward buying a selected product or service through a market channel. Chapter 6 discusses various perspectives on social media for consumer insights. Social media have rapidly gained attention among all kinds of consumers and firms in the global marketplace. Firms have started to redefine key aspects of their marketing-mix to develop a sustainable strategy. Accordingly, this chapter addresses the issues of developing social media plans, citing examples of companies that got it right in using the social media as principal determinant in formulating their marketing strategies. Chapter 7 on social media metrics introduces a framework for emerging firms in the competitive marketplace to identify the effects of social media and the consequences of consumer interactions toward exploring opportunities to grow as customer-centric organizations, benefit society, and strengthen their business posture in the competitive marketplace. Contemporary research suggests that few corporate leaders have a social media presence to get connected with consumers online. Many firms consider consumer motivations for using social media and measure the social media investments that customers make in building the brands of the firms they prefer.

The power of technology is revealed as consumers are adopting increasingly active roles in co-creating marketing content with companies and their respective brands. In turn, companies and organizations are also beginning to invest in online social marketing programs and campaigns in an effort to reach consumers. Chapter 8 fosters insights on penetration of technology as a tool for architecting the social media and its effects on market communication and consumerism. Chapter 9 addresses the effectiveness of perspectives of social media in reference to the cultural shifts, changing psychographic paradigms, and demographic congregations that drive market behavior. The discussion in this chapter reveals that powerful forces such as communications, marketing and advertising, and psychographics are interacting to dissolve the boundaries across markets and cultures, and accelerate the emergence of a homogeneous global consumer culture. The issues concerning communication and conflicts are addressed in Chapter 10, which focuses on the cultural intelligence and disagreements in interpersonal communications. The discussions in this chapter delineate concepts relating to challenges in social media communications, including decision making, negotiations and conflict resolution, and leadership and motivation. Often firms raise the pertinent question of whether information driven by the social media is trustworthy, being largely based on informal sources rather than on tangible evidence. The last chapter of the book (Chapter 11) addresses issues of how globalization drives transformations in companies and consumer culture. The discussions in this chapter suggest that growth in urban areas generates competition among firms to take advantage of scale of operations and trade in specialized products. They also address emerging challenges in communication technology and social media.

Much of the real feel of firms, products, and services in the market is induced through grapevines, which are lately considered as an informal organization with complex delivery patterns. The discussions in this book harness the power of grapevines in reference to social media appraisal on responsiveness and trust (SMART), which determines the value of firms in a competitive marketplace. This book categorically reviews the theories of informal communications and previous research, and analyzes the opinion-sharing practices of consumers that provide strategic and tactical stewardship in business for competing firms. It discusses new concepts related to efficiency and effectiveness of information-sharing approaches and discusses multiple perspectives of the effects of grapevine communication on firms in a competitive marketplace. It is hoped that it will significantly contribute to the existing literature, and serve as a learning post and a think tank for students, researchers, and business managers.

This book reviews categorically the theories of communication, best practices in social media and previous research, and analyzes corporate involvement toward strategic and tactical stewardship in serving customer-centric business requirements. The discussions are woven around analyzing the efficiency and effectiveness of social media in developing consumer interfaces with companies, interactive marketing, and the co-creation of business strategies required for firms to survive in the global marketplace. The discussions develop multiple perspectives on the integration of social network platforms in companies to carry out media operations and present analytical models that managers should understand in determining business moves involving consumers as business associates in the competitive marketplace.

The principal audience of this book may be corporate managers—including top- and middle-level management executives—students of undergraduate and graduate management studies, research scholars, and academics in different business-related disciplines. It has also been developed to serve as a principal text to undergraduate and graduate students who are pursuing courses on competitive strategy and profit management. Hence, undergraduate and graduate students of major business and economics schools in the American continent, as well as in Europe and Asia, may like to use this book as a reference in addressing market communication issues. The work presented in this book is based on the latest research studies, market analysis, short case-studies, best practices, graphical illustrations of new concepts, strategic business moves, and social media policies understood by firms in emerging markets trying to gain competitive advantage and display market leadership. Such pedagogical treatment of the subject distinguishes this book.

This book has emerged as a result of several brainstorming sessions with researchers on communication technology, social media, and business. Such discussions brought new insights on redefining the role of social media, networks, and grapevine effects for firms to develop consumer-centric strategies and make their consumers as associates in the process of expanding the business. Initially, I worked out a research agenda on developing local communication models for global companies and published some working papers based on conceptual frameworks. Some of my research papers on competition among emerging firms were presented at international conferences, which led to new insights on the subject. Such refined work has been presented in this book endorsed with applied illustrations and updated research on social media management.

I hope this book will contribute to the existing literature and deliver new concepts to students and researchers to pursue the subject further.

By reading this book, working managers may also realize how the social media grapevine has enveloped global business and become motivated to develop the appropriate strategies to live with social media over the next 20 years.

Rajagopal
Boston, MA
February 28, 2013

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About the Author

Dr Rajagopal is Professor of Marketing at EGADE Business School of Monterrey Institute of Technology and Higher Education (ITESM), Mexico City Campus and Fellow of the Royal Society for the Encouragement of Arts, Manufactures and Commerce, London. He is also Fellow of the Chartered Management Institute, and Fellow of Institute of Operations Management, United Kingdom. He is currently Visiting Professor at Boston University, Boston, Massachusetts.

He has been listed in various international directories, including *Who's Who in the World* since 2008, and *2000 Outstanding Intellectual of the 21st Century* published in 2009 by International Biographical Center, Cambridge, UK. He offers courses on Competitor Analysis, Marketing Strategy, Advance Selling Systems, International Marketing, Services Marketing, New Product Development, and other subjects of contemporary interest to the students of undergraduate, graduate, and doctoral programs. He has imparted training to senior executives and has conducted 55 management development programs.

He holds post-graduate and doctoral degrees in Economics and Marketing, respectively, from Pandit Ravishankar Shukla University in India. His specialization is in the fields of Marketing Management, Rural Economic Linkages, and Development Economics. He has to his credit 40 books on marketing management and rural development themes, and over 400 research contributions that include published research papers in national and international refereed journals. He is Editor-in-Chief of *International Journal of Leisure and Tourism Marketing, International Journal of Business Competition and Growth* and *International Journal of Built Environment and Asset Management*. He is also Regional Editor of Emerald Emerging Markets Case Studies, published by Emerald Publishers, United Kingdom. He is on the editorial board of various journals of international repute. His research contributions have been recognized by the National Council of Science and Technology (CONACyT), Government of Mexico by awarding him the status of National Researcher-SNI Level-II during 2004–12. Currently he has been conferred the highest level of National Researcher-SNI Level-III (2013–17).

Part I
Evolution of Business Communication

1
Shifts in Marketing Communication

Communication is the process whereby a concept is shared between two living things. It can occur as a gesture, sound, or a visual in the form of pictures or print. Some of the first forms of visual communication came in the form of pictographs. People conveyed stories, histories, or instructions through a series of illustrations, usually drawn on the walls of caves. The second stage of written communication appeared as crude alphabets, which were used to create a written language. Mobility of communication also occurred at this time, with writing being found on clay, wax, and tree bark. The next leap was the printing press during the fifteenth century, followed by the tremendous technological advancement of using air waves and electronic signals such as radio and telephone.

At every stage of communication development, business practices also developed. The advent of common alphabets and a written language meant that craftsmen could order raw materials from previously unattainable sources. Consumers living in one location could order products from businesses located elsewhere, without having to travel there in person. Invoices could be written and paid, and purchase orders could be sent. One could even surmise that international business practices began around this time. Since exploration was taking place, and wonderful new things like spices and fabrics were being brought back home, perhaps now written business communication made it possible for vendors to offer their high-end customers the latest discoveries.

Business communication involves two parties exchanging ideas to advance a commercial enterprise, whether it's two people on a shop floor making a product or two companies entering a merger. Like any interaction, business communication must deal with disruptions. Technological innovations have presented solutions and obstacles to the communication process. Business communication has evolved in response to overcoming the obstacles, especially as each solution presents the potential for a new set of challenges. Earlier, during the Industrial Revolution, corporate communications typically flew one way, with executive leadership pushing messages down through management layers and eventually to line workers, who were expected to simply comply. Management didn't even need to directly carry the message: secretaries or stenographers operated the typewriter, and the workforce read the notices posted on bulletin boards. Faster, lower-cost presses and the rise of unions gave low-line labor a voice, which it used to broadcast its feedback to management, whether the leaders wanted to hear it or not.

With innovations in technology, communication methods have improved drastically in recent times. Phone and web conferencing are now extremely effective modes of communication and companies are using them with fruitful results. Malaysia has an array of corporate firms operating across different sectors. Apart from local business entities, there are multinational companies (MNC) like Citibank, Dell, Accenture, and Ernst and Young. Thus, the need for effective communication systems is on the rise. In order to collaborate efficiently with multiple offices globally and locally, these firms rely on phone and web conferencing for effective communication. Conference calls by audio or web are easily accessible and can be conducted regardless of physical location. As travel expenses rise, this method of collaboration is an appropriate choice to save money and time. Moreover, such methods offer the major advantage of working from any location. Professionals can collaborate with team members from anywhere and discuss various projects with the help of this communication tool. By making the switch to audio conferencing, many employees are able to save precious time. Even though there are multiple modes of transportation to get to meeting venues, a considerable amount of traveling time needs to be provisioned for. Along with time spent in traveling to transportation hubs like train stations or airports, there are check-in and immigration formalities, which may be taxable. Thus, online meetings are gaining popularity among companies as they can save a lot of time and money, thereby improving savings and productivity.

The effect of interpersonal communications contributes significantly to business operations and needs to be viewed from a human behavior standpoint. Real communication occurs when one listens to another person's viewpoint with empathic understanding. It is possible to facilitate the achievement of this communication breakthrough by summarizing the speaker's thoughts and feelings to his or her satisfaction before presenting a rebuttal. This procedure leads to the reduction of defensiveness and gradual achievement of mutual communication (Rogers and Roethlisberger, 1991). The communication strategies within a firm and with market players outside the corporate business environment need to be clearly distinguished by firms. A single pattern of communication is not fit for communicating with subjects within the firm and outside. Managing internal organizational processes and external market competitiveness often requires a customized communication strategy. The major forces that act as communication drivers for in-house communication within an organization include employee motivation and perceptions, socio-cultural norms, and organizational structures reflecting workforce structure and teams. Firms may develop effective communication strategies to create an organizational culture that supports prohibitions and promotes communication ambassadors in the market for strengthening the social and cultural impacts in a marketplace (Sussman, 2008).

Many firms have adopted customer-centric marketing strategies to gain competitive advantage in the global marketplace, and accordingly these firms have also modified their communication strategies to appeal to and stimulate all market players, including consumers. However, despite the general consensus that co-creation of communication with customers is beneficial, there is lack of agreement regarding how and why (Witell et al., 2011). Products and services marketing firms contend that co-creating marketing communications with customers for disseminating innovation is a foundational part of modern marketing, and co-creation involves shared observations and values on communication. It has been argued that well-informed, networked, empowered, and active consumers are increasingly co-creating value with the firm. However, the specific actions and behaviors that make up co-creation need to be fully addressed by the emerging firms as the process of communication and socially rich interactions with customers is one of the determinants for product success (Prahalad and Ramaswamy, 2004).

The value of a market communication is always contextually specific and is determined by the customer or the beneficiary. The effects of the market communication depend much on the communicators and responders. Therefore, communication is a perspective of value creation and virtually effective in driving the consumer perceptions of a particular company or business. The customer-centric strategies define co-production and co-creation as phenomena that are key to developing integrated marketing communication. In other words, how companies deal with their customers through customer participation in the joint creation of communication value needs to be understood by the firms (Vargo and Lusch, 2004).

There has been considerable focus on how external communication—advertising, public relations, etc.—helps corporations to build a corporate image to differentiate themselves from competitors in an increasingly crowded marketplace. The corporate image is an important indicator for the stakeholders to perform business transactions with the organization (Schuler, 2004). Internal communication merits close attention as employees may be the most important audience for a company's organizational communication and corporate branding effort. Indeed, employees are considered one of the most trusted information sources about an organization (Dortok, 2006). This is because they embody the corporate brand and the interactions between them and external stakeholders communicate the brand's values as much as (if not more than) traditional marketing communications. The synergy between corporate values, employees' effective enactment of these values, and customers' appreciation of these is critical to the success of a corporate brand. In fact, it is precisely the interactions between the value-providing behavior of a company's employees and the value-seeking behavior of customers that sustain ongoing communications between internal and external shareholders (de Chernatony, 2002).

As we move from the simple dyadic case to more complex multi-actor or collective contexts, however, it is not entirely clear that this sort of deep, historical, or "thick" interpersonal trust will necessarily generalize readily or fully to a larger aggregate or collection of interdependent social actors. In such collective contexts, individuals may be just as deeply interdependent with, and dependent on, other people, but they are unlikely to have the requisite detailed, personal knowledge of each other that provides the usual foundation for interpersonal trust. Instead, they must interact with myriad others, often on the basis of scant customized information, transient goals, infrequent contact, and only superficial familiarity (Kramer, 2010). Recognizing this conceptual chasm between interpersonal and collective forms of trust entails a prediction about the behavior of an independent actor (Putnam, 1993). In small, close-knit communities, this prediction is "thick trust", that is, a belief that rests on intimate familiarity with this individual. The growth of business communication sources over the past has been exhibited in Figure 1.1.

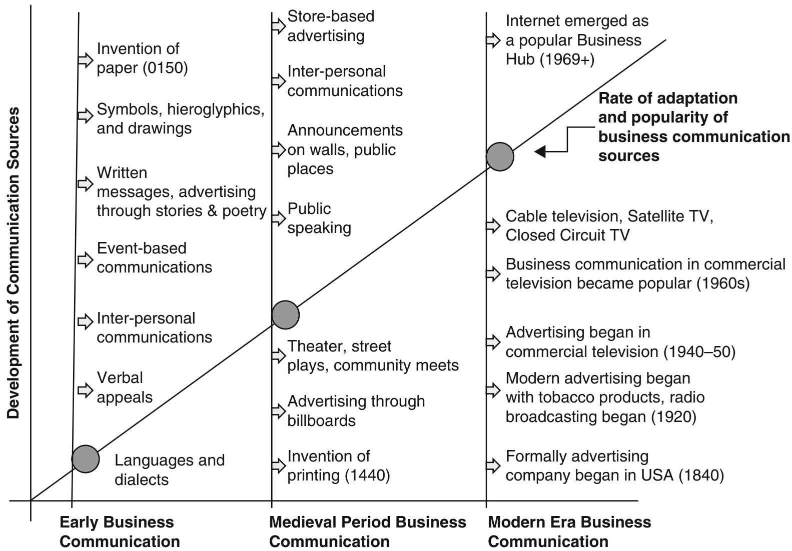

Figure 1.1 Chronology of growth in business communication

In the pre-medieval period interpersonal communication was used as a principal tool to communicate business messages, as illustrated in Figure 1.1. Egyptians used papyrus, a thick paper-like material produced from the pith of the papyrus plant, to make sales messages and wall posters. Commercial messages and political campaign displays have been found in the ruins of Pompeii and ancient Arabia. Wall or rock painting for commercial advertising is another manifestation of an ancient advertising form, which is present to this day in many parts of Asia, Africa, and South America. The towns and cities of the Middle Ages began to grow, but literacy levels remained low. However, as education became more widespread and printing technologies improved, advertising expanded to include handbills. As the economy expanded during the nineteenth century, advertising grew with it. In the United States, this eventually led to the growth of mail-order advertising. Modern advertising was created with the innovative techniques used in tobacco advertising beginning in the 1920s.

Printed communications served both consumers and business owners well, but when the radio came into use at the end of the nineteenth century it revolutionized business communication once again. Now the products and services of every business could be marketed on the basis of mass communication. Once a household had a radio, broadcasts could reach farther than any newspaper or catalog. And it was instant; as soon as the message was spoken on the air, the word was out. Print advertisements could sometimes take weeks or months for a response. Many entrepreneurs who saw the potential in radio became hugely successful.

Once radio took off, the telephone and television were not far behind. Of course, at first the telephone was not used for advertising in business, but it was more of a practical tool. Manufacturers could communicate with raw materials representatives, business owners could communicate with consumers, and investors could communicate with their beneficiaries. It was not until the latter part of the twentieth century that the telephone was used to advertise for businesses, through telemarketing and the facsimile. From its onset, the television was used for marketing purposes. Media broadcasters would recruit local business owners to sponsor their shows, in exchange for a few minutes of airtime to advertise their products. The exchange worked well.

Contemporary communication trends have moved from interpersonal to media—both print and electronic—platforms. With the introduction of new technologies such as satellite, Internet, and cable radio, the concept of local shopping has emerged as a major attraction for shoppers, retailers, and media advertisers in the radio industry. Broadcasting commercials has led to concerns about projecting the local identity as geographical location of viewing billboards, wall advertisements, television commercials, and Internet-based advertisements play an increasingly smaller role compared to radio commercials, which can be easily listened to with mobile audio devices (Torosyan and Munro, 2010). Radio commercials play a significant role in influencing listeners on products and services. Previous studies have revealed that the brand recall as well as the message recall from 30-second commercials are significantly higher than for other modes of electronic media advertisements (Allan, 2007). Digital radio broadcasts are based on improved technology and they prioritize the consumer requirements within the larger platforms of promotions across market outlets (Hallett and Hintz, 2010).

In the recent past (1970–2010) two trends in business communications provide important opportunities to create breakthroughs and customer value in the global marketplace. Increasing innovations in information and communication technologies (ICTs) have led to significant shifts in the pattern of business communications. Emerging new ICT applications have enhanced the capability and competency of firms in global marketplace. In the late 1990s and early 2000s unified messaging applications began to appear, which provided integrated access to non-real-time communication data such as voice mail, e-mail, and faxes across devices. The second important trend was the rise of social networking applications, which made business communications much easier to create, maintain, and understand. The emergence of social networking applications such as MySpace, Twitter, and Facebook has reduced the distance between business firms and their consumers in the business-to-consumer (B2C) as well as in the business-to-business sectors. Most traditional communications media, including telephone, music, film, and television, are reshaped or redefined by the Internet giving birth to new services, such as Voice over Internet Protocol (VoIP) and Internet Protocol Television (IPTV). Newspaper, book, and other print publishing are adapting to website technology, or are reshaped into blogging and web feeds. The Internet has enabled and accelerated new forms of human interactions through instant messaging, Internet forums, and social networking. Online shopping has boomed both for major retail outlets and small artisans and traders. Business-to-business and financial services on the Internet affect supply chains across entire industries.

As the information and telecommunication technology has advanced over the twentieth century, business communications have become more personal than public. One-on-one conversations offer personalized knowledge-sharing platforms that help in developing consumer decisions. These conversations may take the form of voice conversations (face-to-face or over the phone), video conferences, e-mail, instant messages, blogs, micro blogs, wiki updates, and so on. As technological capabilities expand, the number of these conversations in which we are involved seems to grow exponentially.

Empowering consumers through communication

The free flow of information is essential to well-functioning democracies and consumer marketplaces, since both politicians and marketers need a communication system that has long outreach. It is not always simple—there are privacy issues, government regulations, and lack of access for many people. However, many see the democratization of information as offering possibilities for new forms of citizen engagement and empowerment that will give people a greater voice in government and markets (Quelch and Jocz, 2007). The basic claim is that consumer education needs to become *empowering* or emancipatory, and that this can be achieved through emphasizing the futures aspect and skills concerning *everyday futures work*. The functions of traditional consumer education can be described as *socializative*, *preventive*, and *corrective*. This is not enough in a rapidly changing world in which consumers face completely new challenges (Jarva, 2011). Consumer empowerment is a psychological construct related to the individual's perception of the extent to which he/she can control the distribution and use of his/her personally identifying information. It has been argued to have an impact on consumers' privacy concerns and trust in e-commerce. However, very little is known about the difference in male and female perceptions of this control. This investigation is focused on examining how perceptions of consumer empowerment and privacy concerns differ between the genders, and how consumer empowerment results in perceptions of trust and decreases in privacy concerns (Midha, 2012).

In a bid to combine the two major perspectives (strategic communications and strategic brand management) of integrated marketing communications (IMCs), firms need to develop a dynamic communication management framework based on the holistic consumer experience. According to the framework, the key mission of IMC is to manage effectively the mediated impression of and direct encounter with the brand so that synergism ensues among all the interrelated elements of IMC, including research and development, manufacturing, price formulation, channel arrangement, consumer service management, marketing message construction, and communication program execution. As such, IMC is capable of enhancing the holistic consumer experience and creating a holistic brand value structure, which can unite the consumer's sensory, emotional, social, and intellectual experiences in a new and positive way (Tsai, 2005).

A conceptual framework on communication attributes is exhibited in Figure 1.2, which argues that communication process is based on the foundation of two fundamental premises, AIDA and ACCA. The variable of Attention, Interest, Desire, and Action constitutes the AIDA concept while Awareness, Comprehension, Conviction, and Action are integrated in the ACCA paradigm of consumer behavior. The main AIDA influence is the ability of advertisements to hold attention and drive the subject into action. Factors of AIDA also help retailing firms and brands sustain the market competition, and make advertisements more memorable, as well as enhancing brand awareness, particularly for desired products (Premeaux, 2006). The AIDA model provides insight into how a consumer moves through the steps of Attention, Interest, Desire, and Action. Marketers can gain the attention of consumers by product samples, large visual signs, and other sensory techniques. Once

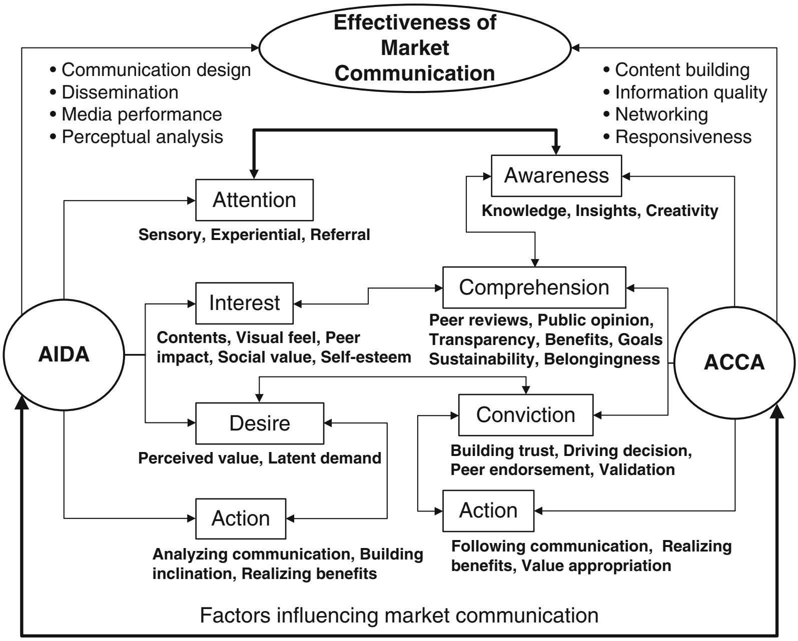

Figure 1.2 Cognitive factors driving consumer communication

the marketer has the consumer's attention, it must keep their interest through product information and consumer communications.

ACCA paradigm of consumer behavior argues that awareness of the sales promotions in convergence with the contents of advertisements generates conviction among consumers, which leans toward action resulting in store choices and buying decisions (Rajagopal, 2009a). It is believed by consumers that a strong conviction toward a buying decision can be effectively brought into action provided it is based on accurate and acceptable information (Callen-Marchione and Ownbey, 2008).

Given the great potential of marketing campaigns delivered via mobile devices and the evolution of near-field communication technologies, this study examines factors influencing consumers' acceptance of untethered, or mobile, marketing across three influential markets: the United States, China, and Europe. It is necessary for firms to examine the extent to which the usefulness of mobile information/programs and individual characteristics—such as innovativeness, personal attachment, and risk avoidance—influence consumer attitudes toward mobile marketing. It has been observed that perceived usefulness, consumer innovativeness, and personal attachment directly influence attitudes toward mobile marketing in all three markets. In China and Europe, risk avoidance also negatively influences attitudes toward mobile marketing. Marketers seeking to build and maintain customer relationships via mobile platforms should pay close attention to these individual characteristics in order to increase consumers' acceptance of mobile marketing (Rohm et al., 2012).

Compared to offline media communications, B2C websites possess unique characteristics that affect the likelihood of generating emotional reactions to the web experience itself, the brand, fellow customers, and employees of the firm. The emotion-causing antecedents elucidated in this article are the website's vividness, interactivity, challenge, interaction speed, machine memory, and allowable social interactions. Depending on how a website performs on these dimensions, positive or negative emotions may result. For example, using machine memory to automatically generate purchase recommendations based on prior consumption patterns may be perceived as pleasantly surprising, whereas a firm sending unsolicited e-mails based on a user's cookie trail may be annoying. Regardless of the valence of the resultant emotion, the feelings generated may attach to the brand. Because a goal of brand managers is to get consumers to associate positive emotions with a brand, a pre-condition to developing and managing a website is to understand these emotion-evoking antecedents and their ramifications (Jones et al., 2008).

Social media is good for marketing from many points of view. Smart companies are exploring how to use this information channel internally to infuse peer-to-peer collaboration. Most firms involving social media as a marketing communication channel tap the knowledge and expertise of consumers for mutual benefit and brand building rather than a traditional knowledge management approach, where people dump their information in a giant database that nobody reads. Such firms can create an environment where they go through peer-to-peer collaboration. Emerging firms may initially build very small collaborative tools, which can enable their peer communication design to kick-off the consumer–company collaboration process and to get experience in understanding how it provides mutual benefits. Successes build upon other successes in terms of effectiveness of networks with the customers.

Most firms operate social network platforms like Facebook and Twitter to communicate with their customers and enforce that posted messages are on topic by using a moderator empowered to steer or delete inappropriate discussions. For example, Mazdaforum.com utilizes a "report post" feature in many places on the board so that members can alert the moderator to postings they consider off-topic, offensive, or bothersome to other members, so that the moderator can delete them. Such peer communication allows the firms not only to turn customer centric but also to gain competitive advantage within the industry. As market competition continues to grow, firms recklessly try to maximize the ease of use of the social network platforms in a powerful way to extend interactions, particularly for individuals who are expressive and detail-oriented. For example, Mini Max USA, a manufacturer of woodworking tools based in Duluth, Georgia, allows its forum members to use a rich text editor, with which they can add web links, underline, use boldface, change font size and color, and use emotion icons (Adjei et al., 2012).

Taxonomy of liberal communication

A formal market communication may not reveal which consumers or associate market players confer on decision making or discuss market competition in a supermarket. Much of the real market analysis in any company is carried out through informal communications, with complex networks of relationships that cross functions and divisions. Firms can harness the power of informal communications by depicting the collateral effects between the market players and company, which reveals how to create trust networks, uncover information sources, and direct the flow of communications toward market-related matters.

Strategic communication needs to be distinguished from expressive communication. Many people mix up these two forms of communication, which is a huge mistake when it comes to being persuasive. Expressive communication is basically used to express feelings and is egocentric by nature. It's talking to a friend or business colleague, not necessarily requiring them to do anything other than listen. It's "telling," not "selling." Strategic communication is purposeful. It's based on the desire to influence someone to do something, whether it's to buy a product or consider a project proposal. It's "selling," not just "telling." Strategic communication is also more challenging, requiring speakers to listen and tailor their message to their audiences.

Storytelling can be one of the most creative and enjoyable aspects of communicating strategically. Storytelling generates an experience and stimulates emotions by using symbolism and metaphor to help overcome resistance to the underlying message. Virtually every form of business communication—in the hands of the right person—can be a form of storytelling. This includes an annual report, a resumé, or a PowerPoint presentation. Case histories are one of the most potent and persuasive forms of business storytelling (Niel, 2010). In a competitive marketplace, often the promotions and entertainments that prepare a market for firms comprising customers, competitors, analysts, regulators, and investors as market players. The only way the market players can understand and react to a firm is by observing its public actions and statements. As a result, managers should take careful and conscious control of what they say in public (Simon et al., 2006).

With the growth in technology and user-friendly communication devices available to consumers, marketing communications are evolving into true participatory conversations. Besides the technology adaptation in marketing communications, controlled marketing communications with distinct and corporate spokespeople may drive liberal business communications consisting of multiple players, including customers, competitors, observers, and employees. Amidst this, consumer-generated content (CGC) is based on co-creation of information, which is more beneficial to firms than company-driven market communications. The true reward in CGC is that the process and the outcome are not reliant on technical prowess to disseminate information but rather on semiotics and narratives. Consumers—especially those who are members of active consumer collectives—are skillful, proficient, and prolific in the creation of CGC, with high resonance among very engaged consumers (Muniz and Schau, 2011). The liberal communication rules are augmented by simple communication technologies and a lack of legal barriers to sharing information creates rich common knowledge, the ability to organize teams modularly, extraordinary motivation, and high levels of trust, all of which radically lowers transaction costs (Evans and Wolf, 2005).

Most firms simulate market communication among consumers in the social contexts. The distinctiveness of market communication (e.g., designer brands, celebrity endorsements, media reviews) that is consistently associated with emotional expressions plays the strongest role in consumer buying behavior (Clavo and Marrero, 2009). Some studies suggest that the perception of a communication on the personality of consumer is a distinctive and salient trait that differentiates behavior. Individuals who have high social standing and are adaptive to changes in lifestyle are driven by the brand communications and demonstrations. The distinctiveness theory supports the notion that ethnicity can influence consumer responses to various marketing stimuli, such as sales promotions and advertisements (Arpan and Peterson, 2008).

Peer expressions

One of the principal drivers of consumer communication is the dominance of social interactions. The involvement of consumers in brand communications depends not only on their own perceptions but also on peers' response to the process of communication adaptation and change proneness (Pinheiro, 2008). Consumers get involved in analyzing communications as an esthetic way of understanding the brand or corporate personality. Hence, the extent of consumer involvement is often considered to be an opportunity for communicating a new order of identity of a brand. In this process there are both cognitive and affective incentives that translate into potential welfare gains (or indifference) for the consumer in a given social and work-related environment (Bianchi, 2002). In societies that exhibit hedonic values, marketing messages are promoted by manufacturers and retailers to induce a sudden, compelling, socially complex buying behavior through the promotional programs to increase disposable income by facilitating credit to consumer (Venkatesh et al., 2010). Firms' marketing communications are targeted at final consumers, known as pull promotions, to directly offer value to consumers with the primary goals of attracting consumers to retail locations and stimulating immediate sales. Although both push and pull promotions are designed to speed up the selling process and increase sales, at least in the short term, their strategic implications as well as their impacts on sales and profits are believed to be different (Martin-Herran et al., 2010).

In most family-oriented businesses marketing communication pattern emerges as an outgrowth of the family culture. However, it has been observed that parental and sibling influences on communications reduce with age, whereas peer and media influences expand with increasing age. Television and celebrities play a significant role in disseminating corporate and marketing communications, and influencing adolescents, irrespective of gender categories. Among the most common two forms of media that children largely use are magazines and television, while teens are primarily influenced by visual merchandizing, hands-on experience, and spotting the fashion products (Seock and Bailey, 2009). The social learning theory explains this phenomenon as positive reinforcement, which occurs when a behavior (response) is followed by a favorable stimulus—a communication that increases the frequency of consumers' analytical and adaptation behavior. In the conceptual foundations of social learning theory, respondent conditioning and observational learning are empirically supported approaches to understanding normative human development and the etiology of psychosocial problems (Thyer and Myers, 1998).

Marketing communications have four elements: credibility, understanding of an audience, a solid argument, and effective communication. Consumer socialization through peer communication using social media websites has become an important marketing issue through the development and increasing popularity of social media. Most firms investigate the effectiveness of peer communications through social media websites, individual-level tie strength and group-level identification with the peer group as antecedents, and product attitudes and purchase decisions as outcomes. A study with survey data from 292 participants who engaged in peer communications about products through social media confirms that the two antecedents have positive influences on peer communication outcomes. Online consumer socialization through peer communication also affects purchasing decisions in two ways: directly (conformity with peers) and indirectly by reinforcing product involvement. In addition, consumers' need for uniqueness has a moderating effect on the influence of peer communication on product attitudes (Wang et al., 2012). Peer communications and their effects have become an increasingly potent force, capable of catapulting products from obscurity into runaway commercial successes. Harry Potter, collapsible scooters, and Smart cars are all examples of the considerable power of peer communications. As globalization and brand proliferation continue, firms intend to focus marketing communication on the peer to influence consumer decisions and dominate the shaping of markets.

Celebrity-based communications have become a popular way of pushing brand messages among peers, which include celebrity-owned brands and celebrity-anchored brands. Fashion clothing, accessories, and perfumes may be cited as best examples of celebrity involvement in disseminating a brand or product information. The relation between marketing communications and celebrities appears to be the stimulus in triggering arousal and purchasing intentions among consumers. The popular appeal of the celebrity drives the sales of products and services significantly and helps in developing strong consumer opinions (Treme, 2010). A celebrity endorsement can significantly influence marketing communications oriented toward consumers' purchase attitudes via both direct and indirect effects through product-attributed construct

(Sheu, 2010). As the fashion cycle narrows because of increasing competition, manufacturers promote their brands through countless agents, including celebrities. In the past, fashion used to be a highly centralized industry where new trends were diffused from a single location.

Social media have rapidly gained share as a peer information resource and attention among all kinds of consumers and companies, often at the expense of traditional media. Companies have started to redefine the key aspects of their marketing mix. With advertising and online word of mouth competing for shrinking marketing budgets, many companies regard having an active presence on social media platforms as a viable alternative to traditional advertising. A comparison between advertising and word of mouth shows that social media obey very different rules from traditional advertising. Social media can start conversations or build brand recognition, but the results are much more difficult to predict or measure (Armelini and Villanueva, 2011).

The new familiar techniques of corporate communication include focus groups, surveys, and management-by-walking-around, and they can encourage peer learning in an organization and its market. Such communication strategies also help solve confusion and misconceptions in peer information. These new corporate communication techniques help in the acquisition of simple and single-loop information, but they also promote defensive reasoning by encouraging consumers to believe that their proper role is to criticize management while the proper role of management is to take action and fix whatever is wrong. Managers should focus on positive values, including employee satisfaction. However, firms should evaluate the accuracy of contents through social media. Social media and social networks need to look at their own roles, responsibilities, and potential contributions to corrective action (Argyris, 1994).

The peer communication effects generated from various promotional programs may be monitored for longer periods of time and measured in reference to achieving the long-term goals of fashion apparel manufacturing and marketing firms. Also, variability of promotional response in different retail markets, channels, and outlets should be analyzed for the purpose of making required modifications to delivery processes with regard to promotional programs. Such management strategies would allow for better communication planning and marketing effectiveness, with consequences that extend beyond economic benefits for the retail company itself and impact on relationships with suppliers and cooperative promotion decisions. Consumer-oriented firms must expand aggressively into new markets and once they saturate markets with outlets, they can sustain their earnings and business growth by improving the mix of products sold offering attractive marketing communications. At times, firms also need to alter their communication, advertising, and merchandising strategies to better respond to the preferences of potential customers. Thus, peer communication programs should be strategically conceived by firms considering long-term effects on volume of sales and building loyalty among customers (Rajagopal, 2011).

Information technology platforms

The rapid development of electronic commerce (e-commerce) has seen emerging electronic service retailers attracting the interest of, and gaining the patronage of, both service providers and customers. However, there is consensus that the e-commerce industry in general has not been able to cope with all the challenges of, and to realize the true potential of, the technology-based marketplace. Some research studies argue that although the Internet marketplace possesses unique characteristics, there are certain traditional values that remain central to business success in all markets (La and Kandampully, 2002). In an increasingly competitive market there is a keen interest among retailers to understand as much as possible about consumer behavior. Advances in technology have presented retail marketers with many new research tools with which to monitor such behavior. Video-monitoring technology offers an objective and accurate research tool for retailers to keep a watch on consumer behavior (Kirkup and Carrigan, 2000). It is a wrong notion of those managers who believe that filling their websites with a broad array of information diverts attention from their company's core offerings. A new global study, however, has revealed that such information increases customer attractiveness, and using consumers' desire for providing better value is the strongest predictor of superior shareholder value for e-commerce companies (Eisingerich and Kretschmer, 2008).

Since the mid-twentieth century information technology has contributed to improving the business of large and small firms. The technological innovations have percolated down to the consumers from the business-to-business platforms. Already in the twenty-first century there have been fresh advances in the design and development of marketing communications for delivery via mobile devices and personal data assistants (PDAs), and the evolution of near-field communication technologies. In developing and disseminating marketing information most firms have considered the factors influencing consumers' acceptance of social platforms such as Facebook, Twitter, etc. supported by the outreach of technology. Mobile marketing has become a prime tool among consumers in United States, China, and Europe for buying products. Thus, firms should provide useful information on mobile devices. Communication on mobile devices should drive consumer involvement and provide knowledge on innovativeness and risk factors. The mobile communication interface with consumers would also build sustainable convenience buying attitude of consumers. The efforts of prominent international companies have shown that perceived usefulness, consumer innovativeness, and personal attachment directly influence attitudes toward mobile marketing communication not only in the markets of developed countries but also in emerging markets. Marketers seeking to build and maintain customer relationships via mobile platforms should view these individual characteristics as the levers to amplify consumers' acceptance of mobile marketing (Rohm et al., 2012).

It has been recognized that enhancing the role of technology in a service organization would serve to reduce costs and improve service reliability. New information technology is becoming an important factor in the future development of the financial services industry, and especially the banking industry. However, it is argued that there remains an important role for customized relationships in the delivery of any service proposition (Durkin et al., 2008). A large number of customers use the Internet, as a medium of business (electronic commerce). Association of self-service technologies with customers indicates that six attributes common to the diffusion model—including perceived convenience, financial benefits, risk, previous use of the telephone for a similar purpose, self-efficacy, and Internet use—play a significant role in the performance of retail banking operations (LaRose and Eastin, 2002). It can be stated that banks adopting information technology-based capital-intensive techniques are more efficient as both cost and profit frontiers gain competitive advantage in the financial markets (Casolaro and Gobbi, 2007).

Upon recovering from the recent global economic recession (2007–2011) large international firms have planned to offer customized information, products, and services to micro-segmented consumers through social media. The *global market village* approach has been designed to pay off the significant upfront investment of the firms—including implementing customer relationship management software applications; filtering, enhancing, and cleaning customer data; and promoting personalizing interactions (e-mail, billing, offers, and so on). These activities in coordination with multiple activities of the business firms (marketing, customer service, sales, and information technology) are encouraging firms to operate in a changed business environment. Companies still need to reach broad groups of consumers with messages that are not dependent on an individual's decision to open a dialog (whether virtual or physical), pick up the phone, or click on a box (Nunes and Merrihue, 2007).

The most important e-commerce design goal was developed to address e-commerce as a whole, securing the essential steps of each e-commerce transaction including the offer, the order, and the payment. Globe-ID(R) is a system based on an intermediary server, which acts as a trusted third party for merchants and consumers. It contributes directly to the security and notarization of the transactions, manages the e-commerce player accounts, and acts as a gateway to the private networks of traditional financial instruments (Pays and de Comarmond, 1996). In order to get along with increasing competition, retailing firms need to encourage usage of advanced technology. However, adoption of new technology may require substantive cognitive efforts from both retailers and consumers. Therefore, firms should be able to influence their consumers' knowledge base and diffuse successful concept for high-tech marketing. This process has so far been used only marginally, meaning that the most prominent high-technology marketers are likely, little by little, to dominate their market (Hanninen and Sandberg, 2006). The use of e-commerce is basically unaffected by the size of the city where the household is located. Geographically remote consumers are discouraged from purchasing goods by the fact that they cannot inspect them beforehand. Leisure activities and cultural items (i.e., books, CDs, and tickets for museums and theaters) are the only goods and services for which e-commerce is used more in isolated areas (de Blasio, 2008).

Firms in the past relied on push marketing strategies to sell their products and services, and during 1990s, the emphasis shifted to relationship marketing, which unveiled the customer-centric philosophy as *delight your customers*. This became the pivotal strategy for many firms. However, these tactics tended to show low effectiveness, particularly as the power of customers continues to grow with heavy inflow of tactical communications and personalized promotions. As the digital technologies like the Internet dominated the perceptions of increasingly educated consumers, most companies competed to do more than just delight them. In response, innovative companies are now trying a different approach, such as providing customers with open, honest, and complete information, and then finding the best products for them even if those offerings are from competitors. In short, such efforts are truly representing customers' best interests and are essentially becoming corporate advocacy for them. If a company advocates for its customers, they will reciprocate with their trust, loyalty, and purchases either now or in the future. The firm might then command higher prices for its products and services, as many customers will be willing to pay for the extra value, and when people trust a company, they will often tell others about it, helping to reduce the organization's costs for acquiring new customers (Urban, 2004).

In increasing global competition, retailers—whether running a physical store, a catalog business, an e-commerce site, or a combination of the three—need to offer customers superior solutions to their needs, treat them with respect, and connect with them on an emotional level. Retailers also have to set prices fairly and make it easy for people to find what they need, pay for it quickly, and then move on. Hence, e-commerce is shifting—from making purchases online to going shopping online—a social experience in which people interact in a 3-D web space. Moving ahead with the growing technology in the days to come in all sorts of markets, customers will use choice-boards, an interactive buying platform, and manufacturing companies and retailers would be able to use online systems that let people develop designs for their own products by choosing from a menu of attributes, prices, and delivery options. It is found that self-service technologies, which can be customized by users, build a higher sense of belongingness and safety with the banking industry. The association with self-service technologies in a financial operation leads to three forms of positive attachment based on three different foundations, which include the credibility of the organization, compatibility between the values of the organization and those of the consumer, and interpersonal or relational considerations (Aldlaigan and Buttle et al., 2005).

It has been observed that technology has homogenized the world markets for a variety of customer and industrial needs. The reduction in tariff barriers and duties, as well as the worldwide liberalization process, has given a further stimulus to international marketing across the regional boundaries. Markets today not only provide multiple goods and services to customers but also expose their behavior to cross-cultural differences and innovations. The specialization of the production process has also brought such cultural changes by business penetrations in low-production skills regions across countries. Apparel from

Asian countries like Indonesia or Korea, all types of consumer goods from China, electronics from Japan, and perfumery from France may be some good examples to explain the specialization and cross-cultural sharing of consumer behavior. Conducting business is a creative enterprise and doing it out of one's own country is more demanding. The industry structure varies dramatically across different countries, and in order to succeed a global enterprise needs strong adaptative behavior. In international business, a company needs to best prepare itself to achieve a competitive advantage in the marketplace. International partnering in reference to production technology, co-branding, distribution, and retailing may bring high success to the companies of the home country by increasing the market share in the region, as well as augmenting the customer value for mutual benefit.

The emergence of virtual shopping and the liberalization of economic policies in developing countries all over the world have turned competition into a traditional derby in which many companies participate. In this business game the rules and prize money are subject to change without notice, the route and finish lines are likely to alter after the race begins, new entrants may join at any time during the race, racers may form strong alliances, all creative strategies are allowed, and the state legislation may change without notice and sometimes with retrospective effect. Hence, to win the race a company needs to be able to outwit, outmaneuver, and outperform its competitors. In this process, a company must understand thoroughly all the moves of the rival firms from various sources. The locales of rival businesses must be spotted to assess their strengths. In such situations it may be necessary for a firm to hold the hand of a strong brand. International partnering can be one of the most popular and low-risk strategies for achieving this.

The companies of developing countries may look into this concept not only for growing their market share in the region but also for acquiring long-term sustainability in the international business by using new technologies in financial and marketing operations. There may also be the possibility of entering into a strategic international relationship with two or more companies to cooperate out of mutual need and to share the risk in achieving common objectives. In general terms, increasing convenience is a way of raising consumers' surplus, for instance, when banks use new technologies to allow customers to make electronic transactions rather than having to visit a branch in person. The technology-based services imply different combinations of accessibility attributes (time, distance, and search costs), ease of use, and price. Another factor in determining the magnitude of the surplus that the bank can seize is the relative importance of cross-selling. The bundle of services provided electronically is usually not the same as those available at a branch.

Customer-centric approaches are practiced efficiently by call centers to connect customer issues to appropriate and interactive solutions. Call centers not only offer personalized attention to problems but also help to build customer loyalty. Customers rely on call centers, which have high-value work force toward services scheduling methods such as queuing system models to achieve optimal performance. Most of these models assume a homogeneous population of servers, or at least a static service capacity per service agent. It is observed that a type of specialization minimizes the steady state queue size and reduces the duration of customer services (Ryder et al., 2008). The value concept in the above relationship governs the customer portfolio decision in terms of formulation of recursive utility over time. It shows that the optimal portfolio demand for products under competition varies strongly with the values associated with the brand, industry attractiveness, knowledge management, and ethical issues of the organization. The extent of business values determines the relative risk aversion in terms of functional and logistical efficiency between the organization and supplier, while the switching attitude may influence customers if the organizational values are not strong and sustainable in the given competitive environment (Rajagopal, 2006c). The value of corporate brand endorsement across different products and product lines, and at lower levels of the brand hierarchy also needs to be assessed as a customer value driver. Use of corporate brand endorsement, either as a name identifier or logo, identifies the product with the company, and provides reassurance for the customer (Rajagopal and Sanchez, 2004). A perspective from resource-advantage theory (Hunt and Morgan, 1995) is used to formulate expectations on the degree to which the use of information on customer value, competition, and costs contributes to the success of a price decision. It is argued that the success of these practices is contingent on the relative customer value the firm has created and the degree to which this position of relative value is sustainable in the competitive market place. These expectations are empirically tested on pricing decisions with respect to the introduction of new industrial capital goods.

2 Market Communication and Grapevine

The growth of Internet-based social media in the twenty-first century has made it possible for one person to communicate with unlimited friends and peers about products and consumer experiences. Most companies also connect to social media platforms on the Internet and offer opportunities to share consumer experience. Thus, the impact of consumer-to-consumer communications has been greatly magnified in the marketplace. Social media is a hybrid of promotional elements: in a traditional sense it enables companies to interact with their customers, while in a nontraditional sense it enables customers to interact directly with their peers. The content, timing, and frequency of the social media-based conversations occurring between consumers are often beyond a firm's control, as the communication process takes its independent interactive path in the social media. This stands in contrast to the traditional integrated marketing communications paradigm, whereby a high degree of control is present. Therefore, firms must learn to shape consumer discussions in a manner that is consistent with the organization's mission and performance goals. Methods by which this can be accomplished include providing consumers with networking platforms, and using blogs, social media tools, and promotional tools to engage customers (Mangold and Faulds, 2009).

Most companies have driven lots of friends and followers to social platforms, such as Facebook, yet few have succeeded in generating profits there. That's because they merely deploy their digital strategies into social environments by broadcasting their commercial messages or seeking customer feedback. However, firms need to develop social strategies that are consistent with consumers' expectations and behavior as, over a period, people want to connect with other people but not with companies. The successful social strategies are those that reduce search costs or increase customers' willingness to be associated with the company and its brands through various social media platforms. Looking at the success of integrating social networks with customer relations policies at Zynga, eBay, American Express, and Yelp, it has been observed that social strategies can generate profits by helping people connect in exchange for tasks that benefit the company, such as customer acquisition, marketing, and content creation. A systematic way to build a social strategy and process path—and one which allowed a major credit card company to bank on social networks to build customer relations as well as the brand value of its products—is to use proactive consumer communication between peers (Piskorski, 2011).

As competition increases in the global marketplace, most firms are reorienting their marketing communication strategies through customer-to-customer networking, as customer-driven communications are perceived to be more trustworthy and decisive. Consequently, consumers are adopting increasingly active roles in co-creating marketing communications with companies and their respective brands. Most emerging firms are working hard to develop online social marketing programs and brand campaigns to reach consumers where they "live" virtually. However, the challenge faced by many companies is apparently the way to be active in social media, as most firms have no clear understanding as how to manage their social networks effectively, what performance indicators they should be measuring, and how they should measure them. Further, as companies develop social media strategies, platforms such as YouTube, Facebook, and Twitter are too often treated as stand-alone elements rather than part of an integrated system. Firms should invest in building strategies in a systematic way to understand and conceptualize online social media, as an ecosystem of related elements involving both digital and traditional media (Hanna et al., 2011). As re-communication in social networks like Facebook and Twitter is becoming common, many companies take advantage of such grapevine communication trends. Recent research identifies factors that increase the likelihood of communications being re-tweeted, so that a firm's tweets will be shared with social networks among peers. Re-tweeting is desirable both because the original tweet reaches more people and a re-tweet is essentially an endorsement from the recipients to their followers. Opening a communication with an attention-grabbing headline is also important for communications on social networks. Socializing the brand can give enormous scope for re-tweeting, as peers can use and act on the message, and save time and money on information searches. The best communication strategies combine several of these practices so that organizations get the most out of their marketing messages (Malhotra et al., 2012).

Technology platforms for social media commonly include Facebook, Twitter, YouTube, instant messaging, videoconferencing, and web meetings. These and many other techno-communication collaborations and social media platforms have now become lifestyle choices for people around the world. Firms are continuously exploring ways to improve their communications and management strategies using the above social media technology platforms. However, the efficiency of firms in using these social media applications and technologies is a challenge and raises several questions as to how successful the companies are in navigating business changes through social media platforms. Though the efficiency of firms in using social media applications varies, many firms use multiple talent and organizational elements to drive their business communication effectively across consumer and peer segments. In this process, firms work on creating a shared vision, gaining buy-in across locations and levels, and dealing with consumer expectations and streamlining consumer preferences in the day-to-day competition. Social networking and collaboration applications are extremely effective ways of converging the forces of a business communication pyramid comprising the bi-directional flow of information among the firm, consumers, and market players (suppliers, service providers, retailers, etc.). This convergence of communication can help firms to perform new processes together and to share experiences on the innovations, improvements, and the temporary setbacks. People with common interests or related roles can form communities to learn from and support one another on the social media platforms. Social media can also help firms in cases where there is a need to create a more collaborative culture and drive the change initiatives.

In disseminating business communications, timing is arguably the most important variable of all. Indeed, there are critical moments in a customer's relationship with a business when firms want to communicate with all market players to promote various strategies. If the firms contact consumers with the right message in the right format at the right time, there exists a good chance of a warm reception. There is a new computer-based experimental platform called *dialogue marketing*, which is, to date, the highest step on an evolutionary ladder that ascends from database marketing to relationship marketing to one-to-one marketing. The major advantages of dialogue marketing over conventional communication approaches are that it is completely interactive and it runs on multi-communication channels. This platform continuously tracks every nuance of the customer's interaction with the business. Thus, dialogue marketing responds to each transition in that relationship at the moment the customer requires attention (Kalyanam and Zweben, 2005). The collaboration and networking platforms are empowering employees, customers, and partners to be active participants in the global conversation of the company. Social media tools and platforms provide an effective communications channel for the customer-centric business communication and across the organization as a transparent knowledge-sharing initiative. Firms must establish a process for delivering the voice of truth through the correct communications on social media platforms, by disseminating authentic, trusted, and believable information. This reinforces the idea that social media can be promoted by firms as a tool not only to voice ideas and concerns but also to get accurate and credible solutions to various consumer issues.

In working with the social media applications firms may find effective ways to deliver personalized learning experiences to consumers related to the brand, as well as promotions, and comparative advantages. Firms should not use social media to broadcast general information. Business organizations should use social media linked innovative collaboration platforms in a variety of ways to encourage effective company–consumers–suppliers coordination in information sharing and knowledge-building opportunities, including:

- Webcasts with short learning segments delivered before a change in enterprise system, innovations, and marketing strategies of the firm goes live;
- Live web meetings and tele-presence solutions that bring together dispersed teams for a common learning experience; and
- User-generated content platforms such as YouTube, which allow staff members to provide short video or audio training segments relevant to the change program.

Social media and collaboration solutions allow information to flow in multiple directions rather than just from the top-down. For example, by using wikis and micro-blog applications to share short bursts of information, marketing firms can *crowd-source* ideas and involve employees more directly in the innovative strategies. Firms can build greater internal loyalty by actively soliciting continuous feedback on issues related to the change. Social media is an important addition to a traditional change management program, one that can dramatically increase the acceptance of change and advance an organization more predictably toward its business goals. Collaboration and social media tools can reduce the time an organization needs to navigate large-scale change programs and deliver a better solution for consumer-related marketing issues in the future.

The advancement of information technology in global business has resulted in the prevalence of online communities to drive the virtual business of many firms. Online communities are connected through social network platforms, which allow consumers to exchange information about products or services virtually. These platforms are used by consumers to compare prices among competitors, as well as to exhibit products online, and share their opinion or experience of products and services. Consequently, marketers have lost control over how and where their products are presented to potential customers. Some of the more sophisticated online retailers have used this trend to their advantage, employing recommendation algorithms, user reviews, and unique customer-generated content to build trust and increase a consumer's propensity to purchase. A variety of online players including Amazon, Netflix, and Internet radio site Pandora are recognized for having state-of-the-art recommendation systems that effectively match customers with the products, movies, and music they love.

Social media has widened opportunities for these consumer-oriented firms to expand their market beyond bricks-and-mortar stores. The consumer networks are used by most firms to supplement traditional sources of buyer insights with a wealth of information gathered by logging into community sites such as Facebook, LinkedIn, and Twitter, as well as customer forums and product review services. Monitoring the information flow on social media gives firms unique access to unfiltered feedback from customers, which may not be possible to obtain through other means, such as focus groups and surveys. Firms intending to experiment with monitoring the Web can outsource the entire process to third parties, or build these capabilities internally. However, as the information technologies are evolving rapidly, firms need to choose carefully in order to avoid locking themselves into a solution that constrains their future capabilities.

New insights suggest that firms should continue to use consumer online support to gain competitive advantage besides advertising their products and services. Social networks also drive traffic to firms' retail websites. Firms can engage employees, customers, suppliers, and other third parties as active participants in the innovation process, expanding the range of ideas and gathering real-time feedback on their potential take-up. For example, Nokia operates an online lab that allows users around the world to download beta applications and provide feedback to its product development teams. This strategy provides an early opportunity to identify potential problems and alerts the company to customer differences across geographic markets.

Social media has become embedded in the business culture and has attracted the attention of large as well as small firms. More and more people are getting connected with their computers and mobile devices to build relationships with family and friends and to post their opinions and engage in conversations. It is vital that managers understand this phenomenon and learn how to prepare their organizations to thrive as customers exercise more power and influence over businesses than ever before. Some companies have made major strides in leveraging social media to develop more effective growth strategies (Wollan et al., 2011).

Word-of-mouth effect

The philosophy of firms has taken a turn from market-oriented strategy to customer-centric strategy following the move toward globalization. Marketers have been spending millions of dollars on elaborately conceived advertising campaigns but often these do not drive the brands to the forefront of consumers' minds. A word-of-mouth recommendation from a trusted source is perceived to be more influential than a corporate communication. A large volume of communication on the products and services analyzing their competitive advantages is shouldered by social media in the global marketplace. The dynamism in peer communications develops a grapevine effect among consumers and acts as a major driving force in making buying decisions.

The grapevine effect triggered by word-of-mouth is the primary factor behind the purchasing decisions of a large segment of consumers. It plays a pivotal role when consumers tend to buy a product or service for the first time or when products are relatively expensive. Social media-driven information factors tend to make people conduct more searches, seek more opinions, and deliberate longer among their peers than they otherwise do. The influence of word-of-mouth will probably grow along with the digital revolution and help consumers in making buying decisions. Thus, one-on-one communication helps companies in building consumer opinion by analyzing personality of products or services, interventions in decision making, responsiveness of brand or a company, and trust (PIRT). In the context of growing globalization, social media operates on a one-to-many respondents basis as product reviews are posted online and opinions disseminated through social networks. Some customers even create websites or blogs to praise or punish brands. Word-of-mouth is a potential way to acquire new customers, as well as to retain existing customers by building loyalty and trust for the brand and the company. However this media may also lay negative effects among peers by allowing the dissemination of dissatisfaction within the segment. Such developments in word-of-mouth platforms may even push firms to lose consumers (Yu, 2007).

There are many companies that have developed their posture in the market on the backbone of social media. IBM has emerged as a social business, because of the way it has layered the barriers of reaching out to the people within the organization. Most companies are also leveraging social media tools in order to develop their image for interacting with stakeholders and customers. IBM operates in 170 countries and functions through development teams to build a product and position it in different markets against competing products. The functional teams feel that in positioning the products there is a need to bring together the right consumers to bear through sustainable social networks. IBM brings the right skills and the right intellectual property together to support the company's operations with existing and potential consumers. Inside IBM there are almost 70,000 communities that represent science and technology, associated with the products in every industry that the company serves, and with every standard that the products bear. Some communities are made up of a narrow access-controlled list of people, maybe focused on an acquisition, and some are communities with tens of thousands or even a hundred thousand people, sharing information about a particular focus area. The major challenge of social media is to develop collaboration capabilities and co-creation of brand personality. IBM has developed practitioner portals to leverage the content more quickly, to locate relevant people faster, to discover people it does not know who can help them on the project, and to grow its own capabilities by leveraging the tacit knowledge and wealth of information that's out there (Kiron et al., 2012).

In general word-of-mouth reflects how people react to variabilities in product and service performance within niche. However, as communication circles expand, the reach of informal communication enhances at various territorial levels. The customer acquisition, retention, and referrals are co-created by consumers and market players associated with the company on social media platforms. Communication delivered through such platforms explain that with better consumer perceptions on products and services, the buying decision would turn positive and more consumers would likely remain with the brand or market, which confirms the link between communication quality and customer satisfaction. The power of word-of-mouth communication and its influence on consumer decision making is well established by various research studies. The recent adoption of online communications by many consumers has facilitated a fundamental change to the structure of many interpersonal interactions by exposing consumers to electronic word-of-mouth from virtual strangers. The emergence of the Internet and social networking has spawned an interest among consumer communities, which help consumers in making decisions (Steffes et al., 2009).

The impact of word-of-mouth could be strongest when it originates from social contacts, as such communications often have greater perceived reliability. By the very nature of such social communications, word-of-mouth falls outside an organization's formal control. Social media can influence or encourage word-of-mouth to make it a powerful marketing tool. Financial service providers have shown long-standing faith in positive word-of-mouth communication as a means of attracting new customers and a variety of studies on customer choices of banks highlight the significance of personal recommendations. Financial services tend to be characterized by a predominance of experience and credence qualities, where word-of-mouth communication is particularly valuable in providing potential consumers with vicarious experience of the service under consideration (Ennew et al., 2000). The service-dominant logic describes customer-actualized value as being idiosyncratic, experiential, contextual, and meaning-laden. Since positive word-of-mouth is an expression of customer-actualized value, the social communication philosophy postulates that word-of-mouth is not only related to a holistic set of assessments of the service experience but also to the idiosyncratic nature of the individual customer. Thus, a question often stands to be analyzed, whether socially oriented individuals have a greater propensity to engage in positive word-of-mouth leading to the construction of an effective communication grapevine (Ferguson et al., 2010)?

Some studies on the impact of communication on cognitive behavior reveal that word-of-mouth plays a critical role in mobilizing consumer communities. A study observes that the pester-power phenomenon among young consumers—where the repeated delivery of unwanted requests influences parent's purchasing behavior—is often driven by word-of-mouth. It has been suggested that a large number of highly successful products, notably *Harry Potter*, became popular not through marketing but via word-of-mouth, and the staying power (or stickiness) of the product illustrates the importance of social learning (Procter and

Richards, 2002). Word-of-mouth communication has three distinct dimensions comprising cognitive content, richness of content, and the strength of delivery. The first two constituents reflect the composition of the message, while the third reflects the manner of delivery. Such social communication has strong psychometric properties and can be generalized in the four contexts of sending positive/negative messages and receiving positive/negative messages among peers and referral segments (Sweeney et al., 2012). Word-of-mouth in the marketplace and social neighborhood influences short-term and long-term judgments of consumers on various buying situations. This influence is greater when a consumer faces a disconfirmation experience and when the word-of-mouth communication is presented by an expert. Most companies disseminate word-of-mouth analytics among various consumer segments to develop buying intentions and loyalty. Interestingly, personal characteristics, such as susceptibility to interpersonal influence and product knowledge, do not appear to moderate word-of mouth observations (Bone, 1995).

Communication analytics and expressions

The lowering of communication barriers has given high opportunities to marketers as they proceeded in driving the globalization of consumers, markets, and production, while technological changes have made the task of bringing all consumers and market players on a single platform a tangible reality. Since the end of World War II, the world has seen major advances in communications, information processing, and transportation technology, including, most recently, the explosive emergence of the Internet and the World Wide Web. The technology drivers play a significant role in global business. Global expansion of multinational companies has been stimulated by technological advancements in the design, manufacture, and marketing of consumer and industrial products. Services have also been improved by many technological breakthroughs. The Internet revolution has triggered e-commerce as a strong driving force for global business in the consumer and industry segments. Improved transport and communication now make it possible for firms to be in continuous contact with producers anywhere in the world. This makes it easier for companies to split production of a single good over distance. Storage and preservation techniques have revolutionized the food industry, for example, so that the idea of seasonal vegetables is no longer relevant today as anything can be exported all year round to anywhere.

In addition, the information technology revolution has made the movement of investment capital around the globe an almost immediate process, ensuring that financing opportunities across the developed and developing world have both expanded and become more flexible. However, noneconomic drivers of global integration, from travel to telephone traffic maintain their forward momentum, making the world more integrated in the twenty-first century than before. Technological upgrading, in the form of new machinery and improved technological capabilities, provides firms with the means to be competitive. In the process of introducing better technologies, new lower-cost methods become available, which allow firms to increase labor productivity, that is, the efficiency with which they convert resources into value. Firms will adopt these newer methods of production if they are more profitable than the older ones. The ability of a firm to take advantage of social media platforms is also enhanced if it improves its entrepreneurial and technological capabilities through two competitive strategies, namely (i) learning and adaptation, and (ii) innovation. The latter is a process of searching new products, new processes, and new organizational arrangements through social communication platforms.

Marketing encompasses people from different cultures and thus every business activity in another country is subject to cultural challenges, which can be addressed by business strategies about uniformity in communication. Social media, powered by information technology, has become embedded in consumer culture and has become a way for consumers to share knowledge. The extent of cultural influence through social media communication varies in accordance with the nature of industrial and consumer products and services. Marketers of consumer products, by virtue of processes such as mass advertising, sales promotions, and personal selling, tend to require a strong degree of cultural awareness and social networking to enhance the value of their business activities. Similarly, marketing strategists also need to understand mass consumer behavior and crowd-sourcing drivers in order to develop marketing strategies and establish consumer preferences.

Social media communication is one of the most common and effective interventions in business communication, as well as in interpersonal relationships. Young consumers are considered to be the next generation of loyal customers. Those with effective communication platforms tend to have higher opportunities to interact with peers and post their observations on marketplace and shopping dynamics. Often it may be difficult for companies to match the voices of customers with specific language skills with their corporate communication patterns.

The growth of technology-led social media communication channels has been a catalytic drive for electronic word-of-mouth communication since the beginning of the twenty-first century. More and more consumers use Web 2.0 tools such as online discussion forums, consumer review sites, weblogs, social network sites, and the like to communicate their opinions and exchange product information.

In addition, user-generated content in the form of online customer reviews was found to significantly influence consumer-purchasing decisions (Cheung and Thadani, 2012). A large number of consumers consult online reviews, blogs, and other user-generated content before purchasing a new product/service, 46% of which are then influenced in their purchase. It has been predicted in a study that over 50% of total retail sales will be affected by the Web (e.g., online reviews) by 2014 (VanBoskrik, 2011). While word-of-mouth communication on various Internet platforms has some characteristics in common with traditional communication channels, it differs from traditional interpersonal communications in several ways. Information in traditional word-of-mouth is usually exchanged in private conversations or dialogues. It is therefore difficult to pass along the information to any individual who is not present when and where the information is exchanged. Informal communication channels are dominated by word-of-mouth content work within a framework of "who says what to whom and with what effect," and in which social communication includes four major elements (Cheung and Thadani, 2012):

- The *communicator* (*source*) refers to the person who transmits the communication.
- The *stimulus* (*content*) refers to the message transmitted by the communicator.
- The *receiver* (*audience*) is the individual who responds to the communication.
- The *response* (*main effect*) is made to the communicator by the receiver.

Existing interpersonal communication theories describe word-of-mouth behavior in reference to face-to-face interactions, where communicators are in close proximity and can significantly influence the buying behavior of consumers in a marketplace (Knapp and Daly, 2002). The informal communication theories based on principles of social cognition and interpersonal relationship development from social psychology, suggest that given enough time to develop peer interactions, individuals can create fully formed impressions of others based solely on the verbal content of Internet portals. It is imperative that marketers understand how these impressions affect the assessment and use of word-of-mouth information about products, brands, and firms, and consequential consumer behavior both spatially and temporally through virtual platforms (Brown et al., 2007).

Consumers' shopping behavior has shifted with the Internet, forcing retailers to redefine their roles. E-commerce, supported with secure Internet shopping, is making an impact, providing the benefits of capturing a global audience 24 hours a day, seven days a week. Longer working days are driving customers away from queues at shopping malls and toward the convenience of the Internet. In travel and tourism industries, retail services stores are losing business to online competitors. Future losers will be all bricks-and-mortar stores that do not have a strong online presence. The advantage of online shopping is that a shopper can check to see if the product is in stock, determine its suitability, and make a purchase, without standing in a queue or fighting for a parking space. Shopping patterns are changing as customers seek added value from their shopping experience, including dramatic cost savings. Customers wishing to send a bouquet to Europe can either visit an *Interflora* accredited florist and make the purchase over the counter or visit the *Interflora* website. Internet retailing can be a distinguished form of conventional retailing practices for the following reasons:

- Easy to place an order;
- Long product lines and more choice;
- Competitive prices;
- Faster service and delivery;
- Comprehensive information about what is being offered;
- No sales pressure, and
- Convenient payment procedures.

Large manufacturers of consumer goods recognize the added benefit of the Internet, especially the one-to-one relationships that it offers. Some large manufacturers have used the Internet to introduce customized shopping options, thus becoming retailers themselves and providing yet another challenge to the traditional store owner. It has been observed that shoppers can choose the hair, eye, and dress color of the doll they purchase by visiting the Mattel Company's Barbie website, a service that traditional stores cannot offer. Consumers gradually reveal their demographics and purchasing patterns through Internet shopping, including date of birth, average spending, product preferences, and hobbies. Web-based businesses largely use this information as a platform to create an interactive loyalty program and database marketing. Although consumers can research high-price items such as cars and real estate via the Internet analyzing the information on the attributes of offerings, deals are still closed more effectively face-to-face as buyers' confidence is boosted by personal negotiations. A retailer provides a necessary personal contact that the Internet cannot offer. However, in future a successful retail store must build upon this and add value to its customers' shopping experience by giving them that "something extra" to ensure continued patronage. In contrast, certain industries, such as music, have won a significant percentage of the market away from retail outlets. There will always be a place for retailers that serve impulsive and recreational purchasers, as well as for those that sell products that don't sell well over the Internet. The conventional retail stores need to reinvent store ambience, as often their online competitors compete offline and online.

Social media has changed the style of communications among consumers, companies, and associated market players. Social media websites are designed to carry verbal and nonverbal communication with stimulus contents to attract millions of users, many of whom integrate the sites into their daily lives and business practices. Thus, social media allow users to connect with peers, companies, and brands irrespective of individual familiarity by adding them to networks of friends (Zhang and Daugherty, 2009). Firms deploying marketing strategies through interactive and addressable communications within the social media platforms, improve their corporate images, products, and services in various consumer communities. There are commonly six key elements that drive interpersonal communications in social media. These include love and passion, self-connection, interdependence, commitment, intimacy, and brand quality (Fournier, 1998).

Social media websites provide a public forum that gives individual consumers the opportunity to present their observations, as well as access to product information that facilitates their purchase decisions. User-generated online reviews on products and services have proliferated among peer consumers through social media, which has a huge impact on marketing (Trusov et al., 2010). Word-of-mouth not only increases guiding messages for consumers, companies, and marketers toward converging better value chains but also alters the processing of consumer information in building customer-centric marketing strategies. In particular, peer communication through social media has emerged as a new form of consumer socialization, which is driving consumer decision making and helping companies to develop value added marketing strategies (Casteleyn et al., 2009).

Consumer socialization among peers is driven with the dynamism of social media, which encourages market-based interactions among peers. The blogs, instant messaging, and social networking sites all provide communication tools that make the socialization process easy and convenient. Virtual communities easily socialize new incumbents into common and special interest groups, and help them quickly learn task-related knowledge and skills through their interactions with other members. Beside quick inductions of members in the virtual groups, the inflow of consumers to social media websites is increasing and helping them communicate with others and find information to help them make various consumption-related decisions. The grapevine effect of the social media also facilitates education and information analysis among the members as the socialization agents within the informal groups provide vast product information and evaluations quickly (Muratore, 2008; Taylor et al., 2011). Some studies reveal that peer communications influence consumers to such an extent that they convert others into virtual shoppers, while some retailers also encourage social media communications by setting up tell-a-friend functions on websites.

Behavioral analysis

Behavioral economists and social psychologists have been studying individual's conceptual understanding of the causes and meanings of social communications. Both disciplines have focused primarily on process and outcomes in reference to the effects of social communications on judgments. Often social media and the so-called communication grapevines on topics of social interest cause chaos, and it is difficult for the recipients of the message to conceive the contents and react. Such communications may not only drive confusion among consumers but also leave companies unclear about the principal theme of communication. Thus, the practice of mindful listening—whereby the listener is fully present to him/herself and actualizes the contents to the current reference—should be inculcated among peer groups and companies. This would allow firms to gain insight and understanding, which requires self-awareness, and awareness of the other players in the given situation (Ucok, 2006).

The traditional high esteem for the words in Europe is reflected, for instance, in elaborate business correspondence. Europeans not only love to talk extensively in negotiations but also draw up long minutes of meetings and letters of confirmation. They strive to put the progress of their business in exact words in order to keep going. Japanese enterprises, on the other hand, are not especially fond of correspondence. Compared to European business letters, Japanese letters tend to be brief and, in the European view, sometimes insufficiently precise. Even differences in details of communication may cause problems in business relationships. In Europe, contracts are generally put in writing and then minutely drafted. Language is an important cultural tool for conducting international business in the host countries effectively. It also has a deep-rooted sentiment in the people. It is just not a spoken word, but also symbolic communication of time, space, things, friendship, and agreements. The language people speak is part of the culture in which they were raised. Therefore, the language used in all marketing communications, including advertising, public relations, and general communications, should reflect the unique cultural expressions and values of the target locale. Nonverbal communication occurs through gestures, expressions, and other body movements. Language in business should offer the most appropriate sense of communication and should not be translated into another language literally.

Social institutions play a significant role in nurturing the cultural heritage, which is reflected in individual behavior. Such institutions as family, education, political structures, and the media affect the ways in which people relate to one another, organize their activities to live in harmony with one another, teach acceptable behavior to succeeding generations, and govern themselves. The status of gender in society, the family, social classes, group behavior, age groups, and how societies define decency and civility are interpreted differently within every culture. Social institutions are a system of regulatory norms and rules of governing actions in pursuit of immediate ends in terms of how they conform with a community's ultimate common value system. Institutions are intimately related to and derived from the value attitudes common to members of a community. This establishes institutions as primarily moral phenomena, which enforce individual decisions on all human needs, including economic- and business-related issues. The primary means for enforcement of norms is moral authority, whereby an individual obeys the norm because he or she believes it is good for its own sake.

The recent social focus on organic products has prompted a new thought process on green consumerism. Research into recent buyers of green products, as well as empirical evidence, suggests that consumers most receptive to environmentally oriented marketing appeals are educated women, aged 30–44, with $30,000-plus household incomes in the United States. It has been observed that female consumers are in the forefront of green purchasing and consume a considerable share of green products. They do most of the shopping and—although it sounds sexist—they may naturally exhibit a maternal consideration for the health and welfare of the next generation. The social media communication drives the above dynamics among consumers and directs companies to develop strategies accordingly.

Developing social media responsiveness

Social media spreads peer communication on the one hand, while prompting marketing companies to be responsive to issues raised within the informal networks on the other.

At that time, marketers could filter the social media communication and develop appropriate insights in creating useful concepts—such as market and customer orientations, disseminating marketing knowledge and strategies to enhancing customer value. Many organizations have successfully inculcated the practice of converging social media information with developing a marketing strategy. Although social networks seem to have earned their place in business organizations, major differences remain in how organizations are market- or customer-oriented, how they *organize* and *operationalize* their marketing activities, and how they use marketing knowledge. Moreover, many marketing problems have not yet been solved through social networks, such as how firms should become competitive, how to improve the capabilities of operational staff, and how marketing activities should be organized to satisfy stakeholders' aims (operationalization). Marketing scientists may need to assist in the search for these answers by actively participating with social networks and communication anchors.

Planning interactive communication

In the twenty-first century, the business world is swamped with technology-led innovative information platforms to drive e-commerce. The Internet has driven the supplier–customer interaction more dynamically than conventional communication tools and has driven consumers toward the use of choice boards including interactive and online systems in both financial and nonfinancial markets. Information technology-led communication dashboards have let people co-create their platforms by choosing communication attributes. Interactive communication platforms across regions and markets have shifted the role of consumer from passive recipient to active co-creator of products and services in the marketplace, in a way that is changing the way that companies compete. Broadly, e-commerce is changing the basis of competitive advantage in retailing in view of rising interactivity between consumers, companies, and other market players. The mission of consumer-centric companies is to get the right product in the right place at the right price at the right time, in light of the observations of the consumer forums.

The Internet has led to an era of *disintermediation*, in which producers of goods and services bypass wholesalers and retailers to connect directly with their customers. Accordingly business today is undergoing precisely the phenomenon of hyper-mediation, where transactions over the Web involve customers directly in the business and offer the improved value chain of services throughout transactions. However, some studies indicate that intermediaries still operate in virtual shops and take out a fair share of profit from the companies in the process of transactions. The presence of such intermediaries occurs where companies are weak in maintaining their online business and get along the consumer networks and social media communication shocks (Slywotzky et al., 2000). Interactive marketing through various social media platforms can drive competitive advantage to companies in various ways by developing effective competitive marketing strategies (e.g., Blattberg and Deighton, 1991). Interactive communication between market player may lead to the following operational dynamics in firms:

- A database of communication logs is used as the primary marketing resource by many firms, determining what kinds of products they can deliver and what markets they can serve. Interactive communication would help firms to customize according to the preferences of the customers. Accordingly, firms could develop their customer acquisition and retention strategies, and gain competitive advantage in the marketplace.
- Interactive communication would make companies more accountable to their customers. The unit of measure will be the lifetime value of each customer to the firm. Firms can measure their marketing efficiency by streamlining the customer value over time.
- In the absence of monitoring consumer needs and preferences regularly, firms may suffer from erosion of customer power, although they can uphold the marketer's power. However, where customer orientation slows even reverses, firms may take back functions through interactive and social media platforms and regain their strength in the competitive marketplace.

- Interactive marketing has been proved to be a good tool for niche firms. Where niches are too small to be served, the firm's profitability becomes viable as marketing efficiency improves. Communications will reach small or diffused targets with increasing precision, and feedback on marketing through interactive platforms.

In interactive communication all communities exchange their attention, interest, desire, and action distinctly with the specific interest groups. Each person has an individual vision of insight communication being watched by all. The critical mass for the group floats on analyzing perceptions and driving opinions on the communication platform. Thus the critical mass of consumers is socially constructed by individuals, based on their communication with others in their system. The interactive communication is based on six attributes that affect its rate of diffusion and adaptability, including: emotions, relative advantage, compatibility, complexity, trial ability, and observability (Rogers, 1995). Interactive marketing strategies based on team approaches or collective organization approaches of Japanese companies have greatly contributed to the success of Japan in world markets and to the accumulation of Japan's postwar economic wealth. This contrasts greatly with the individual approach often practiced by British companies (Turnbull and Yamada, 1984). The intensity and variety of customer participation during the interactive communication process is nonpredictive of word-of-mouth and referrals as it may go positive or negative. Interactive communication on a specific marketing issue can be woven around four key factors: derived tangible experience, forethoughts, empathy, and meaningful interaction. Such interactive communication supports interactive marketing management in the field of complex services and can help the creation of a specific service delivery system (e.g., File et al., 1992).

The results of a study reveal that interactive communication (on e-platforms) such as blogs with visual information are significantly higher than regular mass media sources like articles in periodicals and newspapers without visual information. Furthermore, there is an interaction effect between product category and visual information on product interest and purchase intention. When consumers read electronic word-of-mouth information of products with pictures (versus without pictures), they tend to demonstrate greater product interest and purchase intention. In addition, the effect of visual information is stronger not only for search products (no matter whether utilitarian or hedonic products) but also for experience-hedonic products than for experience-utilitarian products. Electronic word-of-mouth is a considerably influential factor for consumers searching for product information. Nowadays, consumers can easily post visual information (e.g., pictures or videos) on the Internet to convey product information and consumption-related experiences (Lin et al., 2012).

With the introduction of new technologies such as satellite, Internet, and cable radio, the concept of local shopping has emerged as a major attraction for shoppers, retailers, and media advertisers in the radio industry. Broadcasting commercials has led to concerns about the projecting of local identity under the assumption that the geographical location of viewing billboards, wall advertisements, television commercials, and Internet-based advertisements plays an increasingly diminishing role as compared to radio commercials because they can be easily listened to with mobile audio devices (Torosyan and Munro, 2010).

Radio commercials play a significant role in influencing listeners about products and services. It has been revealed by previous studies that the brand recall as well as the message from 30-second commercials is significantly higher than for other modes of electronic media advertisements (Allan, 2007). Radio broadcast services are important for social communities, not only for leisure but also to know the commercial environment within the neighborhood and identify shopping opportunities for the consumer to gain competitive advantage. Digital radio broadcasts are based on improved technology and prioritize consumer requirements within the larger platforms of promotions across market outlets (Hallett and Hintz, 2010). Radio has also emerged as a strong interactive communication platform in the twenty-first century. Advertisements on radio target audiences along age, gender, and ethnic lines, and mobilize excitement and gender sensitivity as persuasive techniques to promote products and services during working hours with the view that access to commercial information is a "new cool-tier" of the entertainment industry (Van Guijel et al., 2008). The consumer identifies advertisements with the brand, celebrity tags, and lifestyle perspectives. A good fit of message within this triad generates interest and drives strong buying arousal. Such shopping arousal is perceived between consumer lifestyle and the content of the advertisement in reference to consumer desire in advertising for designer brands of apparel, perfumes, and shoes (Oswald, 2010). There is an emerging relationship between radio advertisements and consumer behavior. The messages in the radio advertisements emphasize brands and their use value, which are conceived and retrieved faster by the listeners, and help them making quick decisions on buying. Radio advertisements, which are intangible, simple, and affective in nature, develop conviction among consumers toward buying (Thrassou and Vrontis, 2009).

Social value dynamics

Social networks have become an integrated part of business. Companies could bring business and society together by creating shared value in association with consumers sharing marketing policies and business innovations. Such efforts would help firms to offer better economic value to their customers. Firms can create social value by analyzing social media conversations, reconceiving products and markets, developing customer-centric attributes in the value chain, and building supportive consumer clusters on virtual platforms. A number of leading firms have already embarked on such initiatives (Porter and Kramer, 2011). Benn and Jerry, for example, redesigned its consumer market on various social media platforms specific to the consumer preferences such as ice creams for children, youth, gender–specific, and health-conscious consumers. However, not all companies are able to use social media to derive benefit as well as create social value.

Some social media initiatives fail to bring benefits to companies because the initiatives are unable to create an emotional bond between the stakeholders and the company. However, social media is limited in terms of trust, territory, and target—just like any other media channel. Companies can create a winning strategy using social media and focus on developing software to facilitate social networking and using tools to build communities. Such practice may encourage stakeholders and employees of the company to be more productive and sincere. Though social media can catalyze the creation of dynamic stakeholder relationships, deriving benefits with an online community requires firms to develop leadership on building emotional capital that values community building as a means of creating economic value (Huy and Shipilov, 2012).

As social media expands in the twenty-first century, social networks and word-of-mouth play transformative roles in influencing consumer preferences and purchasing decisions through online platforms. Companies such as Dell and eBay have adopted the traditional unidirectional advertising messages and are using them as a springboard to begin a two-way dialogue with consumers via social media platforms. Most marketers know that social media has emerged as a powerful way to generate sustainable, positive word-of-mouth marketing for the good of the business in a competitive marketplace. However, it is essential for firms to select the right social media platform, to develop and post the right messages, and to engage the right users to interact on issues and disseminate the message among their peers. Firms may also look into the possibilities of employing innovative metrics to exploit social media for achieving success in their marketing campaigns. Some such strategies may include developing an analysis of the effect of customer influence, which could measure the effect of a social media user in simultaneous networks. Firms may also analyze the dynamics of social media users who actively discuss the company's products, services, and policies. In order to measure the effectiveness of social media, customer value could help the firm to find out the monetary gain or loss realized by social marketing campaigns (Kumar and Mirchandani, 2012).

Although social networks have emerged as a significant tool for companies to expand their business, harnessing the power of such invisible groups is a big challenge. It has been observed that there are no uniform directions available for firms to harness social media. Thus, most efforts to promote collaboration with social media platforms are disorganized and are built on the logic that more connectivity on social media is a healthy sign of organizational growth. However, this might be a misnomer as, in general, networks create relational demands that could squeeze the time and energy of network participants and could affect the organizations' interest adversely. Accordingly, it is often crucial for executives to learn how to promote connectivity only where it benefits both an organization and an individual, and to reduce redundancy in communication as well as to limit the connectivity to selective networks. Some of the best practices on social networking followed by Nestlé, Dell, and Kraft Foods demonstrate that limiting social media activities to the customized response network is the best way to frame organizational interest and strategic innovation. Strategic consulting firms and new-product development groups also rely on this format. By contrast, surgical teams and law firms rely mostly on modular response networks, which encourage customers to present their problems and get a reasonably good response. Such practice may help organizations to build customer loyalty through social networks and stay connected in order to reap a competitive advantage against less social firms. Many firms believe that call centers can be useful for interacting on social media platforms. Social media collaboration does not occur spontaneously in the right places at the right times in an organization. Companies need to develop a strategic, nuanced view of collaboration by taking steps to ensure that they categorically support the social networks that best fit their goals.

3
Strategic Planning with Social Media

Different customer-centered marketing strategies and more general mechanisms for the integration of various marketing channels are considered to be some of the strongest drivers of global business in the consumer goods sector. Multichannel marketing drives competitiveness and offers comparative options to consumers in determining their preferences. Globalization has helped to transform the business environment and consumer culture along the dimensions of economic geography, which can be evidenced with the growth of urban areas and shorter travel distances as businesses migrate closer to denser population centers, and generate competition among firms to take advantage of scale and trade in specialized products. Social networks have portrayed the concept of four Cs—convenience, comprehension, customization, and collaboration—in delivering consumer value and developing customer involvement.

Cultural similarities in social networks tend to come together over time and across regions. Cross-cultural communications among consumers through network platforms support innovation and creativity in firms. The creative involvement of customers through popular social media forums helps to build innovative and quality circles in many different genres, styles, and markets, resulting in mutual (customer and company) social and economic benefits. Retail firms use diverse communication strategies to attract shoppers—these include closed circuit television in shopping malls, public television commercials, advertisements in print media, and direct marketing (Lee and Kim, 2008). A route to market is a distinct process followed by customers toward buying a specific product or service through a market channel. Consumers' involvement in social medial platforms is increasing as the horizon of retailing in urban marketplaces tends to expand continuously.

As the use of technology increases in retail channels, consumers' preferences vary significantly between bricks-and-mortar stores, catalogs, and e-retailers—the variety of operations gives consumers increasing choice and also reduces the probability that other retailers have the same offering (Bickel et al., 2006).

Customer value is an intangible factor, which plays a significant role influencing buying decisions. It broadly includes psychometric variables like brand name, loyalty, satisfaction, and referral opinions. The customer lifetime value is built over time by business firms—it also contributes to customer's individual perceptions of the firm and augments its value. The new school of business thinking and contemporary researchers emphasize that in order to maximize the lifetime value of customers, a firm must manage customer relationships over the long term. However, disagreeing with this notion, one study demonstrates that firm profits in competitive environments are maximized when managers focus on the short term with respect to their customers (Villanueva et al., 2004). Consumers often get involved not only with a product or service, but also with consumption of purchase decisions. Consumers also opine and register their preferences for the product or services and their market communications. It is believed that such consumer involvement can form an overall profile that encompasses purchasing and consumption situations in a given marketplace. The product and brand-decision involvements reflect in consumer perceptions. The former about the place a product occupies in a consumer's life, and the latter about the stakes in making a casual rather than a careful brand selection (O'Cass, 2000).

Social media has also turned customers into innovators by allowing them to exchange ideas across the board with companies. New ideas are disseminated very quickly on social networks and also filtered fast by the companies from the point of view of technological feasibility and economic viability. Recently, this pattern of consumers-as-innovators has led to the framing of a new innovation paradigm, in which consumers play a central and very active role through their specific social network or company-based platforms. In this process, rather than seeing consumers simply as the market motivators, the new paradigm centers on consumers and other product users who get involved in the process. It explains why consumers are very important innovators, who often develop products on their own (von Hippel et al., 2011).

Consumer involvement in social networks and company's external relations helps in developing sustainable customer value. This is considered to be an important parameter for companies to play a defensive role in the marketplace to acquire and retain customers. Building up customer value and involving consumers in various products and services from designing to delivery and service ability helps a company to gain competitive advantage. Customer-value generation helps the company to improve customer value through faster response times for new products, which is a significant way to gain competitive advantage. In the globalization process many approaches to new product development emerge, which exhibit an internal focus and view the new product-development process as terminating with the launch. However, other processes, such as customer availability output, are significant. One study proposes that shortening product lifecycles should pay to get the product into the market as quickly as possible, and indicates that these markets should be defined on an international basis. The results of the study reveal that the greater commercial success is significantly associated with a more ambitious and speedier launch into overseas markets, as the process of innovation is only complete when potential customers are introduced to the new product on a worldwide scale (Oakley, 1996).

Although consumer involvement is an individual perspective to influence general decision making and communication behavior, it can drive a company's marketing strategies significantly. The attitude of consumer involvement has been associated with numerous other marketing concepts, such as perceived risk, information search, brand commitment, brand loyalty, brand similarity, opinion leadership, brand switching, advertising, diffusion processes, and segmentation.

Informal communication analysis

Marketing communications have historically been measured on a medium-by-medium basis. The new electronic communications system has swapped the conventional communication system and enveloped a wider coverage by demography and territories. Thus, consumers use all technology-based communication platforms simultaneously and synergistically while disseminating information. However, there are challenges in measuring the effect of such informal communications systems on business strategies (Ewing, 2009). Multinational companies from leading countries enter secured country markets and out compete the regional players from the benefit market segments. However, many Japanese companies have not lived up to expectations against international competition. Consequently, long-standing protections for the Japanese markets—such as tariff and nontariff barriers—were removed by the government in a nod to the global business trend of liberalization. The prominent business moves of multinational companies include Japanese electronics and automobile companies, BMW, Nestlé, Proctor & Gamble, etc. Operating in the global environment requires mastering skills to penetrate host countries, particularly when trade barriers and government protections have been removed and business policies have been restructured. The importance of the phenomenon of global customer is growing every day and so is the global-customer-centric organization.

It has been observed in the postglobalization period (1980 onwards) that emerging markets are strengthening their market communication strategies to stay close to consumers. This has become easier for companies as electronic social media platforms have gained popularity. Developing such informal interactions between companies, market players, and consumers has accelerated business growth and allowed manifold business proliferations. Social media has given companies the opportunity to work on dynamic direct communication platforms with consumers and have new co-governance approaches in the business. The schematic informal communication analysis would help customer-centric motivations for developing effective marketing strategies in the competitive marketplace. The informal communication practices are intended to build trust and loyalty among consumers and involve them in the corporate ambience. Peer communication on consumers' special interest in products and services can help firms to review their manufacturing and marketing strategies and work on more consumer-friendly marketing policies to gain competitive advantage (van Tatenhove et al., 2006).

Global business processes often focus on customers and thus many firms are engaged in developing customer-centric marketing strategies. The convergence of customer and corporate strategies are one of the core constitutes of global business policies. There has been a substantial shift in thinking from strategies that focus on marketing to consumers to those that focus on marketing with consumers. Marketing technology is reshaping culture through the Internet, and individual choice is fragmenting the imposed uniformity of national cultures. New hybrid consumer cultures are emerging, and those embedded regionally are re-emerging.

Globalization has triggered local consumer networks of small sizes but with stronger voices. It has been observed that communications affect people by the weight of its contents, not by the size of networks. However, organizations can capitalize on social networks of consumers.

High-performing companies attend to have pro-business networks, which have a homogenous voice woven into high-quality relationships with people from various spheres of the marketplace. Smaller networks are capsuled within the organizations and operate in a communications niche, which typically ranges in size from 12 to 18 employees. These help managers learn, make decisions with less bias, and grow personally. Such networks comprise people who provide information and ideas or expertise, hold formally and informally powerful people, offer mentoring and socio-political support, offer developmental feedback, render personal support, and try to strike a balance between business and life. Such network connections bind together positive and trustworthy individuals who enjoy communicating with others and always see opportunities, even in challenging situations (Cross and Thomas, 2011).

A formal organizational chart won't reveal which people confer on technical matters or discuss office politics over lunch. Much of the real work in any company gets done through informal organizations with complex networks of relationships, which cross functions and divisions. Managers can harness this power in their companies by diagramming the advice network, which reveals the people to whom others turn to get work done; the trust network, which uncovers who shares delicate information; and the communication network, which shows who talks about work-related matters (Krackhardt and Hanson, 1993).

Five essential qualities of esthetic judgment—*interest, subjectivity, exclusivity, thoughtfulness, and internality*—need to be nurtured among consumers to develop conviction in buying. The quality of esthetic judgment driven by in-store aura and arousal on new products exercised by the customers in association with the sales promoters determines the extent to which new products and promoted brands enhance quality of life (Dobson, 2007). Convergence of sales promotion, customer's perceptions, value for money, and product features drive arousal among customers. The nature of customer–retailer relationship functions as the key in selling and buying process in reference to in-store promotions. However, in this process perceptional problems with customers can greatly devalue the customer–promoter relationship and brand as a whole (Platz and Temponi, 2007; Rajagopal, 2007a). Consumer appreciation of premium-based promotional offers is more positive when the premium is offered through an easy process and in combination with a relatively low quantity of products to purchase. It has also been found that when the premium's value is mentioned and brand perception is positive, compulsive buying tendencies are higher among customers (d'Astous and Jacob, 2002). The in-store environments in shopping malls that are designed to drive impulsive buying behavior include displays of point-of-sale posters, and exhibiting promotional discounts and cheaper prices, while the atmosphere engagement referring to enjoyment, elegance, and attractiveness is conveyed by ambience inside the shopping mall. Such behavioral drivers may also be referred to as in-store promotional and atmospheric effects (Zhou and Wong, 2004).

Perceived attractiveness of products, firms, and retail stores significantly influences the consumer–brand relationship development process in meaningful and predictable ways. Ownership of a brand by consumers influences their opinion of the desirability of the brand as a relationship partner. The quality connection between personality traits and brand association depends to a large extent on the perceived attractiveness of the brand. However, the role of attractiveness in the relationship varies across individual brand personality dimensions (Hayes et al., 2006). There is a significant positive relationship between brand trust and brand share in the competitive marketplace. It is also observed that relationship between brand strength, which is determined as the degree of behavioral relevance of the brand, and brand trust catalyzes the consumer association with brands in the long run (Xie, 2008; Burmann et al., 2009).

Buyers also intend to acquire knowledge on brand origins, which significantly influences judgments on product quality, brand attitudes, and choice behavior in the marketplace. Buyers commonly obtain modest knowledge on the origins of brands to determine their performance. It is observed that buyers' proficiency at recognizing foreign brand origins can be predicted by variables such as socio-economic status, past international travel, foreign language skills, and gender. Brand-origin recognition is based largely on consumers' associations of brand names with languages that suggest country origins (Samiee et al., 2005). Besides, information on attributes of the products, use value, and informative and normative interpersonal communication influence the relationship between brand personality and consumers' acceptance of brand. Thus, the relationship between brand information and consumers' acceptance of brand affects the behavior of consumers directed toward action or change-driving impulse, desire, volition, and striving for the brand. These factors are considered as conational drivers, which determine the decision of buyers toward association with the brand (Rajagopal, 2008b; Xie, 2008). Cultural dimensions of buyers' self-images offer deeper insights regarding motives and desires for buying brands. The interaction of consumer self-image and perceived brand image is to moderate the decision of buyers to develop temporal association (short- or long-term) with the brand (Andronikidis, 2008).

Although many organizations initiate communities' participation to drive performance and innovation, managers typically have little insight into the internal effectiveness of social media analysis and its business impact. Firms need to improve tools and techniques for network analytics by categorizing communications into strategy, emotions, and interventions. Accordingly strategy metrics—both in terms of network connectivity and business outcomes—may be developed by firms to improve the business competitiveness and track the success of such community initiatives. Social network analysis can help move a community from a casual, informal group to a value-producing network by focusing on improving information flow and knowledge reuse, and developing an ability to sense and respond to key problems or opportunities. The social networks may also be oriented by the firms toward driving planned and emergent innovation, fostering value-creating interactions, and engaging employees in the customer-centric growth process through community efforts (Cross et al., 2006).

As discussed above, social media is useful for more than just social connectivity and entertainment. Customers can launch social media campaigns for or against organizations (e.g., the Dell Hell blog[1]) while firms can do better by showing their competencies than simply reacting to society's embrace. Web 2.0 technologies become "social business" tools and processes for strategy-focused firms, which enable collaboration among employees, partners, and customers. Social businesses have tackled some of the perennial challenges of implementing the Kaplan-Norton Management (KNM) system, including building effective strategy maps and achieving strategic alignment in order to enable new forms of communication and collaboration (DiMauro and Zawel, 2012). The KNM system comprises four stages. First is strategy development, which springs from a company's mission, vision, and value statements, and an analysis of its strengths, weaknesses, and competitive environment. In the second stage, managers translate the strategy into objectives and initiatives with strategy maps, which organize objectives by themes, and balanced scorecards, which link objectives to performance metrics. Stage three involves creating an operational plan to accomplish the objectives and initiatives; it includes targeting process improvements and preparing sales, resource, and capacity plans and dynamic budgets. Managers then put plans into action, monitoring their effectiveness in stage four (Kaplan and Norton, 2008).

Customer-centric strategy

The role of marketing strategies in fostering controlled consumer empowerment is reflected in the development of information-based consumer-centric marketing strategies that seek to enable and control delegation. In designing such strategies, consumers' familiarity with the use of ICTs are both strengthened and widened, emphasizing the uncontrolled nature of the consumer empowerment process. There is a need to regain control over the marketing process, that is, either to manage the technological empowerment of consumers, or to devise new strategies cognizant of the possibility that such technological empowerment cannot be managed. The valuation of consumer loyalty in this environment rises significantly (Pires et al., 2006). Organizations seeking to adopt a more customer-focused strategy will learn from the approach taken by DuPont. It faced this challenge, based on an extensive program of qualitative and quantitative research with customers around the globe. The customer touch-point analysis of the organization facilitated alignment of functional groups within the organization (product, sales, customer service, etc.) and equipped them to deliver on newly developed, segment-specific value propositions. This major initiative has enabled DuPont to reprioritize internal efforts and business practices, and been a catalyst for broader organizational changes, notably the dissolution of many functional silos that had previously hindered its ability to deliver against its brand promise (Sena and Petromilli, 2005).

Companies engaged in sales and services of high-value high-tech goods like hybrid automobiles need to explore new modes of cooperation among customers, retailers, and manufacturers. Firms need to involve consumers in co-creating and co-designing products and services to establish a customer-centric business strategy. Co-designing activities are performed at dedicated interfaces and allow for the joint development of products and solutions between individual customers and manufacturers (Berger et al., 2005). Knowledge sharing through face-to-face communication is positively related to both product and financial performance, while technological knowledge sharing has a positive impact on product performance under conditions of high-tech dynamism. Supplier involvement in the buying process is related to product and services performance, while use of knowledge management tools is related to financial performance (Lakshman and Parente, 2008).

Customer-centric research aims at developing pro-customer strategies to focus on better ways of communicating value propositions and delivering the complete experience to real customers. Learning about customers and experimenting with different segmentations, value propositions, and effective delivery of services associates customers with the business and helps frontline employees to acquire and retain customers with increasing satisfaction in the firm's sales and services (Seldon and Macmillan, 2006). Firms struggling to gain competitive advantage are getting close to customers as customer-centric strategy is seen as key to success in the marketplace. This global approach has led to a boom in information-technology spending to help companies get in touch with their customers. Indeed, interest in customer-relationship-management (CRM) systems continues to grow. Competing firms may consider monitoring customer touch-points including e-mail, call center logs and responses, retail stores observations, and feedback of salespeople on customer satisfaction or dissatisfaction to analyze subsequent customer interactions as well as to develop appropriate competitive marketing strategies. Firms should rely on customer-led communication approaches to acquire and retain customers and integrate supply chain and services-related issues (Yu, 2001).

The effect of services performance on relationship quality, in situations characterized by the high relative dependence of buyers on the dealers, is governed by efficiency in the delivery of services which develop high customer satisfaction. Buyer–dealer relationships may have significant effects on focal firms with regard to flexibility, responsiveness, and CRM, which all help to build the capability of supplier firms toward increasing competitive advantage and gaining high customer value (Squire et al., 2005). Automobile service centers face the problems of unscheduled arrival of the vehicles that lead to demand in excess of capacity or under-utilization of capacity. Management of service centers are often found to be reactive to such situations, which affect the level of customer satisfactions due to time and task adjustments (Bagodi and Mahanty, 2007). Satisfaction plays an important role in relationships, is instrumental in increasing cooperation between channel partners, and leads to fewer terminations of relationships (Ganesan, 1994).

Companies have invested heavily in CRM systems that quantify the value of transactions as CRM software and social media platforms have swept through the global market. The desire for the companies to invest heavily in customer-relations projects has also been prompted by the opportunity to use customer data to build customized and profitable relationships following the boom of social media platforms. However, most CRM systems have been used merely to classify customers into segments based on their current levels of involvement in buying and generating profitability to the company. This approach has driven companies to go customer-centric and shift from mass marketing to one-to-one relationships. Of late in the postrecession period in the USA and Europe, CRM has turned into a customer profitability management approach. This has been a straight company-centric practice based on cost analysis, which provides the economic rationale into why and in what ways people (including social media) form relationships with companies and brands (Fournier and Averi, 2011).

Customer–supplier relationships get closer and stronger through information management at both ends. Dealer information sharing helps to develop higher quality supplier relationships. Interestingly, even if the initial level of trust in the retailer is low, the relationship quality substantially improves. In a more competitive situation, suppliers respond more favorably to the retailer's information-sharing initiative (Smith et al., 2002). In addition, the evidence indicates that profitability and market share growth also suffer (Swink and Zsidisin, 2006). Measuring customer satisfaction leads to identifying ways to improve the quality of a firm's product and services, which in turn leads to increasing the company's competitive advantage. One of the best practices adopted by multinational companies is applying various listening tools to obtain information about customers' needs, preferences, and perceptions of their performance, while another is to identify salient activities for managing customer perception and satisfaction (Maguire et al., 2006).

Market orientation

In increasingly competitive markets, large and well-known firms are developing strategies to move into the provision of innovative combinations of products and services as "high-value integrated solutions" tailored to each customer's needs, rather than simply "moving downstream" into services. Such firms are developing innovative combinations of service capabilities, such as operations, business consultancy, and finance required to provide complete solutions to each customer's needs in order to augment customer value (Rajagopal, 2007a). Manufacturer's market orientation increases the customer's economic satisfaction with the dealer as it reveals competitive advantage in making the buying decision. A strong market-oriented strategy alleviates the possibility of using coercive influence strategies against competitors and offers advantage to the customers (Chung et al., 2007).

Market orientation is an organization-wide concept that helps explain sustained competitive advantage. Since many manufacturing firms have linked their marketing strategies to service-delivery attributes, the concept of market orientation is expanding as a system in global corporate settings. The process of market orientation describes how an organization continuously collects information about customers and competitors, and uses it to create superior customer value and competitive advantage (Slater and Narver, 1995).

The strategy of market orientation requires a different competitive mind-set and a systematic way of looking for opportunities to innovate and sustain values. Instead of looking within conventional boundaries, firms should learn how an industry competes and managers should look methodically across the competitors to gain advantage in the marketplace. Accordingly firms may lay real value innovation and develop convergence for company policies with customers to develop loyalty and increase the cost of switching to substitute products or services. Home Depot, for example, looked across the substitutes serving home improvement needs. Intuit looked across the substitutes available to individuals managing their personal finances. In both cases, insights emerged from looking at and analyzing common indicators from a new perspective. Similar insights can be developed by observing strategic buyer groups to develop the functional–emotional orientation to bring the consumer community in (Kim and Mauborgue, 1999).

Consumption has often been dichotomized in terms of its functional–hedonic nature and it is closely associated with the level of satisfaction leading to determine the customer value influence (Wakefield and Inman, 2003). As new products are introduced, a firm may routinely pass these costs on to consumers resulting into high prices. However, a less obvious strategy in a competitive situation may be to maintain price, in order to drive the new product in the market with more emphasis on quality, brand name, postsales services, and customer relations management as nonprice factors. Studies that advocate the models of building customer value through traditional relationship marketing discuss long-term value concepts to loyal customers. Most importantly, customers are expected to raise their spending and association with the products and services of the company with increasing levels of satisfaction attribute to these values (Reichheld and Sasser, 1990). A marketplace, whether niche, regional, or global, is turning competitive with the advances in information technology, and it has become necessary for firms to explore business opportunities with a competitive mind-set to sustain in the market. There is a need for firms to inculcate market-oriented approaches over the conventional framework by analyzing the critical perspectives in business like driving brand equity, price advantage against competing products, developing top of the mind communications, and consumer loyalty. In the process of market orientation, firms can find scope for real value enhancement by looking at competitors within their own industry (Kim and Mauborgue, 1999).

The adoption of a market orientation can help a service provider design and offer a service mix that is perceived by core customers as being of superior quality, while market-orientation strategies can be transformative for dealers in driving profit and building competitive advantage in the market (Chang et al., 1999). It has been argued that the provision of integrated solutions is attracting firms, traditionally based in manufacturing and services, to occupy a new base in the value stream centered on "systems integration" using internal or external sources of product designing, supply, and customer-focused promotion (Davies, 2004).

The corporate business strategies should possess three generic points: overall cost leadership, differentiation, and focus. Strategy is an approach in consonance with the goal of the company to be achieved. The strategies are formulated for short and long-term, according to the goals of the company. These indicate what a company wants to achieve in a given environment and the timeframe for this; the strategy answers how to get there. Every business must develop a tailor-made strategy for achieving its goals. The managerial strategy in business should be to reduce the cost of production and distribution. The company cultivates the strengths that will give it competitive advantage in one or more benefits. Those seeking quality leadership must make or buy the best components, put together expertly after careful examination and so on. It may be hypothesized that the rising prosperity of a nation depends on the productivity with which it uses its human, capital, and natural resources. This is manifested in the way in which a nation's firms compete. The success in planning and implementing strategies largely depends on managerial skills delivered appropriately in reference to time, target, and territory. How the path is paved to success in the competitive market environment is manifested in the strategic decisions taken by the managers of the firm. In the present competitive business environment every retailing company lives in fear of the low-end competitor—a company offering much lower prices for a seemingly similar product. The vast majority of such low-end competitors are defined by the functionality of product and the convenience of purchase.

Some companies, for instance Big Cola in the Latin American market, typically enter a market with a narrow range of product line at low prices. Industry leaders have significant advantages for combating low-end competition, but they often hesitate because they are afraid that their actions might adversely affect their current profit margins.

Social marketing at the bottom of the pyramid markets

In the growing competitive spree multinational companies are exploring remote markets in which they can position global brands. This strategy has leveraged market access for global brands at a regional level. Such accessibility to markets is further reinforced by the reduction of trade barriers through far-reaching business communication strategies, product and market development programs, and consumer relations. Markets for implementing brand strategies can be divided into three levels comprising premium markets, regular markets, and bottom of the pyramid (BoP) markets located in rural regions. Consumer behavior toward brands in the premium and regular markets are generally driven by push factors including brand equity, brand personality, and brand endorsements, while brand strength in the BoP market segment is determined by consumer pull factors like price advantage, social status, and perceived use value (Rajagopal, 2009a).

Consumer brands in the global marketplace strive to reach the lowest consumer segments by generating the social impact and financial viability that provide optimal value for money to consumers. Thus popular brands demonstrate higher brand equity at various tiers in the market of a given region and assume the challenging role of meeting the twin goals of commercial profitability and social development of the firm (Kuriyan et al., 2008). Brands with larger market share and higher equity implicitly signal lower perceived risk and higher acceptance by the marketplace. Such brands also tend to have larger resources, higher brand equity, buying incentives, and increased loyalty, and undertake higher advertising levels at the bottom-line markets (Anderson, 1979).

Competing brands show higher concerns over quality, cost, and management factors in order to prove better than others. Consumers, the end users, are the ultimate target of competitor firms for building aggressive and defensive strategies in business. Competing brands try to attract consumers by various means in order to polarize businesses and build confidence in the marketplace. It is necessary for successful companies to look for places of business that provide them with better location advantages and hold consumers for their goods and services.

Business cordoning or securing trade boundaries is an essential decision to be taken for building competitive strategies to attack rivals across regions.

The concept of brand development from the perspective of bottom-line segments of society argues that after decades of mutual distrust and animosity, competitors are learning to cooperate with each other. Realizing that their interests are converging, firms are working together to create innovative business models that are helping to grow new markets, as well as to accelerate the eradication of poverty. People in China, India, Indonesia, and Brazil are eager to enter the global marketplace. Yet multinational companies typically pitch their products to the tiny segments of affluent buyers in these emerging markets, and thus miss out on much larger markets further down the socio-economic pyramid (Prahalad and Lieberthal, 2003). The BoP philosophy of business further argues that by stimulating commerce and development at the bottom of the economic pyramid, multinationals could radically improve the lives of billions of people and help create a more stable, less dangerous world. Achieving this goal does not require MNCs to spearhead global social-development initiatives for charitable purposes but rationally establish businesses by positioning global brands in BoP markets (Prahalad and Hammond, 2002).

Prahalad along with Hammond (2002) laid out the business case for entering the world's poorest markets, deliberating that 65% of the world's population earns less than US$2,000 per year—that's four billion people. Yet despite the vastness of this market, it remains largely untapped. While the philosophy of managing bottom-line markets gives clear indications as to multinational companies' reluctance to invest, it is, by and large, based on outdated assumptions of the developing world. Although individual incomes may be low, the aggregate buying power of poor communities is actually quite large, representing a substantial market in many countries for what some might consider luxury goods like satellite television and phone services. Because these markets are in the earliest stages of economic development, revenue growth for multinationals entering them can be extremely rapid (Prahalad and Hammond, 2002).

The debate on BoP markets includes various perspectives including global firms which confront their own preconceptions—particularly about the value of high-volume, low-margin businesses. Thus global firms need to start thinking about their marketplace as including all seven billion people on the planet (Prahalad and Dearlove, 2009). Global firms could augment revenue through poverty alleviation, as the poor deserve world-class products and services. The lifestyles of the poor are different than their income levels might suggest, as can be seen from the way that poor people allocate their income to consumption (Prahalad, 2002).

Brands penetrating in BoP market segments are largely influenced by the consumption needs, promotions, lifestyle, and societal indicators that affect consumer behavior in relation to purchasing featured brands of upstream markets (Beard, 2008). BoP brands help to develop consumers' familiarity with the firm and build brand association. Consumers have only one image of a brand, created by the deployment of assets such as name, tradition, packaging, advertising, promotion, pricing, posture, trade acceptance, sales-force discipline, consumer satisfaction, repurchases patterns, etc. Clearly, some brand assets are more important to product marketers than service marketers, and vice versa. In addition, some competitive environments put more of a premium on certain assets. Quality and price do not exist as isolated concepts in consumers' minds and are interrelated (Rajagopal, 2008b). BoP brands need to focus on a profit-oriented approach in order to access commercial advantage, inculcate repeat buying behavior among consumers, boost volume of buying by standardizing products measuring brand trial effects, and should run on low-price strategies. Such strategies of brand penetration in BoP market segments scale up consumer loyalty, which ultimately improves the brand association of not only the clients themselves but also helps the brand to lead in the mass market (Akula, 2008). Successful marketing by multinational firms to the large number of consumers in the BoP segment can be realized by positioning global brands in the BoP market itself, managing consumer animosity toward high-profile brands, building the influence of global umbrella brands, and developing responsive marketing as a guiding principle for BoP markets. Exploring the potential of BoP markets requires positioning global brands at radically lower-priced products and enhancing consumer value (Wood et al., 2008).

Individual and cultural attributes of consumers in the BoP market are vital to the strategy of any brand that converges consumers' personality traits with underlying brand propositions. These factors also add enormous value to the functional orientation of a brand at the lower end of markets in a region. The personality traits of consumers, cultural value, brand identity effect, and the brand's functional utility help in developing a powerful strategy for successful brands (Kumar et al., 2007). Brand personality traits provide symbolic meaning or emotional value that can contribute to consumers' brand preferences and can be more enduring than functional attributes. Successfully positioning a brand's personality within a product category requires measurement models that are able to disentangle a brand's unique personality traits from the characteristics common to all brands in the product category. Consumers perceive the brand on dimensions that typically capture a person's personality (Rajagopal and Sanchez, 2004). The dimensions of brand personality are defined by extending the dimensions of human personality to the domain of brands (Rajagopal, 2008b).

The BoP branding paradigm is derived from the constituents of marketing mix (11 Ps) and behavioral factors including personality, image, reputation, and trust (PIRT). The concepts of image and reputation have been increasingly emphasized in the fields of public relations and marketing. It is argued that consumer creativity, identification with the brand community, and brand-specific emotions and attitudes—including PIRT attributes—drive the brand passion among consumers. In this process brand knowledge is also considered as an important determinant of consumers' willingness to share their knowledge with fellow consumers and firms (Füller et al., 2008). Previous research has established that there is a close relationship between brand attributes and the corporate brand image with regard to emotional values. This relationship in turn influences the consumer's responses toward building brand loyalty at the lower layer of markets in a region (e.g., Silva and Alwi, 2006). The quality connection between personality traits and brand association depends to a large extent on the perceived attractiveness of the brand. However, the role of attractiveness in the relationship varies across individual brand personality dimensions (Hayes et al., 2006).

BoP brands largely affirm value to consumers with reference to the strategies pertaining to product, price, place, promotion, packaging, and psychodynamics. When a BoP brand is supported by these strategies, it develops consumer pull effect and becomes more tensile. BoP brands face consumer sluggishness in the beginning but become strong over time with increasing consumer satisfaction on the brand. Premium market brands, on the other hand, are found to be initially stronger in consumers' perceptional values, but this falls over time as the new brands penetrate the market. Thus, consumer brands in premium markets have to remain agile. The relationship between the brand and consumer personalities has three dimensions—strong, vacillating, and weak. The strong hold of the relationship leads to loyalty development, while weak links form the discrete relationship. The vacillating dimension thereof cultivates the risk of brand switching due to consumer uncertainty as to whether to associate with the brand or not.

Values of consumer brands are estimated to be higher in the BoP market segments because of mass market, the large number of consumers, and the wider scope of brand and market expansion. However, BoP brands are price sensitive and they lean on brand offers and competitive gains. It is observed in India and China that dominance of consumer brands of multinational firms are getting stronger in the BoP market segments known as rural markets. Such market growth reveals that a competitive edge can be developed from superior technologies, products, and systems to build stronger BoP competencies of global brands (Williamson and Zeng, 2004). Although the per capita response to sales may be lower in bottom-line markets, the aggregate buying power of consumers is actually quite large, representing a substantial variety of goods and services. Since these markets indicate buying potential, there exists long-run sales advantage for large numbers of companies. Thus, managers must shift their thinking toward the bottom-line market, which holds value of high-volume but high-margin businesses in the long run.

Brands in BoP market segments are largely identified in the context of packaging. A study revealed that rural residents in India found packaging to be more helpful in buying, that better packaging contains a better product, and that they are more influenced by the ease of storing a package than their urban counterparts. Easy-to-carry size of packages, gross weight, simplicity, transparency, and similarity of packaging have also emerged as critical brand identity factors among consumers in BoP market segments in urban areas (Sherawat and Kundu, 2007).

The concept of brand leadership has been applied by many companies; however, few companies can maintain this leadership. Multinational companies optimize their performance in the market by brand leadership and several other activities as discussed below:

- *Consumer knowledge*: Retailers of consumer goods study their consumers and channel partners through periodical surveys and intelligence gathering. The suggestions of consumers and distributors are screened, and due consideration is given to those when re-engineering market strategies.
- *Long-term vision*: Long-term implications in developing brand extensions are drawn by firms intending to penetrate BoP market segments. Such strategies lead to brand appeal from upstream markets and drive high-perceived use value among consumers. However, brands belonging to multinational firms may struggle with the local brands already extant in the market in terms of volume and price sensitivity factors, which affect consumers' buying behavior.

- *Product innovation*: Firms need to make continuous efforts to improve the product quality in order to maintain high brand equity in BoP market segments, as well as premium segments. It is important for brand managers to understand that brand equity in BoP market segments is an outgrowth of brands in premium and regular market segments. Hindustan Unilever has made a dent in the BoP detergent market segments in India by continuous improvement in the detergent brands. Surf Excel Blue was launched in the BoP market, while Surf Excel Automatic has been positioned in the upstream market as a premium brand.
- *Quality confidence*: Firms should also bank on quality to maintain their brand share and expand into new market segments. This would increase confidence in quality among consumers and channel partners, and enhance brand equity.
- *Product line*: Firms should extend product lines covering the class and mass-market segments to provide more shelf space to brands and narrow competition to emerge as brand leaders in BoP market segments. Brand equity in these markets is determined by consumers in reference to perceived use value and value for money measures. Therefore in a large product line, brand switching and inter-temporal substitution within and outside the product line is very common (Simester et al., 2009).
- *Multi-brand strategy*: In order to penetrate BoP market segments, firms should operate with multi-brands in the marketplace. Firms need to build brand architecture on a two-dimensional matrix structure, with products and geographic platforms for effective diffusion of brands in BoP market segments. Such brand architecture would enable firms to design brands for reaching different consumers in BoP segments and compete against localized monopolistic brands. This strategy would help to lock up shelf space in retail outlets and gain more clout with distributors.
- *Aggressive branding*: BoP brand strategy demands intensive advertisements, sales schemes, and an attacking sales force. BoP brands should show strong point-of-purchase displays, sales promotion schemes, and consumer response analysis at retail outlets.

Brand equity and price premium on consumer products in BoP market segments delineate the role of uniqueness, together with awareness, quality, associations, and loyalty as principal dimensions of brands. Relevant brand associations like origin, health, organizational associations, and social image—along with quality attributes such as taste, odor, consistency/texture, appearance, function, packaging, and ingredients—are major variables that influence consumer behavior toward brands in BoP market segments.

There are significant differences in consumer perceptions of hedonic shopping values across several retail brands. Therefore, consumers appear to recognize the uniqueness among the in-store experience that retailers are working hard to achieve. This delivery of value, then, seems to be an effective source of differentiation. The results of this study indicate that retailers using a "store as the brand" strategy should continue to invest in creating a specific, unique shopping experience for their target consumer. However, they should always be mindful of the excitement and fun delivered in the shopping experience: consumers appear to expect utility including the right merchandise, in the right place, at the right time, and at the right price (Carpenter et al., 2005).

The growth of franchising has significant implications for the development of retailing. Shopping behavior of BoP brands prompts sequential relationship among rural or suburban consumers leading to shopping satisfaction through the perceived values of recreational attractions and store loyalty. Higher price volatility makes consumers more sensitive to gains and less sensitive to losses, while intense price promotion by competing brands makes consumers more sensitive to losses but does not influence their sensitivity to gains (Han et al., 2001). The performance of BoP brands in the retail food sector is largely associated with the product design and promotions offered to the consumers. In achieving success in the markets at the BoP, it is argued that brand is the only common element to the entire demand chain that influences B2C transactions and consumer-to-consumer (word-of-mouth) interactions. Brand plays a key role in value-chain dynamics, particularly as a moderator to consumer behavior in bottom-line markets (Glaser, 2008).

Consumers who have lower purchasing power but higher demands for consumer goods are commonly referred to as the BoP and such markets as subsistence marketplaces. Scholars and practitioners alike suggest that problems found in subsistence marketplaces demand the attention and involvement of businesses operating with consumers responsively in order to make such marketplaces both socially responsible and profitable (Weidner et al., 2009).

Consumers' buying decisions largely depends on the BoP brand environment wherein consumers evaluate the level of satisfaction and generate consumer-to-business pull, if satisfaction is significantly high. Such conditions would help extend brands and encourage firms to explore the expansion of their business in unfamiliar market segments and augment their brand value. Hence, it is necessary for managers to understand that consumer value is context dependent and there exists a whole value network to be measured, not just a value chain. This contains important entities far beyond the ones commonly taken into consideration in financial projections and business analyses. Appropriate promotional strategies considering the economic and relational variables discussed in the study may be developed by managers upon measuring the intensity of leisure shopping and the scope of expanding the tenure of this in view of optimizing consumer values and the firm's profits. One of the most challenging aspects of targeting BoP brands is finding the right consumers and sales people, who are willing to devote significant time and resources to working closely with their product portfolios, if they wish to gain satisfactory value from their external business operations and investments.

Product markets continue to change rapidly. Focusing on a limited number of strategic brands in international markets enables firms to consolidate and strengthen their position and enhance brand power. Brands that are acquired need to be merged into the existing structure, especially where these occupy market positions similar to those of the existing brands. Equally, when the same or similar products are sold under different brand names or have different positioning in each market, ways to harmonize these should be examined. Establishing strong and distinctive brand images for different product lines helps to establish their separate identities and diversify the risk of negative associations.

Independent brands may be able to make a high impact in niche markets by stressing their attributes and application advantages over those of closely competing brands. An appropriate brand personality helps in building a brands' strength. Brand strength appears to be linked to four main practices including investing in marketing communications to improve consumer awareness, understanding corporate and product brand values, contributing to the wider community to improve corporate reputation, and improving internal communications (internal marketing). Accordingly, managers can keep themselves better informed about consumer needs, market changes, and company initiatives, thereby enabling staff to help consumers better, and improving service quality to improve market positioning.

Firms should let consumers experience the key brands and develop brand-specific perceptions to build loyalty over time. Managers need to focus on featured brand categories, where the differentials in personality traits among competing brands are narrow, and to strategically develop favorable PIRT attributes. Accordingly, the perceived attractiveness of brands interacts with other consumer personality traits, which enhance the brand performance and foster consumer association. Managers can improve brand performance by integrating corporate image, reputation, brand identity, and consumer perceptions beyond their visual presence. They need to be more proactive, and also have to express and embed their brand-value propositions within their identity and reputation in their dealings with consumers. Approaches on market segmentation in reference to value and lifestyle (VALS) and personality attributes of consumers need to be carefully converged to determine positive brand effects and higher loyalty.

Managers should understand that a brand's profitability is driven by both market share and the nature of the category, or product market, in which the brand competes. Developing the most profitable strategy for a premium brand means re-examining market share targets in light of the brand's category. Consumer perceptions play a key role in the lifecycle of a brand. The role varies according to the stage in the lifecycle, market situation, and competitive scenario. It may be necessary for a company to invest in appealing communication strategies to create awareness of unfamiliar brands and influence consumer decisions to buy previously untested brands. Systematically exploring concepts in the fields of consumer value and market-driven approaches toward new products will help companies to derive long-term profits and an optimal strategy over the period.

Part II
Analysis of Social Media Effects

4
Social Marketing

Social marketing platforms have driven consumers to get increasingly involved in active roles, not only in communicating among their peers but also in co-creating marketing content with companies and their respective brands. Many social media consumer groups have become strategic partners to the companies in building their brands, for example Bimbo bread company in Mexico has been using social media platforms to promote its brands for a while now and recently it has created a social media platform for football fans using celebrity players to promote its sandwich bread brands. Most consumer-oriented companies are also looking to develop online social marketing programs and campaigns in an effort to reach consumers on a *where it's at* basis to give the live shopping experience online. However, most companies do not truly understand how to get involved with their consumers actively through social media, and platforms such as YouTube, Facebook, and Twitter are too often treated as standalone elements rather than part of an integrated system (Horppu et al., 2008).

Social media applications—including collaborative projects, micro-blogs, blogs, content communities, social networking sites, and virtual worlds—have become part of the standard communication repertoire for many companies. The creation of powerful mobile devices has elevated the growth opportunities for numerous social media applications. New applications for mobile social networking platforms are constantly appearing in the market, which have tempted many companies to tap into social network activities using mobile devices. A mobile device is any tool that allows access to a ubiquitous network beyond one specific access gate. The most common example of a mobile device is a mobile phone, but a netbook also counts if it can access different types of wireless networks such as WLAN and 3G (Kaplan, 2012).

A social media activist may have a mix of experience with product design, marketing, software applications, and the extended reach of communication. Companies should analyze consumer experience centered on social interactions to develop community-linked marketing approaches. Such consumer connectivity helps managers to stay on social media platforms like Facebook and work with the social media account and campaign management, and advertising that are the typical consumer-centric marketing tasks for a company. As social networks are growing fast and gaining psycho-dynamics, a need is emerging for a new executive-level social marketing strategist, who can fully focus on social marketing. Companies should develop social media strategies on the basis of *Hub and Spoke model*, where a hub is located around social media. The *hub* may be led by the corporate social strategist to monitor the core communication movements within the networks and draw a framework of marketing strategy integrating consumer attributes and corporate policy. The hub marketing framework must be further converged with the functionaries accountable in various departments of the company that denote *spokes* in the model.

Social media enveloping several consumer networks across different regions in the world has rapidly gained share and attention among mass consumers and companies, often at the cost of traditional media. Hence, most companies have started to redefine key aspects of their marketing mix considering the activities of informal networks of consumers. With advertising and online word-of-mouth competing for shrinking marketing budgets, many companies regard having an active presence in social media as a viable alternative to traditional advertising. A comparison between advertising and word-of-mouth shows that social media follows rules that are very different from traditional advertising. Social media can start conversations or build brand recognition, but the results are much more difficult to predict or measure (Armelini and Villanueva, 2011).

Social technologies are forcing marketers to form new kinds of relationships with customers but traditional brand management models are different for these new kinds of interactions between companies and consumers. Brand marketers need to update their models to include new media mentors, who are digitally knowledgeable executives and intend to move fast, understand how to integrate social media into corporate communications, and can organize cross-functional teams (Spenner, 2010). The pharmaceutical industry provides a good example of interventions of social networks in marketing. It has been observed that social networks play a key role in doctors' prescribing choices.

Doctors tend to be slow to recommend a drug even if it has been proven effective, but even so patients and pharmacists often wait for a recommendation from a doctor that they trust. Studies have shown that physicians were much more likely to prescribe the diabetes medication Januvia if they had Januvia adopters in their networks. Social connections can also work the other way, turning physicians away from certain drugs. Sales of Pfizer's cholesterol drug Lipitor declined quickly when a generic penetrated the US market. Consequently, interconnected doctors switched their prescriptions accordingly. The drug industry is a useful place for activists of social networks to comment on drugs, doctors, and hospitals (Miller and Christakis, 2011).

Most consumer-centric companies in the postglobalization era are leaning toward the decentralization of organizations and declining operational boundaries because coordination increasingly occurs through networks of informal relations. As such firms move to various network forms—through joint ventures, alliances, and other collaborative relationships—executives generally pay little attention to assessing and supporting informal networks within their own organizations. Social network analysis is valuable in facilitating collaboration among various strategic groups in the company, such as leadership networks, strategic business units, new product development teams, communities of practice, joint ventures, and mergers. By making informal networks visible, social network analysis helps managers systematically assess and support strategically important collaborations (Cross et al., 2002).

Social media strategist

In view of the growing competition in the different layers of marketplaces—from urban markets to BoP segments—most companies are slowly gaining an understanding of the significance of the role of social media in developing marketing strategies. Most companies have developed a parallel communication channel around social media along with their business propositions. Hence, emerging firms feel that there should be a social marketing strategist whose role is to stimulate discussion in the media, filter communications, picking new ideas, and analyze opportunities for the co-creation of strategies with the consumers. The role of social media strategist should be to develop customer-centric approaches for the company and integrate social experiences into products and services. It should also involve figuring out current customer relationships and finding ways to bring these into the experiences of all the company's products and services. The role of strategist should also ensure the building of new social experiences as well as enabling the company to embrace existing experiences, and allow customers to stay on the network platforms with their friends and family.

Direct marketing and retailing companies largely view sales networks in terms of direct contacts and often depend upon social networks. However, companies that are intensively involved with customers, like those in the financial services sector, may not necessarily have an effective network because these often pay off their value through indirect contacts. Moreover, a rule of thumb in customer-centric companies is to adopt relevant social networks and let them grow with the support of the company so that it can embark on such platforms to gain competitive advantage in the marketplace. Hence, the density of the connections in a network is important. However, thin networks are also better for generating unique information. Managers can use three levers—comprising direct marketing structure, compensation, and skills development—in order to encourage front-liners to adopt a network-based view and make the best possible use of social webs. For instance, the sales force can be restructured to delink lead generation from other tasks because some people are very good at building diverse ties but not so good at maintaining other kinds of networks. Companies that take steps of this kind to help their marketing and sales teams build better networks will reap competitive advantages (Ustuner and Godes, 2006).

Sustainable enterprise network

Social networks also help firms grow sustainably by building loyalty and trust into corporate policies. Successful sustainable enterprises in developing countries often involve informal networks that include businesses, nonprofit organizations, and local communities. These networks prompt firms to invest in financial, social, human, and ecological capital. Successful sustainable networks require sponsorship from business enterprises in order to ensure the network's financial sustainability and help to anchor the company. Multinational corporations sometimes support social networks with specific operational objectives (Wheeler et al., 2005). Google has done this well as it has tried to embrace social media. Many know Google for taking a developer-centric focus around the products it builds. Accordingly, Google proceeded to create a new network—Google+—to get the entire organization to reveal the real relationships its users have. Such an integrated platform has also given a facelift to the Google product line and its application.

In view of several successful efforts from virtual platform companies like Google, Amazon, and Expedia (leisure and travel), emerging business organizations should start considering building the role of social product strategist into their organizations' social media strategy. Organizations should seek out product-focused managers who demonstrate strong experience in building social user experiences into the products they work with and are able to manage upfront social networks like Facebook and Twitter applications and experiences. The social media strategist should also have a proven understanding of the benefits of social design on a company's products.

The above discussion confidently states how and why social networks are important but harnessing the power of these seemingly virtual groups to achieve organizational goals is a subtle perspective. Most efforts to promote corporate social network collaboration are chaotic and built on the implicit philosophy that the higher the connectivity the better the organization's performance. It is challenging for executives to learn how to promote connectivity only where it benefits an organization or individual and to decrease unnecessary connections. The customized response network excels at reducing redundancy in communication, and filters out ambiguous problems involved in innovative thinking on business-strategy specific conversations with consumers. Strategy consulting firms and new product development groups tend to work on this format. Managers need to develop a strategic view of the collaboration with social network participants within the policy of the company, which supports the types of social networks that best fit its goals (Cross et al., 2005).

Increased mobility in employment among skilled labor has also prompted higher peer interactions through social networks. Consequently, new ideas in business and innovative concerns increasingly occur within small worlds or social networks that often straddle corporate boundaries. Informal networks, though small in size, are both a strategic opportunity and a potential threat. Managing social networks is a sensitive issue for many firms as on one hand they help firms in the diffusion of creative knowledge to other firms through personnel and knowledge transfer, but on the other they are also susceptible to information infidelity. Firms that operate within small worlds, such as information technology-based services firms, can be badly damaged by the social networks. Most firms have learned to manage innovation prompted by unorganized social networks that were grown in isolation; however, all firms now need to learn how to manage innovation and improvement in the existing business in a small-world environment of virtual social networks (e.g., Fleming and Marx, 2006).

In the mid 1970s most firms in developing countries had conventional processes for working out solutions, which was understood to be fundamentally linear, comprising a sequence of steps that would result in a projected outcome. However, now in information technology-led discussion platforms, firms are increasingly aware that a shared understanding of a given problem could improve the process of solving the issue, in the best interest of end users. With the increase in the market competition, most organizations have begun to embrace the idea that problem understanding and solution formulation are woven around different kinds of conversations. Problem structuring is a critical aspect of the design process, which can be comprehensively contributed to by social networks (Conklin and Christensen, 2009).

Social networks and alliances

Measuring the social impact of networks and their alliances by a social entrepreneurial organization is driven by its capabilities in the areas of staffing, communication, alliance building, and stimulating market forces. The relative importance of each of these capabilities in driving scaling will depend on several situational contingencies, such as escalated market demand or a change in product distribution policies (Bloom and Chatterji, 2009). Social networks have also proved to be good resources for companies to administer corporate social responsibility projects. Most companies involve social networks and social media as communication interfaces in managing their social projects. Such social platforms are very effective in socializing the corporate brands. Companies are increasingly considering corporate social responsibility as a key to long-term success in the market and bridging the ties with the society by collaborating with nonprofit organizations and social networks in various ways to establish themselves as good corporate citizens. Social networks help companies to drive social alliances with a focus on long-term collaborative efforts to achieve strategic objectives for both organizations. Although social alliances pose structural problems, they can be designed, structured, nurtured, and maintained in a manner that enables both the companies and society to contribute to solving pressing social problems, while the company benefits from an improved image in terms of corporate social responsibility (Berger et al., 2004).

Firms, irrespective of their size, are leaning toward nurturing these strategic alliances, using social networks to gain competitive advantage. The cooperative relationships are driven by the firms looking to improve their competencies, safeguard resources and share risks, be dynamic to get into new markets, and create attractive options for future investments. However, many alliances fail to meet expectations because nurturing the working relationships and interpersonal connections that tie the partnering organizations to the consumer community is not given serious consideration by companies. Such company–consumer personal relationships serve to shape and modify the evolving public–private partnership and help in building corporate social image. In making the social network alliance effective, the dedicated function coordinates all alliance-related activity within the organization and is charged with institutionalizing processes and systems to teach, share, and leverage prior alliance-management experience and know-how throughout the company (Dyer et al., 2001).

While companies develop social alliances, streamlining the discussions on social platforms is a significant task for managers. The flow of communication from social networks on predetermined platforms and the proactive, reactive, and interactive exchange of information can be strengthened by nurturing cooperative relationships in several ways. An effective corporate collaboration with social networks should be built using a pyramid hierarchy comprising top management to develop broad goals and monitor progress, middle managers to develop a charter of collaborative activities with social networks, and, at the bottom of the organization, operational personnel to get involved with the community while carrying out routine tasks. Integrating the social communities in the corporate strategy and operational activities would help to make the organization stronger (Hutt et al., 2000).

Cooperative companies are the best examples of such integration. Anand Milk Union Limited (AMUL)[1]—a dairy product manufacturing and marketing company from India—may be cited as an example of such a network-driven company. The AMUL Model is a three-tier cooperative structure, consisting of a dairy cooperative society at the village level, affiliated to a milk union at the district level, which in turn is further federated into a milk federation at the state level. This structure was set up in order to delegate the various functions: milk collection takes place at the village dairy society, milk procurement and processing at the district milk union, and the marketing of milk and milk products at the state milk federation. This helps to eliminate not only internal competition but also to ensure that economies of scale are achieved. As the above structure was first evolved at AMUL in Gujarat (India) and thereafter replicated all over the country under the Operation Flood Program, it is known as the "AMUL Model" or "Anand Pattern" of dairy cooperatives. In developing alliances with the social networks, trust plays a key role, while communication and information processing are instrumental to building trust between partners.

The social networks composed of innumerous groups of consumers worldwide that are attempting to address critical social and marketing needs, have long been regarded as incompatible for companies in guiding their business. However, the development of user-friendly information technology platforms and mobile devices over the past three decades (1980s onwards) is attracting creative network participants to share knowledge, ideas, and market-watch observations through the media. Profit-oriented customer-centric companies now have an opportunity to collaborate with social networks to create new markets for reaching the four billion people who are not yet part of the world's formal economy. The power of such collaborations lies in the complementary strengths of the partners including scale of manufacturing, financing, and retailing. Social entrepreneurs offer lower costs, strong social networks, and deep insights into potential customers and communities. This framework may be defined as the hybrid value chain. For example, Elekta, a consumer durables retail company in Mexico, is aimed at BoP customers and is now expanding and monitoring its market by associating social networks. The company expanded its business into the USA and other countries in Latin America. It is operating as an innovative project aimed at meeting the needs of families of relatively lower socio-demographic profile (Drayton and Budinich, 2010).

Social marketing checklist

Before companies try to enter the workstations of new mobile devices and tablet computers via social networks, they must carry out quality checks with Internet search engines and adopt broadband Internet connections in order to drive social media strategy with the company. As a key performance engine for client/customer engagement, social media activity takes into account all organizational activities, including marketing and sales. Thus, companies planning to be customer-centric and bring social networks into their business should integrate their sales teams, marketing teams, social teams, creative teams, brand ambassadors, and communication anchors on a single platform to develop a social marketing strategy. The smartest way to do this is to appoint one network coordinator to lead customer relations and be accountable for social media marketing goals while communicating the company's internal policies.

A good social strategy for a company will require an analysis of all internal marketing and sales assets. In this way, the company can gather up all customer/client-facing online content—including policy papers, published reports, presentations, messaging, online videos, and mobile applications. In order to get close involvement with the social media, a company needs to list all relevant contents appearing on blogs, any on-site communities, Facebook, and Twitter to inculcate an active discussion. To achieve effective and hassle-free involvement with social networks, a company should assess how it has been communicating with network users, what has been communicated (content types, length, and messaging per target), and how often it has been communicated.

In order to work with social media platforms, business-driving keywords need to be identified by the company and set onto the search engines. A periodic review of how the lead has been taken should also be carried out to restore the visibility through social networks and search engine optimization (SEO) program results. The SEO program results are related to the social marketing activity and its effectiveness in reference to the company as an anchor. Social media marketing is the ultimate communication tool for reaching and engaging a target audience in the following ways:

- Excellent customer service;
- Updates on brand, products, and services;
- Products and services promotions;
- Education of the customer around the firm's corporate values;
- Letting the brand go online with social networks;
- Crowd-sourcing to pick up potential social networks as brand ambassadors; and
- Acting as a think-tank by taking the lead in online consumer education.

There are many reasons social media can be a productive marketing channel or platform. Rather than employing it as a tactic, the purpose should dictate strategy and the tactics used for reaching desired goals. A few common outcomes for social media marketing efforts include the following.

Gaining insight into a community of interest

A company can run many customer surveys online, but some of the most interesting and progressive market research can be found within social communities where customers interact, share information, and make recommendations. Tapping into information streams and active dialogues is more challenging and is a far more effective method of engagement to portray the company's corporate image and generate awareness about brands.

Building brand visibility and authority

In the global marketplace markets are open and consumers interact without boundaries about a company's products, brands, and services across network platforms. Thus companies should intervene in social media and participate in conversations about their products, brands, and services, and streamline the discussions.

Influencing and promoting products or services

It would be a good idea for companies to provide adequate information to educate customers about products and services in the formats and media types they prefer. The relationship of a company with social networks can go a long way toward building business sensitivity that results in strengthening the company's status against that of its competitors.

Analyzing the network traffic

Creating discussion links to a blog and promoting it via social media or allowing auto-bookmarking sites can attract bloggers from various social networks to participate in the company's activities. However, high levels of promotion to the same site or with frequent communications to unfamiliar user accounts could make the association ineffective and turn communications into social media spam. Creating value for the community is not the only rule: creating value and behaving according to formal and informal rules is what sustains social media link building.

Driving traffic to revenue models

Becoming a user of homogeneous social communities involves consistently contributing quality content and rewarding those who respond positively on that posting, as well as growing a large base of followers through attractive initiatives. That base of concurring connections can serve as an effective distribution channel for unique and interesting content, which drives traffic to ad-supported blogs that host the content. Companies that would like to use social media actively may also consider using the Linkbait strategy (advertisements with perennial links). The Linkbait not only attracts links, but also traffic. However, many ad-supported sites report that traffic from social media sites is disreputable for not clicking on links.

Competencies and capabilities

Competition attracts firms seeking to capitalize on an available business opportunity. As the number of firms sharing the pie increases, the degree of competition increases. When the entire market represents one large homogeneous unit, the intensity of competition is much greater than in a segmented market. However, if a market is not appropriate for segmentation, firms may compete to serve it homogeneously, thus intensifying competition. Hence, in either market situation, intense competition is unavoidable for participating firms. Understanding the capabilities and competencies (C&C) of rivals and developing the company's own are the most important tasks in dealing with marketing competition. This is essential for winning the marketplace in future, and achieving and sustaining circumstantial leverage. In general, capabilities address how well an organization performs or executes some of its vital activities, such as customer relationship management, services, supply chain management, and so on. Competencies may be described as what an organization does well across the region, and subsidiary units or customer segments. In all, the C&C involve action, a focus and emphasis on what competitors do in the market to outperform their business rivals. Common competencies that can be judged in reference to competitors are as follows:

- Quick movement of products to the marketplace from R&D units;
- Faster response to market opportunities;
- Providing convincing and unique solutions to customer problems;
- Hiring, training, and retaining the best personnel; and
- Developing, nurturing, and extending relationships with customers and alliance partners.

There are four key tasks in managing core competencies, which include selecting, building, deploying, and protecting the core competence. Companies are likely to differ in terms of their abilities to carry out these tasks. These differences are, in turn, likely to yield differences in corporate performance. Building core competence requires the accumulation and integration of knowledge, residing both within the firm and without. For example, the core competence of a telecom company in managing billing systems, an insurance company's in claims processing, and Sony's in miniaturization are each a tapestry of many individual technologies and skills. The core competencies of the companies are those that push down the competitors' products in all business domains. These strategies are central to the customers, channels, and alliance advantage. There are many attributes of C&C; however, the following may be defined as key:

- Dynamism;
- Span;
- Robustness;
- Security against imitations; and
- Ability to expand.

The dynamism of the C&C refers to continuous change for the betterment of the policies and execution of the strategies. The organization must be able to identify the new markets continuously and never be static at any point of time. An organization must have a wide span to discharge its competencies without specifying the boundaries of time and area. It is essential for a company to retain its C&C for a longer duration and unrestricted to any areas of change. C&C also vary in their acceptability to current and future business domains. A competitor cannot always leverage a competence for new products or services development in changing business domains. Companies must ensure that their C&C strategies are not replicated by other firms or used in any distorted manner. Indeed, any C&C of any company should be capable of continuous enhancement so that they add sustainable advantages. In practice, today's global competition is more dynamic and multidimensional than those models suggest. The mature industry paradox is that leadership demands differentiation, yet differences are quickly copied. Single-factor innovations tap one competence, and capable competitors can then usually match it. Multiple competencies strengthen several dimensions and in effect redefine the basis of competition. The "shadow strategy task force" is offered as a method to force managers to relinquish the comfort of the firm's accepted view of itself. This approach begins with the objective of identifying the strategies and competence that, in the hands of competitors, might be used to attack the firm's competitive position. Especially critical for the taskforce are individuals with insight into how customers, suppliers, and competitors view the firm's products and services. Developing new competencies requires constant experimentation. The innovation–imitation–equilibrium cycle suggests that industry leaders teach customers what to demand by defining the current state of the art in performance, price, service, and other dimensions; customers learn to judge competitive offerings against these standards, and the learning effect is cumulative (Werther and Kerr, 1995).

> The LG Electronics India and Samsung in India have entered the electronics market as rivals and are getting along in the business

with the same spirit and surviving the market competition. Both the companies are of Korean origin and are into almost identical product segments in the market. Their pricing strategies are similar and they follow largely identical business models to compete with each other in the Indian market. In the marketplace these companies are the most spirited rivals and use throwing punches figuratively on each other's performance to prove their capabilities and build customer loyalty. These two companies fight for each piece of consumer electronic goods in the market. In early July 2000 Samsung came up with an advertisement proclaiming itself the leader on the 310-litre and above frost-free refrigerators segment, LG responded by challenging both the Samsung and ORG-GFK, which provided the market share data to the advertiser for making it a public claim.[2] Growth in an adjacent market is tougher than it looks; three-quarters of the time, the effort fails. But companies can change those odds dramatically. Results from a five-year study of corporate growth conducted by Bain & Co. reveal that adjacency expansion succeeds only when built around strong core businesses that have the potential to become market leaders. And the best place to look for adjacency opportunities is inside a company's strongest customers. A research study revealed that the most successful companies were able to outgrow their rivals consistently and profitably by developing a formula for pushing out the boundaries of their core businesses in predictable, repeatable ways. Companies use their repeatability formulas to expand into any number of adjacencies. Some companies make repeated geographic moves, whereas others apply a superior business model to new segments. In other cases, companies develop hybrid approaches. The successful repeaters in the study had two common characteristics: they were extraordinarily disciplined, applying rigorous screens before they made an adjacency move, and in almost all cases, they developed their repeatable formulas by carefully studying their customers and their customers' economics (Zook and Allen, 2003). The strategies of Japanese firms have often emphasized its conflicting nature, at least in international markets. It is certainly clear that Japanese firms have more systematic and formal procedures for identifying competitors and analyzing their behavior. It is tempting to conclude that their success is the success of conflict-based strategies. In practice it is almost impossible to come to such judgments. While they are aware of competitors and their weaknesses, they are also keen students of both markets and technology. It is certain that a combination of factors, many of them subtle and difficult to comprehend, leads to the

> success, in some markets, of Japanese companies. Such success cannot be attributed solely, if at all, to a policy of competitor elimination.
>
> (Easton, 1993)

There are many ways to categorize core competencies. However, broadly these may be distinguished as market-access competence, integrity-related competence, and functionality-related competence. Market-access competence includes management of brand development, sales and marketing, distribution and logistics, technical support, and so on. All these skills help to put a firm in close proximity to its customers. The attributes associated with competence like quality, cycle-time management, just-in-time inventory management, and so on, which allow a company to do things more quickly, flexibly, or with a higher degree of reliability than its competitors constitute the integrity-related competence of a firm. The functionality-related competence includes skills, which enable the company to invest its services or products with unique functionality, which in turn give the product distinctive customer benefits, rather than merely making it incrementally better. Functionality-related competence is becoming more important as a source of competitive differentiation, relative to the other two types. In an increasingly competitive environment, companies are converging around universally high standards for product and service integrity, and are moving through alliances, acquisitions, and industry consolidation to build broadly matching global brand and distribution capabilities. Interestingly, the Japanese concept of quality has shifted from an idea centered on integrity ("zero defects") to one focused on functionality ("quality that surprises" in that the product yields a unique functionality benefit to the customer). Comparative analysis examines the specific advantages of competitors within a given market and offers structural and response advantages. Structural advantages are those built into the business: for example, a manufacturing plant in Mexico may, because of low labor costs, have a built-in advantage over another firm. Responsive advantages refer to positions of comparative advantage that have accrued to a business over time as a result of certain decisions. This type of advantage is based on leveraging the strategic phenomena at work in the business. Besides, the examination of the business system operating in an industry is useful in analyzing competitors and in searching out innovative options for gaining a sustainable competitive advantage. The business-system framework enables a firm to discover the sources of greatest economic leverage, that is, stages in the system where it may build cost or investment barriers against competitors.[3]

The framework may also be used to analyze a competitor's costs and to gain insights into the sources of its current advantage in either cost or economic value to the customer.

Social marketing

Building business with consumers is complex; however, customer-centric companies need to team up with other organizations in the community to drive the business effectively. It is necessary to figure out which organizations have similar goals and identify ways to collaborate. Social marketing programs can help to motivate individual behavior changes, but this is difficult to sustain unless the environment supports this in the long run. Often, policy changes in developing alliances with social networks are needed for firms and media advocacy programs to develop as an effective complement to a social marketing program. The issues addressed by such programs are suggested by local politicians or pro-community organizations, to gain social support. For example, a health-care company may involve social networks to disseminate knowledge about breast cancer, and diagnosis and treatments associated with it. Though this issue might be raised by the health-care company as a social marketing debate, it is also an issue that will be addressed by local nongovernmental organizations and politicians. Hence this product in a social network could attract any of these behaviors—getting an annual mammogram as a mix of social–commercial issue, seeing a physician each year for a breast exam as a result of social health-care programs offered by the local public governance, and performing monthly breast self-exams as an issue associated with social education.

The price of engaging in these social network activities, which may be considered as a profit-linked promotion for the health-care company, includes monetary costs for network group participants. The company's network manager needs to keep the debate on the right track, ensuring that it is not derailed by radical groups, and filter out unrelated conversations. Promotion could be carried out by the health-care company through public service announcements, billboards, mass mailings, media events, and community outreach. Accordingly, partnerships could be cultivated with social networks online, along with exclusive women's groups, corporate sponsors, medical organizations, and service clubs and media outlets to drive the equilibrium in the thought process and convey the corporate goals to the target audience. Some other possible allies to cultivate might include physicians, insurance companies, and the local cancer society. The company may deploy each element of the marketing mix as the core marketing strategy.

First-time social marketers often feel overwhelmed by the rigorous market research processes they see in other large-scale programs. They may hesitate to incorporate social marketing activities into their own programs, unsure whether they have the resources and expertise to undertake such a project. The following approaches would help companies to understand the fundamental operatives of social marketing:

- The key to effective social marketing is talking and listening to people that the company is trying to reach. Social marketing is a customer-driven process and all aspects of the marketing program must be developed considering the needs of the target audience as the central focus. In order to learn what your customers want, it is necessary to make them express this.
- Good marketers know that there is no such thing as selling to the general public. Consumers respond differently to particular approaches and to be most effective, audiences may be segmented into homogeneous groups and messages created specifically for each segment. The communications should be rendered precisely to the target groups by analyzing information about their needs and perceptions of the products and services. A company may also segment consumers on the basis of their knowledge of the product. For example, a new type of food may be targeted at a segment who has never tasted that specific food instead of at those familiar with it. While people still vary greatly within these segments, the more specific the approach, the greater the potential impact.
- Expensive products are often difficult to promote using social marketing. Such products require a long-term commitment and do not sell as easily as a bar of soap. Product positioning determines how the target audience thinks about the product compared to substitutes. The company may develop promotion strategies and reinforce the attributes of the product that add to its perceived value in the minds of consumers.
- In the commercial sector, successful companies watch every move their competitors make. They know their selling environment intimately and are ready to react as soon as conditions change. Social marketers also need to be aware of competing messages pulling on their target audiences. Just as Coke creates its marketing strategies based on what Pepsi is doing, companies can take advantage of their competitors' tactics to promote their own products. Many successful campaigns against

tobacco and alcohol have satirized well-known cigarette and beer slogans, creating ads that grab our attention because of their new twist on familiar images. Other environmental factors may also affect people's reactions to the promotion campaigns and sales program.

- People will not go out of their way to find corporate messages or promotion bulletins; these need to be posted in places that are accessed by the target audience. While conversing with potential consumers on social network platforms, firms should try to discover where they get their news, what radio stations they listen to online, and where they go in their free time. If the target audience tends to read the local newspaper, a firm could place the communication there and work with that paper's reporters to get coverage of the issue.
- Social marketing involves much more than television advertising campaigns. The most effective programs use a combination of mass media, community, small group, and individual activities. When a simple, clear message is repeated in many places and formats throughout the community, it is more likely to be seen and remembered. A social marketing program might contain Internet blogging platforms and radio spots, community events, a poster contest, giveaways of products or coupons, and a toll-free hotline for individual counseling or referrals about the company's products and services.
- It is important for companies to know that consumers do not buy products in the true sense, they buy solutions. Hence, the company should learn the problems lying with the consumers through the social networks before presenting their products.

Customer value management

Customer lifetime value (CLV) is a key metric within customer relationship management. Although a large number of marketing scientists and practitioners argue in favor of this metric, there are only a few studies that consider the predictive modeling of CLV. CLV also represents the net present value of profits, coming from the individual customer, which creates a flow of transactions over time. Firms look at their investments in terms of cost per sale, rate of customer retention, and also conversion of prospects. CLV is then used as a convenient yardstick of performance. The concept of the lifetime value of a customer is well established in the theory and practice of database marketing and is defined as the expected present value of the net cash flows from the firm's relationship with the customer over his or her lifetime. It is often used as an upper limit on spending to acquire the customer (Pfeifer, 1999). Many firms agree that their efforts should be focused on growing the lifetime value of their customers. However, few have come to terms with the implications of this idea for their marketing management with regard to decision making and accountability of customer values. The customers' lifetime value is made up of three components—the customer's value over time, the length of his or her association, and the services offered to the customer. The satisfaction is the customer's perception of the value received in a transaction or relationship, and it helps in making re-patronage decisions on the basis of their predictions concerning the value of a future product. It may be thus stated that the customer value paradigm, which includes many elements of the customer satisfaction paradigm, is contemporary and is being more widely adopted and deployed by firms (Hallowell, 1996).

Although a large number of marketing scientists and practitioners argue in favor of CLV, there are only a few studies that consider it with regard to predictive modeling. In manufacturing and marketing firms, customer behavior is rather complex because customers can purchase more than one service, and these purchases are often not independent from one another (Donkers et al., 2003). However, it has been observed that low perceived use value, comparative advantages over physical attributes, and economic gains of the product make a significant impact on determining customer value for relatively new products. The customer value gap may be defined as the negative driver, which lowers returns on aggregate customer value. This is an important variable, which needs to be carefully examined by firm; its impact on the profitability of a firm in reference to spatial (coverage of the market) and temporal (over time) market dimensions needs to be measured (Marjolein and Verspagen, 1999).

Several models have been developed to analyze the CLV. One of the major variables in measuring the CLV is the implications of costs to customers that drive the extent of competitive advantage in building customer loyalty. This is a long-term process and managers of firms need to develop sustainable customer relations to optimize the CLV. However, profit of the firm in competitive environment optimizes when managers focus on building the short-term customer relations, which does not enhance the CLV in the long run (Villanueva et al., 2004). Intuitively, while a long-term focus yields more loyal customers, it sharpens short-term competition to gain and keep customers to such an extent that the overall firm profits are lower than when managers focus on the short term. Further, a short-term focus continues to deliver higher profits even when customer loyalty yields a higher share-of-wallet or reduced costs of service from the perspective of the firm. Such revenue-enhancement or cost-reduction effects lead to even more intense competition to gain and keep customers in the short term. The findings of this study suggest that the competitive implications of a switch to a long-term customer focus must be carefully examined before such a step is taken. Paradoxically, CLV may be maximized when managers focus on the short term.

Improving customer value through faster response times for new products is a significant way to gain competitive advantage. The product lifecycle evolves through the introduction, growth, maturity, and decline stages. During the introductory stage, most firms attempt to penetrate the market as fast as they can to outperform their competitors. This strategy provides firms with an opportunity to take advantage of the price-skimming strategy as they seek to recover their product development costs and promote awareness of the new product. In the subsequent growth stage, the firms try to gain customer loyalty and drive to increase the overall market sales.

The retail sales performance and the customer value approach are conceptually and methodically analogous. Both concepts calculate the value of a particular decision unit by analytical attributes forecast and risk-adjusted value parameters. However, virtually no scholarly attention has been devoted to the question of whether any of these components of the shareholder value could be determined in a more market-oriented way using individual CLVs. The value of a customer may be defined in reference to the key assumptions concerning retention rate and profit margins over time. The value of all customers is determined by the acquisition rate and cost of acquiring them (Rajagopal, 2005a).

Most firms are leaning toward developing high-value integrated solutions by combining services component with the marketing products. Successful solution of firms should demonstrate the ability to balance between the need for customization and the growth in market share. In combining various consumer preferences on products and services, firms need to cut across various cognitive phases to augment the customer value toward innovative or new products. It has been argued that the provision of integrated solutions is attracting firms traditionally based in manufacturing and services to occupy a new base in the value stream centered on "systems integration," using internal or external sources of product design, supply, and customer-focused promotion (Davies, 2004). Besides the organizational perspectives of enhancing customer value, functional variables such as pricing play a significant role in developing customer perceptions toward the new products. The value of corporate brand endorsement across different products and product lines, and at lower levels of the brand hierarchy, also needs to be assessed as a customer value driver. Use of corporate brand endorsement either as a name identifier or logo identifies the product with the company, and provides reassurance for customers (Rajagopal and Sanchez, 2004). A perspective from resource-advantage theory (Hunt and Morgan, 1995) is used to formulate expectations as to the degree to which the use of information on customer value, competition, and costs contribute to the success of a price decision. It is argued that the success of these practices is contingent on the relative customer value created by the firm and the degree to which this is sustainable in the competitive marketplace. These expectations are empirically tested on pricing decisions with respect to the introduction of new industrial capital goods.

Some studies that advocate models of building customer value through traditional relationship marketing discuss the long-term value of loyal customers. These are expected to raise their spending and association with the company's products and services with increasing levels of satisfaction (Reichheld and Sasser, 1990). In the most optimistic settings, such value creation would generate new customers for new products (Ganesh et al., 2000). In the high customer value framework, the firm ensures diminished costs to serve (Knox, 1998) and exhibits reduced customer price sensitivities. A database-driven approach, customer tenure in reference to the length of a customer's relationship and value retention with a company has often been used to approximate the loyalty construct (Reinartz and Kumar, 2000). Hence, relationship marketing with a customer-value orientation thrives on the concept, which increases the duration of the customer–company relationship, which in turn helps to optimize profits for the firm. However, the contributions of long-life customers were generally declining and in a noncontractual setting, short-life but high-revenue customers account for a sizeable amount of profits.

One study reveals that customer values toward new products are created through individual perceptions, and organizational and relational competence (Johnson et al., 2001). Firms need to ascertain a continuous organizational learning process with respect to the value-creation chain and measure the performance of new products.

5
Digital Communities

Shopping behavior is a perceived action that emerges to satisfy the needs of consumers through appropriate reasoning. This process has been determined by a theory of reasoned action and is related to voluntary behavior. That voluntary behavior of shopping is controlled by various economic and relational variables that lead to planned behavior is a theory that predicts deliberate behavior, because behavior can be deliberative and planned (Ajzen, 2002). Shopping is largely associated with perceived satisfaction and a degree of self-esteem that not only contributes to building buyer behavior but also helps to develop social image. Built on social-identity theory and self-categorization theory, the shopping behavior of urban consumers can be determined as a subjective action motivated largely by the individual and group behavior of fellow consumers. The process of self-categorization contextually assimilates consumers toward a positive perception, cognition, affect, and behavior (Hogg, 2000). Social identity is the individual's self-concept derived from social influence and is an individual-based perception linking to the self-esteem and lifestyle of a consumer (Hogg and Vaughan, 2002).

Shopping behavior of urban consumers is also influenced by the attributes of social cognitive theory, which explain how variables such as self-regulation and self-efficacy direct spending behavior and determine consumer lifestyles. Product attributes influence consumer perceptions of the personal relevance of a product or service to their needs and consumer preferences for product attributes are significantly linked to their lifestyle. The lifestyle theory suggests that the consumers' perceived hedonic attributes and social identity factors determine their shopping behavior (Zhu et al., 2009), which is also driven by social, economic, and relation factors. The shopping ambiance, advertisements, and retail promotions develop pro-shopping behavior. The social learning theory explains this phenomenon as positive reinforcement, which occurs when a behavior (response) is followed by a favorable stimulus (commonly seen as pleasant) that increases the frequency of that behavior. The conceptual foundations of social learning theory, respondent conditioning, and observational learning, are empirically supported approaches to understanding normative human development and the etiology of psychosocial problems (Thyer and Myers, 1998).

Routes to market

Country towns can often provide attractive and distinctive visitor locations for urban residents. Attracting urban visitors can help alleviate the problem of maintaining trade within town centers. Despite this potential, little is known about how urban residents view country towns and what they find attractive. Through the use of focus groups and questionnaire surveys, research demonstrates the key attraction of country towns to be that of providing something different from the city in terms of history, tradition, and shopping. An important element of this attraction is the socially constructed meaning of the term "market town," which reflects the size, history, and tradition of these towns as well as their rural hinterland linkages. Indeed, visitor rates were highest for the most typical market towns. This is particularly reflected in shopping patterns, where there are expectations in terms of local food and crafts. Although there are some parallels, particularly where people have moved to country towns in order to experience their "different from the city" character, care must be taken to balance the potential of attracting urban residents with that of maintaining the functional role of rural service center (Powe, 2006).

Urban-shopping environments demonstrate new opportunities and challenges for retailers and shoppers. Retailers in urban locations attempt to both attract and retain shoppers in their immediate trade areas. In this way both retailers and shoppers understand the dynamics of the competitive advantages to shopping in urban retailing settings. Such consumer behavior is mostly observed during the holiday season, which provides enormous stimuli for leisure shopping (Smith, 1999). Growing shopping motivations have induced the basket-shopping behavior over branded shopping traits among urban consumers. Basket shopping may be defined as a kind of compulsive shopping led by sales promotions offered by the retailers (Guy, 2007). The basket-shopping attitude of urban shoppers is also an outgrowth of store checkout buying decisions, prompted by point-of-purchase promotions in retail stores. There is a general belief that products bought at store checkouts are selected on hasty inclinations. However, not all checkout purchases can casually be referred to as impulsive because the items that shoppers select at checkouts indicate conscious concern with making efficient use of their shopping time (Miranda, 2008).

There has been a large number of empirical research studies contributing to marketing literature that focuses on the shopping behavior of urban consumers (Rajagopal, 2009b). This literature can be categorized into two broad areas referring to multichannel retailing and shopping attractions that influence the behavior of urban consumers. Most research studies on consumer behavior, satisfaction, and customer service maintain that discrepancies between the expectations of a buying experience and postbuying satisfaction are the best predictors of sustainable consumer behavior and prolonged consumer satisfaction over shopping decisions (e.g., McQuitty and Patterson, 2000). Previous empirical studies have indicated that more and more marketing firms, including retailing enterprises, are following an increasingly broad variety of routes to market leading to multichannel retailing strategies (Jindal et al., 2007).

Several explanations of consumer behavior have been advanced over time, but the expectation–disconfirmation paradigm has contributed significantly to the research (e.g., Patterson and Spreng, 1997). The economic perspectives of consumer behavior have been explored in research studies using various models during the postglobalization shifts in market, considering interrelated variables including lifecycle-consumption patterns, lifestyles, brand loyalty, choice of features, and search behavior. Consumer research addressing the socio-cultural, experiential, symbolic, and ideological aspects of consumption has also been discussed in the conceptual research studies that have reviewed the literature since the mid-1980s and argued against enduring misconceptions about the nature and analytic orientation of consumer-culture theory (Ratchford, 2001; Arnould and Thompson, 2005).

Research studies have also been conducted to explore the concept of consumer ambivalence in urban marketplaces with reference to expectation versus reality, conflict with purchase decisions, the influence of referrals, and personality traits (Otnes et al., 1997). Multichannel retailing provides more indicators for decision making and sets the route to shopping for consumers. Urban consumers engage in information gathering and product searches before making a buying decision. The routes to shopping provide distinct store formats for competitive bargains and higher customer satisfaction (Narver and Slater, 1990). Because of growing market competition and the broadening of marketing channels, customers are becoming increasingly sophisticated in their information gathering and product search (Nunes and Cespedes, 2003). Hedonic values of consumer motivations in shopping diverge for different shopping locations and malls, and product categories. Shopping in malls located in premium locations offers not only significant scope for pleasurable emotive appeals to boost consumers' status but also enhances the social image. Some studies identified opportunities for retailing firms to create good feelings by engaging shoppers' attention on themes relating to social and family values (Miranda, 2009).

Globalization has prompted a multitude of shopping malls in urban commercial centers but it is observed that communities are increasingly looking to land-use-planning strategies to reduce drive-alone travel. In view of shifts in shoppers' mobility options, many planning efforts aim to develop neighborhoods with higher levels of accessibility that will allow residents to shop closer to home and drive less (Krizek, 2003). Consumers' accessibility to shopping centers within cities is not homogenous, as shopping opportunities vary according to common expectations, merchandise promotions, and the personality traits of shoppers. Besides the role of distance in predicting accessibility to shopping centers and buying behavior, time is another important factor. Congestion in shopping malls and business hours lead to further reductions in accessibility and shopping intensity from urban shoppers (Weber and Kwan, 2002). The relationship between perceived store format attributes and store format choice has a moderating effect on the shopping behavior of urban consumers. Consumers' preferences toward store formats play a significantly higher role for discount stores and hypermarkets when conducting major trips. However, consumers patronize multiple store formats and investigate probable value appreciation in various shopping situations and store formats (Reutterer and Teller, 2009).

Proximity to shopping centers also largely influences urban dwellers' choice of residence. Location preferences largely depend on income and housing budget, and proximity to good schools and shopping centers (Chiang and Hsu, 2005). There is also a positive interrelationship between shop size in terms of product assortment, space allocation and in-store ambiance in a shopping mall, which stimulates buying behavior among urban shoppers. It is observed that bigger shops and trading spaces for nonimpulsive products and services in shopping malls are more likely to be found on upper floors, which discourages casual shoppers from exploring—instead such stores are visited by buyers with explicit store or brand loyalty, and shoppers with a preplanned agenda (Yiu et al., 2008). It is also argued that the size of a market area results from the spatial range of the demanded and supplied goods and services. Hence, distance–sales relations or price–sales relations produce overlapping and interconnecting sales implications in retailing (Löffler, 1998). However, the retailing industry is continuously adapting itself to changing demographic conditions, consumer behavior, and economic conditions. New forms of shopping centers and hypermarkets are being constructed in locations far from the traditional shopping guilds and are generally located near a major road or highway intersection. Out-of-town commercial developments have also demonstrated an impact on the shopping behavior of urban consumers in reference to established city centers. Some management studies argue that though existing retail units are getting larger in order to achieve economies of scale, new forms of large-scale retailing do not fit easily into the traditional spatial pattern of retail concentrations (Balsas, 2000).

The growing number of commercial cities have faced a reversal of fortunes over time as the number of shops that sell space-consuming goods in urban areas declines. However, the success of many shopping malls has coincided with the rise of small shops that have improved ergonomics for accommodating goods that need less space. Space-consuming goods and heavy products are now often sold through virtual shops or catalog stores. Such products are attractively displayed in small outlets in big shopping malls, where shoppers can be provided with comprehensive information on the products and services. New structural architecture should develop shopping locations in urban areas considering variables such as shoppers' accessibility, types of shops, tenancy patterns and floor space, and shopping attractions that can encourage competitive retail entrepreneurship (Weltevreden et al., 2005). Marketplaces can perform well when they attract a large enough proportion of potential buyers and overcome congestion by developing shoppers' loyalty. Such a strategy requires enough marketplace attractions, sales promotions, and simple credit transactions. In addition, marketplace strategy must play a pivotal role in curbing the switching behavior of shoppers to alternative channels or price-sensitive markets (Roth, 2008).

In recent years, a productive dialogue has developed between retail geographers and those social geographers concerned with the spatiality of consumption. It is argued that the concept of shopping among urban shoppers has varied perceptions, with an understanding of the physical and economic parameters within which consumers operate. In addition, socio-spatial considerations also have an impact on consumer preferences in retailing, which is evident from the polarization of consumers in like-minded socio-spatial shopping locations according to their respective socio-economic status. The shopping rituals found embedded in social relations discourage particular shoppers from visiting certain retail locations (Williams et al., 2001). In emerging markets shopping malls with multiplexes such as cinema theaters, food courts, and amusement corners for children are becoming central to a family day out. Small retailers have improved their services to cater to Indian consumers. In addition, services such as higher credit limits and domicile services are helping retail shops to acquire and retain customers with their brand tags (Srivastava, 2008). It is observed that in growing cities across the developing countries, lifestyle centers are becoming the favorite shopping locations for urban consumers. A study conducted in the USA about the impact of shopping locations on consumers' patronage revealed that shopping orientation, the importance of retail attributes, location advantages, and beliefs about retail attributes all influence patronage behavior (Yan and Eckman, 2009).

A route to market is a distinct process followed by customers toward buying a selected product or service through a market channel. Globalization and growing urban retailing practices have introduced multichannel retailing in the recent past. It is observed that multiple channel retail strategies enhance the portfolio of service outputs provided to the customer, thus enhancing customer satisfaction and ultimately customer–retailer dyadic loyalty (Wallace et al., 2004). Retail firms use diverse communication strategies to attract shoppers, which include closed circuit television in the shopping malls, public television commercials, advertisements in print media, and direct marketing. It is observed that urban shoppers showed confidence and fashion-conscious-shopping orientation, and catalog, and Internet-shopping orientation as key predictors of levels of customer satisfaction with information searches through multiple channels (Lee and Kim, 2008).

In emerging urban shopping centers, multichannel retailing provides a sustainable and attractive blend of new and existing retail formats for consumers. It has been observed in a research study that major components in channel choice among consumers include risk reduction, product value, and ease of shopping and experiential attributes (Mcgoldrick and Collins, 2007). As the use of technology increases in retail channels, consumers' preferences significantly vary between shopping in bricks-and-mortar stores, catalogs, and e-retailers. The importance of retailers spans multichannel operations, including bricks-and-mortar stores, catalogs, and websites, which has created an opportunity for consumers to choose products from a variety of retailers and retail channels, lessening the probability that others have the same collection (Bickle et al., 2006). Retailers located in large shopping malls and busy street retailers are increasingly adopting multichannel distribution strategies to defy the growth of online retailing and target potential shoppers through physical and electronic channels as multiple routes to encouraging purchase behavior (Nicholson et al., 2002). Consumers' rising power and retailers' enhanced ability to serve consumers through multichannel store formats affect shopping perceptions. Needs of consumers are found to be manifested increasingly in a propensity to shop, which prompts consumers to look for alternate channels in order to find the best bargain. Globalization in the retailing sector has transformed and, empowered consumer behavior in developed countries, which then determines the choice of store format and quality of business–consumer relationship (Vrontis and Thrassou, 2007).

The multichannel retailing strategy caters to the wide preferences of shopping at varied price options. It generates more routes to shopping for customers with reference to products and price differentiation. In multichannel strategies, retailers offer products and services at relatively higher prices for a premium market segment, while a low-price strategy is followed for mass-market retail locations (Jindal et al., 2007). However, luxury goods are not commonly sold via catalogs, eBay, or call centers and differentiated products usually need relatively more intermediary support to be delivered satisfactorily to the end customer. Urban shoppers incur higher search costs when searching for a product across retail channels and gathering information on prices, as they are more influenced by value for money consideration. It is observed that price-sensitive customers always intend to strike a beneficial deal over the costs they incur during searching for such bargains (Rajagopal, 2008d).

The rise of nonstore retailing in reference to direct marketing, catalogs, telephone shopping, and the Internet coupled with consumers' increased willingness to buy via these alternative channels means that traditional retail stores, whether in shopping malls or on the streets, do not seem to be a requirement in the present retailing environment (Crittenden and Wilson, 2002). Building and retaining a long-term association with customers requires that relationship-management applications should be able to accommodate various channels. Multichannel customers are the most valuable and hence multichannel integration should help to improve customer loyalty and retention. Effective customer relationships in multichannel retailing have a significant impact on customer decision-making processes and driving buyer behavior in a competitive marketplace (Ganesh, 2004). Thus, a meticulously designed multichannel setup enables consumers to examine goods at one channel, buy them at another channel, and finally pick them up at a third channel. Multichannel retailing offers synergies as it results into an enhancement of customer portfolios, revenue augmentation, and growth in the market share. Common attributes of a multichannel retail strategy include highly integrated promotions; product consistency across channels; an integrated information system that shares customer, pricing, and inventory data across multiple channels; an appropriate order-processing system that enables customers to purchase products on e-portals or through a catalog used for direct marketing; and lower search costs for buying products from available multichannel retailing opportunities (Berman and Thelen, 2004).

Multichannel retailing is gaining importance amidst the globalization strategies of multinational firms as customer demands for wider buying options and greater convenience of purchase—including benefits at the point of purchase and postpurchase support—are growing. Previous empirical research studies have evidenced that retailing firms are adopting an increasingly broad variety of routes to market by introducing multichannel retailing interfaces to facilitate urban shoppers (e.g., Coughlan et al., 2006). Firms following multichannel retailing usually vary in their level of customer focus, or toward the magnitude of fulfilling customer needs and delivering customer satisfaction. This difference may be due to the attributes of the route to shopping through the channel and its associated services. A firm with strong customer-focus beliefs strives to cater to customer needs and deliver maximum satisfaction by ensuring a pleasant, positive, and value-adding purchase experience, which requires the commitment and support of the channel managers to be integrated with the retailing firm's corporate philosophy. Market research conducted by Sony Electronics Inc. showed that conventional electronic stores did not sell the products and services of the company successfully to women customers. It was observed that poor selling strategies from franchisee retail stores not only lowered sales revenues but also developed poor customer relations, causing incidences of dissatisfaction among existing and potential customers. Consequently, Sony opened company-owned store outlets with the explicit objective of filling this gap and strengthening the company's customer-focused philosophy (Spagat, 2004).

Urban consumers make holistic evaluations of shopping malls in view of the quality of ambiance and the extent of arousal for shopping. Consumers find the environment significantly positive and exhibit higher levels of approach and impulse buying behaviors, and experience enhanced satisfaction when retail ambiance is congruent with these arousing qualities (Mattila and Wirtz, 2004). Motivational forces are commonly accepted as having a key influencing role in the explanation of shopping behavior. While personal shopping motives, values, and perceived shopping alternatives are often considered independent inputs into a choice model, it is argued that shopping motives influence the perception of retail store attributes as well as the attitude toward retail stores (Morschett et al., 2005). It has been observed in some studies that consumers who intend to shop at short notice, generally lean toward impulsive or compulsive buying behavior, driven by arousal effect in the retail stores. Gender, age, a leaning toward unplanned purchases, and tendency to buy products not on shopping lists, all help to predict compulsive tendencies (Shoham and Brencic, 2003).

Major attributes of shopping mall attractiveness include comfort, entertainment, diversity, mall essence, convenience, and luxury from the perspective of shoppers. Such attractiveness may be designed in reference to the three broad segments of shoppers: stress-free shoppers, demanding shoppers, and pragmatic shoppers. This enables mall managers to develop appropriate retailing strategies to satisfy each segment (El-Adly, 2007). Small retail stores outside the large shopping malls display ethnic products which are of low price and high attraction. Shoppers visiting large malls choose to shop between ethnic shops and mainstream store brands located inside the malls. Such behavior is observed when the strong presence of ethnic economies and mainstream businesses in large shopping malls compete against each other (Wang and Lo, 2007).

The ambiance of retail stores, whether pleasant or unpleasant, moderates the arousal effect on satisfaction and in-store buying behaviors. Satisfaction in pleasant retail ambiance, where music, hands-on experience services, playing areas, and recreation are integrated, maximizes consumer arousal. Thus, retailers need to pay attention not only to the pleasantness of the store environment, but also to the arousal level expectations of young consumers (Wirtz et al., 2007). Lack of appropriate external and internal ambiance of retail stores is a major source of dissatisfaction among young consumers making prepurchase decisions. This creates negative emotions in terms of merchandise choice, visual merchandising, store environment, sales personnel attitude, product demonstration policies, and promotional activities. These factors are the very foundations of consumer satisfaction and the evidence of consumer dissatisfaction resulting in avoidance behavior should be particularly worrying for retailers, given that they are operating in an increasingly competitive and saturated fashion environment (Otieno et al., 2005). Consumers in Mexico are largely influenced by product displays when choosing products and store formats. Consumers evaluate both the fixed and variable utilities of shopping wherein the fixed utility does not vary from trip to trip, and the variable utility depends on the size and composition of the shopping list (Tang et al., 2001).

E-commerce platform and social networks

Right from the beginning of the twenty-first century, the business world has been studded with a plethora of questions about e-commerce. It is expected that the Internet will overturn the inefficient push model of supplier–customer interactions and make transactions more dynamic than those of bricks-and-mortar retailing platforms. E-commerce platforms will act as a shopping dashboard, indicating product profiles, brand equity, competitive advantages, and the company's marketing-mix strategies so as to enable consumers to take appropriate decisions. Consumers will use choice boards comprising interactive, online systems that allow people to design their own products by choosing from a menu of attributes, prices, and delivery options. As e-commerce platforms become more user-oriented, the role of consumers tends to shift from passive recipient to active designer. Such initiatives will change the way that companies compete and keep social networks linked to e-commerce platforms. E-commerce has broadly changed the floor of competitive advantage in retailing as the retailers are now trying to put the right product in the right place at the right price at the right time to optimize profits. However, the virtual business has also attracted intermediaries and disruptive technologies have also affected the retailing of genuine brands to a large extent. Transactions over the web routinely involve all sorts of intermediaries, who are positioned to capture most of the profits, apart from those of principal manufacturers or retailers (Slywotzky et al., 2000).

A new breed of intermediaries is deriving the benefits of the economics of information. Such intermediaries are situated between the company and its customers. In the recent past new entrants such as *industry.net*, IBEX, and Auto-By-Tel have used electronic networks to grow value chains in markets from software to industrial goods.

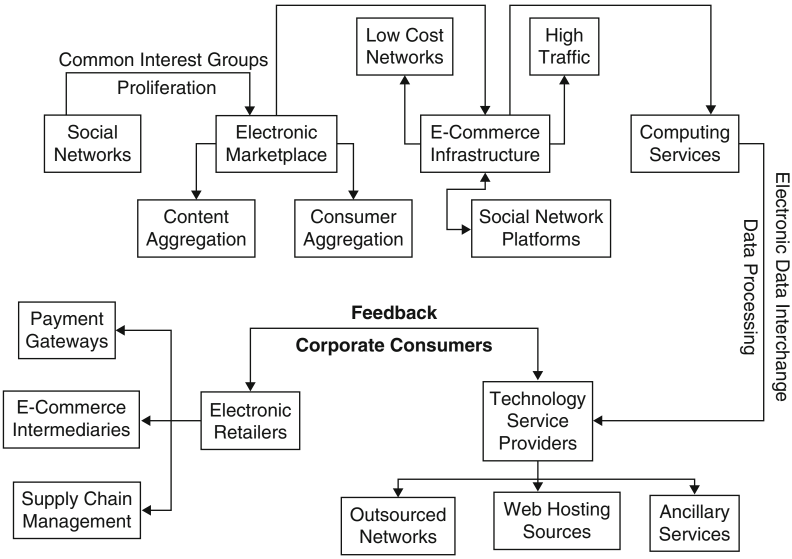

Figure 5.1 Harvesting e-commerce platforms

The Internet's World Wide Web, along with the many private networks that are now emerging, allows these intermediaries to match buyers to sellers and to deliver products and services at much lower cost and asset intensity than would be possible within a physical value chain. Opportunities for buyers, sellers, and new intermediaries to create value in electronic channels are unlimited and many large companies are also moving to capitalize on the economic benefits and marketing reach of e-commerce technologies. Financial institutions such as banks and insurance companies are shifting their customers to electronic channels and allow cross-marketing of financial services, such as brokerage and travel along the way. Likewise large retailers including Wal-Mart and Kmart have announced online sales programs, which do not bar hyper-intermediaries from promoting their sales and customer relations (Harrington and Reed, 1996). Figure 5.1 exhibits the activity dynamics of e-commerce platforms in association with social networks.

The emergence and expansion of the Internet has not only transformed business functionality from conventional bricks-and-mortar stores to virtual platforms, but also changed the relationship between businesses and customers to one that is more informal, backed by social networks. Recent advances in technology have driven consumer–company relationships at an interactive level, where technology contributes to brand building by creating and sustaining long-term relationships with customers. The enormous growth of small and extensive social networks, and customer indifference to traditional marketing tools have pushed companies to explore new opportunities so that marketing messages not only capture customers' attention but also try to engage them with the company. The emergence of Web 2.0, the next generation of the Internet, comprises user-generated content and social computing. This provides various opportunities for companies to use blog tools to better engage consumers in the co-creation, delivery, and dissemination of marketing messages to the target segments (Singh et al., 2008).

E-commerce studies in its early stages observed that online retailing would loop into the threat of continuous price war. However, contrary to these observations the present state of affairs shows that customers are more likely to pay higher prices to high-quality online retailers that they trust. The consumer buying philosophy has changed and decisions are largely made on the basis of touch, feel, and experience of the products. Consumer perceptions on quality and satisfaction for online purchases depend on interaction with the website, delivery of the product, how the product delivers a solution, and how retailers co-create customer value for their products. Of these factors, product delivery has the strongest influence on customer satisfaction and future purchase intentions. Retailers should work on building a relationship of trust with customers in an e-commerce environment (Collier and Bienstock, 2006).

Many companies that jumped into the e-commerce sector by opening virtual stores have realized that online sales growth has not represented an encouraging share of the sales pie for companies. Web consumers were often disloyal and unwilling to spend, as they were driven by discussions and stimulations on parallel blogs on social networks. However, companies that are customer-centric fix such accountability with the managers who do not exploit what customers value most and do not follow the rules of business engagement. For example, online automobile shoppers want information about cars, but at the same time they also want to learn about other topics such as travel, sports, apparel, and finance. Online shoppers for upscale clothing might typically want information on art or even business. Most companies restrict their sites and share limited information about the products or services that are for sale. A large number of managers believe that a broad array of information diverts attention from the core offerings even though it helps customers search for solutions (Eisingerich and Kretschmer, 2008).

Continuing advances in network infrastructures and computing devices are allowing website designers, web hosts, and ancillary support businesses to supply the overlay technologies and services that enable the proliferation of electronic marketplaces. Together, these independent developments are accelerating the expansion of electronic commerce. The power of networks to stabilize relationships between vendors and suppliers in business-to-business markets make it necessary for companies to undertake extensive data analysis and access a fuller range of information about product availability and pricing. That companies like NEC and others have decided to open up their proprietary purchasing and materials databases illustrates precisely this point. NEC Corporation[1] has opened its centralized purchasing control network, which compares information from buyers in each division to identify the best prices and terms from each supplier. The new system allows input through the public networks from an unlimited number of component vendors and public databases, effectively leveling the playing field for NEC's suppliers. Traditional suppliers will no longer be able to rely on their access to buyers in order to remain the source of choice. For component companies that were not part of the original closed network, a whole new set of relationships becomes possible (Harrington and Reed, 1996).

Mobile commerce

E-commerce has been further extended to mobile commerce (m-commerce), as communication through mobile communication devices spread across the world by the end of the twentieth century. Over 600 million people own PCs across the world and subscribe to mobile telephones. Mobile telephones have become an essential tool for hiring many services, like opening and operating bank accounts in developing countries. Such a penetration rate, combined with technology, provides for the fast transfer of data on mobile networks, standard protocols that deliver Internet-like services on smaller screens, and the very personal nature of mobile telephones, all of which have helped to drive a m-commerce revolution.

Wireless service providers have also found high opportunities and benefit from this growth, as they often enjoy the portfolio of owner and operator of the mobile networks that keep m-commerce functional. However, as available bandwidth proliferates and the coverage capabilities of networks converge, the basic business of transporting data turns more competitive, and profit margins stay narrow. Hence, mobile phone service providers are exploring value-creating opportunities beyond electronic data interchange (EDI) operations. Mobile service providers are competing at all levels of the m-commerce value chain, from the provision of basic technical services to the supply of lucrative, customer-facing content. M-commerce service providers offer basic services, such as server hosting, data backup, and systems integration while vendors target wireless customers who need these services to make products available via mobile telephones. Bankers across Europe are driving retail banking operations through mobile devices, although some banks have stepped forward to take advantage of the mobile banking opportunities and telecommunications companies and other nonbanking institutions are leading the way. Individual banks may be able to increase their revenues and cut costs if they successfully exploit the convenience of integrating mobile communications for retail financial operations and its potential to drive digital commerce in emerging markets (Lien et al., 2011).

The early phase of e-commerce emerged with the fast growth of dot-com companies and subsided over a decade, wiping out half of the online retailers. E-commerce has now reached the second phase, which is more sustainable and is growing on digital retailing platforms. As it evolves, digital retailing is turning profitable and quickly morphing into a hybrid attribute, which may be termed as *omnichannel retailing*. On this Internet platform retailers will be able to interact with customers through innumerable channels, including e-commerce websites, physical stores, kiosks, direct mail, catalogs, call centers, social media, mobile devices, gaming consoles, televisions, networked appliances, home services, and more. In view of this upcoming giant digital platform, traditional retailers need to embrace omnichannel retailing and transform themselves into one big feature Internet retailer, with no physical stores, one-place inventory, and immobile assets. They must turn shopping into an entertaining, exciting, and emotionally engaging experience by skillfully blending the physical with the digital. Managing mobile commerce as a tool to omnichannel retailing demands new talent and rapid test-and-learn methodologies. The spatial and temporal success of an *omnichannel* strategy would not only guarantee a retailer's survival amidst the boom of digital and social networks in the twenty-first century but would also be able to drive a revolution in customers' expectations and experiences (Rigby, 2011).

There are many factors that significantly affect the simple m-commerce transactions of short-run expenditures with little financial risk. Such transactions refer to low involvement transactions, such as buying movie tickets, while more complex m-commerce transactions involve higher efforts and financial risk on the part of the customer, such as making stock trades. Such high-end m-commerce transactions need customers to be highly involved in the transactions process. M-commerce has emerged as a new way of consumerism and a much more powerful way to interact with consumers. Companies that spent decades understanding consumer-buying psychology traditionally assumed that only bricks-and-mortar retailing structures would satisfy discrete consumer needs. However, most retailing companies have now understood that companies need to provide total solutions to customers where they have low costs and high benefits. Thus, m-commerce appears to be the right solution for digital platforms. Capitalizing on the promise of m-commerce, a deep understanding of consumer behavior among retailing product and service-oriented companies has offered them significant opportunities not only to widen their businesses but also to give a boost to the providers of telecommunications services. Good examples of such companies are leaders in the consumer-packaged-goods industry such as Coca-Cola, PepsiCo, Procter & Gamble, and Kraft Foods, or retail organizations such as Wal-Mart and Best Buy (Nohria and Leestma, 2001).

Socio-business communication interface platforms

Interactive radio

Radio commercials are conceived by consumers as a musical entertainment, and the recall of message is faster than other modes of electronic commercials. Though an audio medium such as radio provides consumers no chance to self-pace the speed of input stimuli, the cognitive reception of the musical messages can be easily remembered and helps in the top-of-the-mind awareness. Radio broadcast services are important for social communities not only for leisure but also to know the commercial environment within neighborhoods and identify shopping opportunities so that consumers can gain a competitive advantage.

The differential effects of advertising campaigns of leading and challenger retail firms on expected sales of products reveal that radio advertisements produce substantial arousal among consumers and enhance volumes of sales in various outlets of retail stores (Panagopoulos and Green, 2008). Commuters in metropolitan areas enjoy higher quality commercial broadcasts differentiated by music, traffic information, and news headlines. However, it is argued that lack of variety causes low listenership and consequently competitive markets are underserved by commercial radio stations (Halcoussis and Lowenberg, 2003). There are two factors that influence consumers in responding to radio advertisements. Firstly, the emotional engagement through radio advertisements may influence consumers instantly and drive impulsive buying behavior. Secondly, contrary to the above, consumers may experience anger or anxiety related to radio advertisements if the facts of communication do not match in-store offerings (Menon and Dube, 2007).

The Central Place theory advocates that products with higher prices and lower buying frequency positively influence consumer perceptions on promotional communications from stores delivered through the radio programs and outdoor advertising. Since urban commuters have easier access to radio communications, they develop higher perceived intimacy to the broadcasts (e.g., Kuffert, 2009). The nature of the consumer process of reacting to radio advertisements includes the cognitive processing of advertising content in order to generate awareness and acquire details of the message (comprehension) as mediating variables between commercial messages and their compliance at retail outlets (Megehee, 2009).

With regard to specific advertising options like developing appropriate communication-mixes and creating messages, the most widely used promotional elements were found to be radio advertising (Warnaby et al., 2005). However, some studies indicate that radio advertisements have fewer stimulants for specific services like travel and tourism than those of visual media though both advertising media and the relative quality of the advertisements presented in the various media drive the effectiveness of the advertisements (Nysveen and Breivik, 2005). The effects of localism in radio broadcasting have attributed to the consumer view that the use of radio in metropolitan centers seldom goes beyond delivering traffic information and weather updates. Localized commercials on radio also help to keep consumers aware about market movements (Sauls and Greer, 2007). Radio advertisements influence listeners on all days of the week and during all hours of the day, having an impact on shopping orientation, the importance of retail attributes, and beliefs about urban consumers' retail stores (Yan and Eckman, 2009). Radio advertisements target audiences along age, gender, and ethnic lines, and mobilize excitement and gender sensitivity as persuasive techniques to promote products and services during working hours with the view that access to commercial information is a "new cooltier" of the entertainment industry. Consumers identify advertisements with the brand, celebrity tags, and lifestyle perspectives. A good fit of message within this triad helps to generate interest in exploring subjects and realizing them in retail stores, often resulting in strong consumer buying arousal. Such shopping arousal is perceived between consumer lifestyles and the content of the advertisement in reference to designer brands of apparel, perfumes, and shoes (Oswald, 2010).

Purchase intentions are higher for humorous advertisements containing moderate incongruity than those conveying messages directly. The most memorable advertisements among radio listeners have been those that evoked the most positive feelings and were the best understood. Short-cycle radio advertising is developed to have an enduring emotional impact on an audience by facilitating their creation of personally relevant understandings of advertisements. However, some advertisements which do not allow consumers enough time to analyze the contents and make a buying decision, dominate over emotions, developing anger, irritation, and stress (Mai and Schoeller, 2009).

Radio advertisements largely incorporate celebrity messages and peer conversations, which drive emotions among listeners. Interest in the message is generated through comparative pricing and limited time availability on promotional offers. Radio advertisements drive the sense of urgency to realize the offers are blended with emotions, interest, and desire for the advertised products. Such advertisements possess strong consumer appeals and generate "me too" feeling for the advertised products and services. Radio advertisements with more than one voice induce higher emotions, as the message is split between voice and language, which drives significant differences in communicative effectiveness. The emotional content of a retail promotion advertisement is a stronger predictor of buying behavior, reflected in message recall rate among audience. Emotionally arousing advertisements require fewer broadcasts to achieve the same level of recall, and hence are likely to be less expensive to a campaign (Biener et al., 2008). Recall and recognition are significantly affected by the language presented in the advertisement.

The use of anchors in radio advertisements helps to determine the attractiveness of the advertisements, which in turn affects the recall of brand attributes among listeners. Voice modulation of the anchor(s) in advertisements also affects brand attribute recall from the message conveyed. There is an emerging relationship between radio advertisements and consumer behavior. Messages in radio advertisements emphasize brands and their use value, which are conceived and retrieved faster by the listeners, helping them to make quick decisions on buying. Radio advertisements, which are intangible, simple, and affective in nature, help to develop conviction among consumers toward buying (Thrassou and Vrontis, 2009).

Interactive radio commercials are based on consumer experiences of buying in real-market conditions. Such advertisements are participatory and developed on the triadic focus of product, company, and retailer. They tend to have stronger effects on listeners, as they deliver both an aural effect and arousal. Entertainment-oriented commercial programs on radio tend to demonstrate higher retention and recall of information, personal involvement, attention, and perceived credibility of information by audience and prospective consumers. In high-cognition advertisements, brand-congruent music results in a more positive attitude toward advertisements. Music congruence in radio commercials drives listeners toward the embodied meaning of advertisement with varied degrees of stimulation. However, the Internet has attracted audiences toward web advertising, as it is accessible to large numbers of people in the workplace. Some companies administer restrictions on Internet usage, which increases higher dependency on radio broadcasting channels for on-work entertainment (Potter and Naidoo, 2009).

Interface platforms—Facebook

Social networking through Facebook has exploded in both the cultural and business spheres. Firms on Facebook not only communicate organizational information but are also actively involved in collecting information on consumers' preferences. As a marketer, checking out a consumer's Facebook page—much like Googling a name—is very tempting. It is understandable that managers would like to know as much about their consumers as possible. This strategy works better for business-to-business marketing efforts (Smith and Kidder, 2010).

Facebook is both a verbal and nonverbal platform for social communications, where every picture also tells a story. A photo is personal and can communicate quickly and easily. It also requires more thought and effort to take and include a photo in addition to text. Consumers can promote a product by putting up pictures of it from a company's catalog, in order to elicit a high number of "likes." This platform helps to keep information on products, companies, and markets up-to-date. Topical messages may or may not contain a hint of the brand's products; these messages are perceived to be more personable than scripted promotions. Promotional messages are often posted on Facebook walls to drive consumers who identify with and want to engage with brands (Malhotra et al., 2012).

Facebook is a platform that allows everyone to express and share ideas; eventually most people group with others of a similar mind. Companies can tap such common interest groups to drive their brand campaigns. By sharing success stories, achievements, awards, and praise through wall posts, consumers can signal approval while also basking in the glory of a brand they identify with. By "liking" the post, fans indicate to their personal network their alignment with a successful brand. They are expressing their own positive self-identity through the brand's achievements. Firms can also disseminate consumer education programs to their group members and create high-customer value. Brands that generate or pass along information through wall posts also garner a high number of "likes," especially information designed for fans' enrichment and education. This education could include informing fans about the brand's history or the ways in which the company operates or produces products. When fans "like" these posts, they are in turn creating educational content for their personal networks.

Firms can attempt to personalize brands and corporate images, and inject emotions. The salience of brand communication using social media is the "social" part. Most company fans like messages that portray the brand as a living object and express human emotions. Brand managers should view Facebook as a personal communication platform rather than a broadcast medium. Sharing posts that contain emotions helps fans to convey their own emotions to their network of friends.

Facebook's functionality enables anyone to respond to a brand post on a wall. In fact, one brand post can receive thousands of comments, where Facebook users communicate with the brand and other commenting consumers. This open dialogue can be used to the brand manager's advantage to solicit information, gain feedback, and understand consumers better. The understandable risk is that there is no guarantee the comments will be positive. Yet, if addressed quickly and appropriately, negative comments can facilitate favorable brand outcomes. Facebook users are much more likely to comment when wall posts include a photo, stay topical, include new product information, contain validating information, humanize the brand, add humor, or simply look for an action. Several brands have begun to engage Facebook fans to get ideas on how to improve current offerings and perhaps even design new offerings. Such practices can help draw fans into an open innovation process and propagate a brand's philosophy of customer inclusiveness. In addition, brand managers can use Facebook's poll feature as a communication and engagement tool by posing a question and providing a predetermined set of possible answers. Firms can also post promotional announcements on the walls of company-led social networks. Contests are a popular sales promotion technique, but our research showed that wall posts announcing contests were less likely to be "liked."

Given the informative content (contest availability and participation instructions), these messages may be read and acted upon but do not result in many "likes."

Sharing a post is not only a commitment to the message, but also to the brand. In effect, by electing to share a message, a Facebook user self-appoints himself or herself as a brand ambassador and acts on behalf of the brand to propagate the entire brand message to his or her network. The Facebook "share" functionality is very similar to a re-tweet on Twitter. There are many similarities between content that has a higher likelihood of being shared on. However, there were some key differences between the two social network platforms. Length of message has an impact on the likelihood of the message being shared on Twitter, with longer messages being re-tweeted less. But length might not impact the likelihood of content being shared on Facebook. Given the character constraints on tweets, length has an impact because users often like commenting on the tweet being propagated to their network. Twitter is arguably more of a locational information medium than Facebook is. It may also be that Twitter serves as a platform enabling real-time communication, whereas Facebook serves more as an asynchronous "bulletin board."

These platforms are also used by sales trainers and offer insights to help companies and front-liners to get maximum value from sites like LinkedIn, Twitter, and Facebook. Social media is a very effective channel to work with during prospecting, opportunity qualification, and pre-sales call research. Short messages sent via social media can produce a much greater response than cold calls. At the back end of the cycle, social media tools are invaluable for maintaining relationships, which are often neglected in the pursuit of new sales (Giamanco and Gregoire, 2012).

6
Social Media and Consumer Insight

A new generation of companies is working with new modes of social collaboration to improve consumer participation in business through social networks. The importance of social business to organizations is expected to grow over the next few years. Some companies that have achieved higher technological skills in association with social networks include International Business Machines Inc. (IBM) and Systems Applications and Products (SAP). It has been realized by most upcoming companies that channeling business through social media can achieve more than mere social connectivity and entertainment objectives. Web 2.0 technologies have become pivotal for encouraging consumer participation through social networks and enabling customer-centric companies to form collaborations between employees, partners, and customers (DiMauro and Zavel, 2012). As information technology continues to build social networks, smart grids are being developed among several customer-focused social business initiatives in the global marketplace. Highly customer-centric companies like Unilever and Nestlé are starting to engage in social gaming in order to entice customers toward their brand and using consumer interface platforms to disseminate the brand image. Customers are awarded points based on their social network participation for the company and brand.

In the process of acquiring customers amidst competition, most companies have earned lots of friends and followers on social platforms such as Facebook and Twitter. While a few have succeeded in generating profits there, others are yet to realize the benefits of social platforms because they simply deploy their digital strategies into social environments by broadcasting their commercial messages or seeking customer feedback without generating involvement and emotions among consumers. To succeed on social platforms firms need to develop social strategies that are consistent with users' expectations and behavior in these venues—namely, people want to connect with other people, not with companies. Successful social strategies should aim at reducing costs, increasing customers' willingness to participate in pro-company or brand communication, and strengthening relationships between society and the company. Such social strategies can generate profits by helping people to connect in exchange for tasks that benefit the company, such as customer acquisition, marketing, and content creation (Piskorski, 2011).

In practice, the term "social business" is used to refer to activities, a phenomenon or trend, or a type of organization. There are difficulties in developing strategies using social platforms and adopting social business activities. However, social business appears to be a trend in the global marketplace for exhibiting consumer power and staying abreast of the competition. Some large transnational companies like IBM and General Electric have emerged as social business ventures because they attempted to break down the operational barriers for reaching out to the people within the organization. Using the term *social* in conjunction with *business* can elicit a mix of reactions. Critics observe that every organization is already social in some way, so it is not clear what the new term adds. The dynamics of the social business paradigm are exhibited in Figure 6.1.

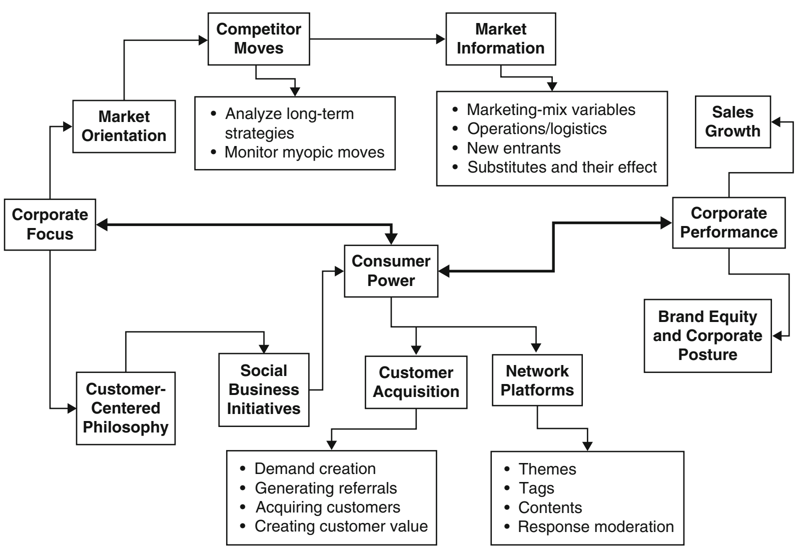

Figure 6.1 Corporate social business model

Smaller firms generally prefer to engage in social business to increase their market potential and resources, to stay competitive, and to connect with customers in order to appear stronger. Most growing companies have the vision to consistently create or introduce new social business initiatives to customers and suppliers, and to incorporate social data into their enterprise resource planning systems. Organizations employ social software, social media, and social networking to improve their relationships with customers. Monitoring online communities, creating and supporting virtual communities, developing new communication channels, and fostering a wide range of strategies—including coupons, sweepstakes, contests, and other sponsored events—all help to promote the company's business. By investing in social business activities, enterprises have been able to enhance their understanding of and engagement with their customers, while other market players, like vendors and suppliers, are also engaged in business with online social forums. In particular, product fan sites are proliferating across the Web, increasing the visibility of influencers, building a core customer base and contributing new ideas that can help to refine existing products and services. Social business activities can make valuable contributions to leadership in terms of strategic business insights and implementation of strategies. In this process, various social tools can help leaders sharpen their vision and extend their reach.

Despite the efforts of companies to integrating social networks with their marketing strategies, often social media initiatives fail to bring benefits to companies due to a lack of emotional capital. Social media is simply a communication tool, which may be used as inefficiently and unproductively as any other mode of communication. Most companies that manufacture and market consumer goods have used the technology to help build social networks to support sales activities and take advantage of social media's unique ability to foster better vertical and horizontal communications. Although social media can help create closer and more dynamic stakeholder relationships, success with an online community requires a leader who can build emotional capital and who values community building as a means of creating economic value (Huy and Shipilov, 2012). New technologies are enhancing organizations' ability to listen to and analyze what is happening online. New software technologies can make sense of massive amounts of streaming data from Twitter or Facebook and provide insights about real-time consumer trends. The applications of these technologies, however, transcends analyzing word frequency patterns.

The penetration of Internet-based social media in the BoP market segment has made it possible to set communication for one or many outlets about products and the companies. Thus, the impact of consumer-to-consumer communications has been greatly magnified in the marketplace. Social media has emerged as a hybrid element of the promotion mix, because in a traditional sense it enables companies to talk to their customers, while in a nontraditional sense it enables customers to talk directly to one another. The content, timing, and frequency of social media-based conversations occurring between consumers are outside managers' direct control. This stands in contrast to the traditional integrated marketing communications paradigm, whereby a high degree of control is present. Emerging companies must learn to shape consumer discussions in a manner that is consistent with the organization's mission and performance goals. These include providing consumers with networking platforms, and using blogs, social media tools, and promotional tools to engage customers (Mangold and Faulds, 2009).

Consumer emotions and personality

Consumer emotions are largely set through companies' verbal and nonverbal market communications. Advertisements play a critical role in stimulating consumer emotions. From the late twentieth century, when computer usage grew rapidly, the Internet has been the prime anchor for marketing communications and stimulating consumer emotions. The increased participation of people on social network platforms has brought the emotions associated with the products, services, and companies very close to the market players. Compared to offline media communications, social network platforms possess unique characteristics that affect the likelihood of generating emotions and reactions to how the brand is experienced by fellow customers and employees of the firm. Online emotions are largely driven by the vividness of social networks, their interactivity, challenge, interaction speed, machine memory, and allowable social interactions. Depending on how a social network platform performs on these dimensions, positive or negative emotions may result about the products, services, or image of the company. For example, using machine memory to automatically generate purchase recommendations based on prior consumption patterns may be perceived as pleasantly surprising, while a firm sending unsolicited e-mails based on a user's cookie trail may be annoying. Such feelings, generated and shared by the consumers, get attached to the brand and build its equity in the market. Thus the challenge for brand managers is to get consumers to associate positive emotions with a brand, and manage company sponsored social network websites by understanding the consumer emotions and their ramifications (Jones et al., 2008).

Driving consumer arousal and merriment as a major influencing factor in consumers' buying decisions is a recent strategy by retailers and an innovative concern, as these factors reveal personalized enjoyment during shopping. Arousal during shopping may be seeded through multifaceted activity, which may be performed in various ways and embody different consumer feelings. It is also argued that there is a need to focus more on the influence of retail ambience on young consumers engaged in leisure shopping (Backstrom, 2006). It has been observed in some studies that consumers who intend to shop on short notice generally lean toward impulsive or compulsive buying behavior, driven by arousal effect in the retail stores. Gender, age, leaning toward unplanned purchases, and tendency to buy products not on shopping lists serve to predict compulsive tendencies (Shoham and Brencis, 2003). However, retailers at times fail to recognize that what influences buyers' satisfaction is not the same as what engenders store loyalty, and consequently do not effectively develop the retail ambience to stimulate buying decisions. Hence, they need to manage the quality of arousal vigilantly by developing adequate customer involvement in the buying process and retaining young consumers (Miranda et al., 2005).

Retailers may address the various interests of the consumers through effective displays, designing appropriate retail ergonomics, easily identifiable packaging, making shopping exciting, and focusing in-store advertising to enhance arousal in young consumers (Quelch and Cannon-Bonventre, 1983). The three distinct dimensions of emotions—which include pleasantness, arousal, and dominance—have been identified as major drivers for making buying decisions among adolescent consumers. The retail point of purchase is the time and place at which all the elements of a sale, the consumer, the money, and the product converge. Marketers must make the most of the communication possibilities at this point to increase their sales (Rajagopal, 2006b). There are some common strategies that can be adopted by retailers to overcome the problems of fickle consumers, price-slashing competitors, and mood swings in the economy. The thinking behind such strategies is that retailers will thrive only if they communicate better with young consumers through in-store amusement, recreation, and collaborative product demonstrations involving consumers, to help their purchase decisions. Retailers also offer buying incentives to develop conviction on buying such tried out products (Berry, 2001).

The ambience of retail stores, whether pleasant or unpleasant, moderates the arousal effect on satisfaction and in-store buying behaviors. Satisfaction in pleasant retail ambience, where music, hands-on experience services, playing areas, and recreation are integrated, maximizes consumer arousal. It has been observed that young consumers perceive the positive effect on in-store behaviors if shopping arousal is high. Thus, retailers need to pay attention not only to the pleasantness of the store environment, but also to arousal-level expectations of young consumers (Wirtz et al., 2007). One study revealed that the pleasure, service quality, and merchandise quality affected intended approach behaviors, and arousal contributed to these behaviors when the store environment was considered pleasant. Similarly, affiliation behaviors of consumers to particular stores resulted from service quality, pleasure, and arousal, but not merchandise quality to a large extent (Sweeney and Wyber, 2002).

In retail self-service stores—where consumer exercises in-store brand options—both service and merchandise quality exert a significant influence on store performance, measured by sales growth and customer growth, and their impact is mediated by customer satisfaction. The liberal environment of self-service stores for merchandise decisions, service quality, and learning about competitive brands are the major attributes of such outlets (Babakus, et al., 2004). Retail self-service stores offer an environment of distinct dimensions of emotions: for example, pleasantness, arousal, and dominance. They have have a broad marketing-mix, which helps customers seeking variety, and usually do not specialize in certain product categories. Retail self-service stores operate on a market-size effect and a price-cutting effect (Konishi, 1999). As they display a wide range of multi-brand products, consumers have a higher chance of finding their preferred products (a market-size effect). On the other hand, a concentration of such stores leads to fiercer price competition (a price-cutting effect). In view of maximizing customer satisfaction, a retail firm must manage customer relationships for the long term, maintaining high levels of arousal.

Fast-moving consumer goods (FMCGs), in reference to young consumers, include confectionary, toys, shoes, etc. which have quick shelf turnover at relatively low cost and stimulate quick buying decisions. The rate of change within the FMCG market sector continues apace, particularly in the area of innovation, in-store services, arousal, and satisfaction. A retail store may combine innovation and elements of arousal to create consumer satisfaction and competitive advantage. It has been observed that the effects of consumers' decision on the likelihood of them trying new products are systematically moderated by the effect of arousal in shopping and associated satisfaction derived from the product (Steenkamp and Gielens, 2003). Retailers are encouraging consumers to familiarize themselves with in-store products in a do it yourself (DIY) fashion, through electronic business solutions available on the Internet, which are cost-effective and can be customized. The DIY e-business approach develops prepurchase arousal among young shoppers, which conforms to the in-store demonstration of those products and offers higher levels of satisfaction (Huang et al., 2007).

Lack of appropriate external and internal ambience of retail stores is a major source of dissatisfaction among young consumers while making prepurchase decisions. This creates negative emotions in terms of merchandise choice, visual merchandising, store environment, sales personnel attitude, product demonstration policies, and promotional activities. These factors are the very foundations of consumer satisfaction, and evidence of dissatisfaction resulting in avoidance behavior should be particularly worrying for retailers, given that they are operating in an increasingly competitive and saturated fashion environment (Otieno et al., 2005). Going shopping can be a major source of relaxation, as well as entertainment, for young consumers but sometimes this activity is associated with parents under pressure due to time constraints, changing social roles, and technological innovations. One large-scale survey, which included statistically viable numbers of male as well as female respondents, found a great deal of consensus regarding shopping responsibility among the sampled households. Although parents play a significant role in shopping activities, particularly shopping for goods of interest to young consumers, shopping remains a compulsive activity but it is not considered to be unpleasant. It has been observed that the supermarket is likely to be the retail setting where arousal and merriment make the greatest impact (Dholakia, 1999).

Consumption among young consumers has often been dichotomized in terms of its arousal-hedonic nature and has been closely associated with levels of satisfaction determining customer value (Wakefield and Inman, 2003). As new and exciting products targeted at young consumers are introduced, retailing firms attract consumers through in-store leisure activities and set high prices for these products. As discussed above, DIY and computer-aided simulations act as stimulus to consumers who tend to elicit a positive response. Further, it is predicted that the magnitude of such positive response will be proportional to the value of an option to make a buying decision at the available price.

Interactive tools on product learning provided in retail stores significantly affect the level of arousal and pleasure, which contribute toward the experience and thereby influence buying behavior. As higher stimulation or interactive learning provided by retailers focuses on gaining initial experience on the product use, consumers tend to engage in higher arousing activities by acquiring the product (Menon and Kahn, 2002). However, difficulty in buying decisions increases during leisure shopping, overruling brand loyalty, which may pose a threat to customer satisfaction in the long run. Sometimes a negative response to the leisure time sale is expected, independent of any short-run price advantages at the retail outlets (Shugan, 1980).

Consumers are increasingly using the Internet to search for products and services, evaluate competitive advantages, and make purchases. Online consumer decision processes have many cognitive drivers that set consumer emotions. Hence, websites must not just be created but must be carefully managed, and should offer live experiences involving customers. Significantly, emotions can be attached to products and services, and inculcuate perceptions, attitudes, and behavior among consumers (Lindgaard et al., 2006). An example of a website that evokes positive emotions among many visitors is BMW's.[1] The company's website is tagged in many countries with the social networks managed by customers. The communication on the networks sparks emotions on how to love a car. Consequently, prospective owners can configure the car of their dreams, a task that is exhilarating for some. In addition, the company's website, and social networks also showcase BMW cars of the last 30 years, and offer lifestyle suggestions where current and prospective owners can not only view BMW-themed products but also experience the state-of-the-art of the BMW cars and enjoy the acclaimed BMW films. This website presents a convenient opportunity for BMW owners and interested parties to indulge their fascination with the brand. Interacting with websites such as those of BMW and Pepsi can generate feelings directed at an object (the brand), actors (interactions with a customer representative or with other customers), or the event (interfacing with the website; e.g., downloading video clips or entering personal data). Since the emotion-evoking avenues operate independently, an individual might find watching the video clips provided on the website pleasurable. However, consumers may also be annoyed by comments posted in a chat section of the social networks (e.g., Jones et al., 2008).

Consumer satisfaction with the decision process leading to this expected level of satisfaction is measured by the firm, and may be expressed as one of a number of cognitive and affective responses that may result from a clearance sale. The retail sales performance and the customer value approach are conceptually and methodically analogous. The satisfaction is the customer's perception of the value received in a transaction or relationship; it helps in making re-patronage decisions on the basis of predictions concerning the value of a future product. Hence, many retailers develop innovative approaches to prospective new customers for new products by strengthening customer relationship and value management strategies (Ganesh et al., 2000).

A company may also need to consider emphasizing an integrated promotion strategy for new brands in reference to the principle of attributes, awareness, trial, availability, and repeat (AATAR). One of the challenges for the manager of a retail store is to enhance the in-store ambience to influence young consumers to stay in the store for prolonged shopping and explore the zone of experience of new products. An augmented and sustainable customer value builds loyalty toward the product and the brand. Systematically explored customer preferences and arousal-driven retailing approaches toward new products can be beneficial for companies and help them to derive long-term profit optimization over the period. This needs careful attention and the application of managerial judgment and experience to generate consumer arousal and develop appropriate point-of-sales strategies for stimulating buying decisions. Appropriate promotional strategies considering the economic and relational variables discussed in the study may be developed by managers upon measuring the intensity of leisure shopping and the scope of expanding the tenure of this in order to maximize consumer satisfaction and increase the volume of sales.

Managers of retailing firms should develop arousal-led sales of affordable fashion and entertainment products for young consumers. Lack of availability of merchandise and appropriate techniques of managing shopping emotions of young consumers may cause dissatisfaction and prompt decision-switch behavior. Such retail conditions may drive negative emotions in terms of merchandise choice, visual merchandising, store environment, sales personnel attitude, pricing policies, and promotional activities among consumers. On a tactical level, managers need to consider the optimum spread of consumers on a matrix of product attractiveness and sales. This needs careful attention and application of managerial judgment and experience to measure the customer value-driven performance of retail stores, considering the innovative leisure sales approaches, store layouts, and location issues, as well as consumers' shopping behavior and loyalty parameters. Managers should consider promoting shopping arousal with one-to-one marketing, media-targeted direct mail, or Internet marketing, and explore opportunities to develop relationships with young consumers.

The growth of tourism shopping is regarded as having significant implications for the development of retailing. Leisure shopping behavior prompts sequential relationships among young tourists, leading to shopping satisfaction through the perceived values of recreational attractions and levels of in-store arousal. Thus, managers may think of significant market sectoring on demographic grounds for enhancing the leisure shopping behavior of domestic and tourist shoppers. Urban tourism is a relatively recent phenomenon, which demands new retail infrastructures and recreational facilities to attract leisure shopping. Customer satisfaction has become one of the measures of retailing performance, as perceived by domestic tourists. Recreational shopping behavior toward buying souvenirs, fashion, and fun products as well as high-value products indicates the retailing strategy to be oriented toward augmenting customer values.

Brand personality and trust

The concepts of image and reputation (IR) have been increasingly emphasized in the fields of public relations and marketing. It is argued that consumer creativity, identification with the brand community, and brand-specific emotions and attitudes, including PIRT attributes, drive brand passion among consumers. In this process brand knowledge is also considered as an important determinant of consumers' willingness to share their knowledge with fellow consumers and firms (Füller et al., 2008). Corporate PIRT factors of brand personality develop interrelationships between personality and trust (PT) in reference to consumers and IR in the context of corporate branding. Trust in brands is considered a key aspect of brand relationships, brand personality, and brand equity. Accordingly, PT dimensions at marketing level comprise functional, emotional, and symbolic brand benefits, while IR dimensions include corporate activities, corporate associations, organizational values, and corporate personality. However, corporate values, corporate brand personality, and functional consumer benefits are the most critical and consistent predictors of both attitudinal and behavioral loyalty

(Anisimova, 2007). Previous researches have established that there is a close relationship between brand attributes and the corporate brand image, with regard to emotional values. This relationship in turn influences the customers' responses toward building brand loyalty (e.g., Silva and Alwi, 2006).

Perceived attractiveness of products, firms, and retail stores significantly influences the consumer–brand relationship development process in meaningful and predictable ways. The personality traits of a brand influence consumer opinion on the desirability of the brand as a relationship partner in the firm's business. The quality connection between personality traits and brand association depends to a large extent on the perceived attractiveness of the brand. However, the role of attractiveness in the relationship varies across individual brand personality dimensions (Hayes et al., 2006). Brand personality may be defined as human characteristics attributed to a brand. Unlike a product brand personality, which typically relates to consumers and user imagery for a specific product brand, a corporate brand personality reflects the organizational values and culture and actions of all employees of the corporation (Keller and Richey, 2006).

Amidst growing competition and globalization, luxury brands are affected by brand image inconsistencies across countries. As consumer travel and the penetration of international media increases, consumers expect brands to deliver the same values on a worldwide basis. Inconsistencies across brand destinations can thus affect the brand image significantly. Luxury brands attempt to establish a unique brand identity as an international fashion label for high-quality business. However, sometimes a company's other brand attributes are less apparent, and the depth and variety of the brand is not fully understood by its customers (Matthiesen and Phau, 2005). Consumer perceptions also determine the brand personality of virtual brands. E-tailing is primarily a functional activity, with preeminent roles for interactivity, web atmospherics, and navigability. However, users' perceptions of functional attributes are rooted in emotional associations, such as excitement or authenticity. Emotional brand associations can be utilized by e-retailers as benchmarks of key performance indicators to improve the brand performance (Merrilees and Miller, 2005).

The concepts of brand image and brand identity are key assets of brand performance. The brand's identity, from the perspective of consumers, is the foundation of a good brand-building program. Effective brand management encompassing brand personality is of paramount importance in reaching the overall company goals of satisfaction, loyalty, and profitability (Roncha, 2008). The effectiveness of market communications can be measured by periodical evaluations of the brand and attributes of advertisements. Effective brand management, encompassing brand personality, is of paramount importance in reaching the overall company goals toward satisfaction, loyalty, and profitability. Companies may choose to deliver advertising in a more appealing way to provoke quick cognitive reflexes among customers (Rajagopal, 2007c). Brand personality is one of the principal drivers of a brand identity. It is observed that contemporary scales integrate various dimensions of brand identity toward measuring the brand personality of products and services (Azoulay and Kapferer, 2003).

Brand identity not only augments the values of global brands but also enhances the ability of family businesses to persuade customers to make purchasing decisions based on the perceived attributes of the seller through a family-based brand system. Family-based brands identity influences of competitive orientation (customer versus product) and the performance of firms in family businesses (Craig et al., 2008). Many global firms evolve their brand identity as a unique selling proposition (USP) in a specific retail category. The strong association between the brand image and trust (IT), increasing competition, and changing consumer attitudes are considered as significant factors in realigning and positioning the corporate brands of global firms. However, there are difficulties in aligning the visual identity of a retailing firm with its brand and market (Kent and Stone, 2007).

Corporate image and reputation contribute significantly to building the brand identity. Volatility in the financial markets, bankruptcy, and frequent mergers and acquisitions among global firms have been recognized as major challenges for firms competing in changing environments. Thus, firms should consider building corporate reputation in relation to communication, identity, and IT (Omar and Williams, 2006). It is also argued that self-image and brand identity congruence may be related to satisfaction in general among consumers and may affect the satisfaction of customers and brand value of the products or firms at varied levels of expectation. In the long run such congruence can significantly influence brand preference, brand satisfaction, and the purchase intentions of customers (Jamal and Al-Marri, 2008). The findings of some research studies indicate that both the affective and cognitive components of corporate brand identity exert a significant influence on consumer attitudes toward the brand use, which in turn leads to more positive company attitudes and purchasing intentions among consumers. The three forces that influence brand identity and consumer association consist of represented group identity, targeted brand positioning, and reconciled self-image (e.g., Jun et al., 2008). It is observed that dimensions of personality also apply to the charity brands of global firms at causal and organizational levels, linking the behavior of individual consumers. Charity brands have been found to assist income generation by enhancing donor understanding of an organization and what it stands for (Sargeant et al., 2008).

The magnitude of consumer response to clearance sales is weighed in two ways—evaluative and behavioral. Firstly, consumer satisfaction with the decision process leading to the expected level of satisfaction is measured, which may be expressed as one of a number of cognitive and affective responses. While explaining the basic concept of satisfaction with consumers' experience in arriving at the purchase decision, it has been argued that while substantial research had been performed on consumer satisfaction with the use or consumption of a good, little research had addressed consumers' experiences of learning about brands and product categories or deciding which option to purchase (Westbrook et al., 1978). Consumers often anthropomorphize brands by endowing them with personality traits, and marketers often create or reinforce these perceptions through their brand positioning. Brand management has developed to take advantage of new loyalty marketing vehicles. To build and maintain consumer loyalty, brand managers are supplementing mass-media advertising with interactive strategies, Internet communications, and other innovative channels of distribution. However, brand managers have to face new threats to their brands, especially parity responses from competitors. Brand loyalty can yield significant marketing advantages, including reduced marketing costs and greater trade leverage (Aaker, 1991).

In recent years, the number of car brands and models has grown rapidly in the global market. At the same time, the once vast gaps in quality, performance, safety, fuel efficiency, and amenities have all closed significantly. Although variations in quality and performance exist, strategies around styling and other intangibles, as well as the emotional benefits conferred on customers, provide a higher competitive advantage to an automobile brand. Marketers have long understood that consumers are influenced by the emotional connections they form with products and with manufacturers, dealers, and other owners. Consumers attach significantly greater importance to this relationship and emotional benefits than to a car's functional attributes, provided that vehicles meet minimum standards or don't fall far short of the competition. Yet despite this, those intangible benefits are the weakest links in the automakers' performance ratings (Chatterjee et al., 2002). Customer's view tends to reflect the conventional wisdom in product design. The perceived value is created when companies use customers as a sounding board for their own ideas. The PT Cruiser experience includes a reassuring sense of protection. That's because it included some of the most up-to-date safety features, like Next Generation driver and passenger front air bags. The available supplemental side air bags (standard on Limited, Platinum Series, GT, and Dream Cruiser Series 3) for front occupants offer additional protection for the driver and front-outboard passenger in the event of a collision. PT Cruiser's front disk and rear drum brakes provide smooth operation and good pedal feel. Large-diameter front rotors ensure ample stopping ability and heat resistance. Standard drum-type rear brakes have stamped steel hub sections and cast iron friction surfaces.

An automotive brand must be sensitive to the factors that affect the performance of a network to restructure it effectively. Of these the foremost is geographic distribution: outlets must be close to customers but not too close to one another. In reality, neither condition is met. Consequently, PT Cruiser as a brand is considered separately from its association with the Chrysler Company.

Thousands of people relate to brand personalities in the same way as they do to human personalities. Psychological determinants that affect brands include thinking, sensation, feeling, and intuition. The maxim of successful branding strategy is to influence the way that people perceive the company or product, and brands can affect the minds of customers by appealing to those four mind functions or their combinations. Some brands appeal to a person's rational thinking, to the elements of logic and good sense, such as toothpaste which prevents decay, or foods free from cholesterol. Others appeal to the senses of smell, taste, sight, and sound, such as fashion and cosmetic products. Some brands appeal directly to the emotions, prompting consumers to react with feelings of warmth, affection, and belonging. Products such as Harley-Davidson motorcycles and companies like Benetton, with their global village branding, exemplify these. Some companies and products are attractive to people who intuitively feel comfortable with them, because they see these brands as an extension of themselves, a good fit with their personality, lifestyle, aspirations, and behavior: for example, Body Shop projects its brands with an environmental approach.

Brands influence consumer decisions to buy in any of the above ways, or through combinations of them, sometimes with tremendous persuasive appeal. The brand–person associations can also be of more personal nature. Brands can be associated with people who use or have used that particular brand: for example, a close friend or a family member. Hence it may be stated that consumers cultivate relationships with the brands that appeal to their lifestyle, gender, age, educational background, social values, and culture.

Big Five concept

A trait is defined as any distinguishable, relatively enduring way in which one individual differs from others (Guilford, 1973). Human personality traits are determined by multidimensional factors, such as the individual's behavior, appearance, attitude and beliefs, and demographic characteristics. Based on the trait theory, researchers have concluded that there are five stable personality dimensions, also called the "Big Five." These five are identified below:

- Extroversion is sometimes labeled as overreaction. Broadly, extroversion encompasses specific traits, such as being talkative, energetic, and assertive. It is observed that extroversion and openness are positively related to hedonic product values and that personality traits characterized by openness influence brands, which in turn drive attitudinal and purchase loyalty (Matzler et al., 2006).
- Agreeableness includes the attributes of being sympathetic, kind, and affectionate.
- Conscientiousness includes the attributes of being organized, thorough, and planned in activity management.
- Neuroticism is related to the management of emotions and emotional balance. It is characterized by tense, moody, and anxious behavior.
- Openness to Experience may be explained as the ability of intellectual drive or imagination. This dimension exhibits wide interests, including being imaginative and insightful.

The Big Five Model of human personality provides a consensual framework for classifying and organizing descriptors of human personality. The factors of human personality convey different meanings when attributed to different brands. While the psycholexical approach remains a suitable procedure for identifying brand descriptors, the factors used to describe human personalities appear to be inappropriate for describing the brands studied here (Roodenburg, 2003). Some brand variables that may affect the personality traits of Big Five model are exhibited in Table 6.1.

Table 6.1 Some principal brand variables affecting Big Five personality traits model

Brand Variables/Personality Traits				
Premium market segment		BoP market segment		
Extroversion	**Openness**	**Conscientiousness**	**Neuroticism**	**Agreeableness**
Brand awareness	Innovative	Appearance	Brand promotion	Brand offering
Brand features	High technology	Sensory	Brand impulse	Brand value
Brand advertising	Value and lifestyle	Sustainability	Brand advantage	Display
Brand perception	Social status	Newness	Brand value parity	Retailer support
Brand referrals	Uniqueness	Need	Value for money	Availability
Brand satisfaction	Brand relationship	Fun	Price sensitivity	In-store promotion
	Brand image		Buying cost	Responsiveness
	Corporate reputation		Perceived value	
	Brand equity			

Source: Adapted from Rajagopal (2006c).

Extending the psycholexical hypothesis to describing human personality traits serves as a metaphor for stable characteristics identifying brands and products. Attitudes toward brands probably rely on beliefs associated with a set of attributed characteristics, which make them distinct from those of their competitors. Though the Big Five model is well established in the field of human personality description and assessment, it needs to be revised when it is applied to entities other than human stimuli like brands and products (Caprara et al., 1998).

It has been found by many researchers that customers measure the strategic fit of the brand in one or more dimensions of the above personality traits and then make a decision as to whether to associate further with the brand or otherwise. The relationship between brand and customer is largely governed by the psychographic variables, which can be measured broadly by the closeness and distance between the personalities of brand and customer. The type of relationship that customers possess with the brands based on loyalty levels is an extremely significant parameter for the marketers. New generation marketing approaches include customer-focused, market-driven, outside-in, one-to-one marketing, data-driven marketing, relationship marketing, integrated marketing, and integrated marketing communications that emphasize two-way communication through better listening to customers and the idea that communication before, during, and after transactions can build or destroy important brand relationships (Duncan and Moriarty, 1998). Wal-Mart as a corporate brand has a sustainable impact as a top-of-the-mind brand for reasons of respect for the individual, service to customers, and striving for excellence as its corporate philosophy. Wal-Mart has become one of the most successful global retail brands as a result of its revolutionary values of excellence in the workplace, customer service, and always having the lowest prices (Rajagopal, 2007b).

Successful customer-centric companies focus on building a broad brand leadership capability instead of concentrating merely on strengthening the skills of individuals. Firms investing in building leadership brands consider outside-in approach with a clear statement of how customers would like to know the brand and then link it with required market-oriented skills. For instance, the Lexus division of Toyota emphasizes its tagline, the pursuit of perfection as a conformation to the expectation of customers, which not only builds the customer value but also excels in managing the quality processes of products and services. The outside-in approach helps firms in building a brand reputation of high quality for their products and services, which also grows customers' trust and loyalty. Firms should master the basics of brand leadership, for example, by setting strategy and grooming sustainable advantages of their brands by internalizing customers' expectations. Firms should also invest significantly in programs that help managers improve the right skills by tapping into customer preferences to build brand leadership in the competitive marketplace. Many companies assume that major innovations drive the market share and brand equity, but it is not easy to achieve. High-potential new brands within established companies face stiff headwinds well after their inception. Hence, in uncertain markets firms need to shift their emphasis from ideas to execution and from excellence in leadership to excellence in customer services.

Brand personality plays an imperative role in understanding the attributes of a brand, which enables consumers to differentiate between inter- and intra-brand values. Consumer behavior emerging out of external or internal forces may be referred to as derived varied behavior, while direct varied behavior has been defined in reference to "novelty," "unexpectedness," "change," and "complexity" as they are pursued to gain inherent satisfaction. In a study the influence of product-category and level attributes were examined, and six influential factors—involvement, purchase frequency, perceived brand difference, hedonic feature, strength of preference, and purchase history—were identified (Trijp et al., 1996).

Advertising is heavily used in the process of personality creation. This follows logically from the fact that personalities are particularly useful for the creation of brand associations. Brand associations influence the "evaluation of alternatives" stage in basic consumer buying behavior models. In this stage, and for these goals, advertising is considered to be the most effective communication tool (Brassington and Pettitt, 2002). Perhaps the most visible and best known way of personality creations is by means of celebrity endorsements. Public heroes, sports people, pop stars, and movie stars are hired to lend their personality to a brand, a practice that goes back for at least a century and is increasingly popular today (Erdogan and Baker, 2000). Yet advertising primarily influences the brand personality, without the use of an endorser. In the process of personality creation in reference to advertising and marketing, communication approaches are largely used to create brand personality. It may be observed that a general model of advertising has been integrated with a model of brand personality creation as discussed in some studies. A number of propositions are derived based on that model and presented through analysis of the role of brand personality in the creation of brand equity, thereby making this issue one of general and increasing importance (Rajagopal, 2007c).

Social intelligence and media planning

Many companies have enjoyed the status of first movers in social media and developed insights as to how consumers think and behave about their products and services. As social technologies have grown and matured over the last decade of the twentieth century, business organizations have become convinced that this social power is necessary for sustaining market competition. Companies have realized their broader role in involving customers on social platforms to analyze their perception and derive competitive strategies. In particular, social media helps companies to overcome some of the limits of conventional wisdom, which typically involves collecting information from a range of public and proprietary sources, distilling insights using time-tested analytic methods, and creating reports for internal use by function or business unit.

Today, many firms that have expert knowledge and shape perceptions about markets are freely exchanging data and viewpoints through social platforms. Companies can develop social intelligence in real time by identifying and engaging these players, employing potent web-focused analytics to draw strategic meaning from social media data, and channeling this information through social networks within the organization. Companies should plan to invest in analytical tools such as network-mapping and influence-rating metrics in order to critically manage the new networks and prevent social spaces by making their people aware of how easy it is to inadvertently divulge valuable information. However, there is no single measure to evaluate the financial impact of social media and many companies find that it is difficult to justify investing financial and human resources in an activity (managing social networks) where the precise effect may not be measurable (Harrysson et al., 2012).

Information maps can be created for plotting the frequency and contents of communications disseminated through the social platforms. Competitive analysts can differentiate between primary sources of information originating from experts, competitors, employees, and suppliers on the one hand, and information cited from secondary sources, including published data, articles, and market research reports on the other. Social intelligence operates on a different platform, identifying people and their conversations in temporal and spatial social spaces. Identifying the right people on the right platforms is a challenge for companies trying to join existing online conversations and even shape them. This real-time information may help preempt key actions of

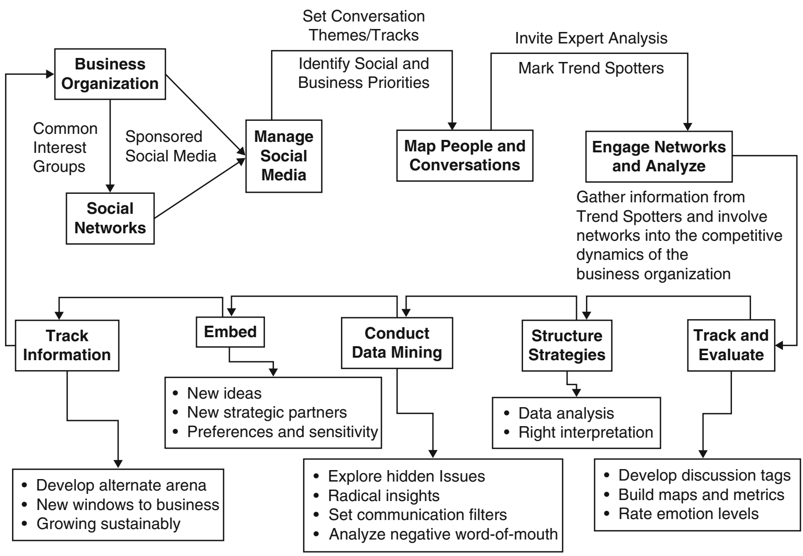

Figure 6.2 Social media intelligence cycle

competitors or lead to adjustments of strategy. Figure 6.2 illustrates the ways that social intelligence should be managed by the companies.

Social intelligence analysts in large companies often report exclusively to a single department, such as communications, marketing, or strategy. That can make analysts settle toward the approved pattern of thinking within their function, potentially limiting their insight toward making appropriate strategies on consumers' relationship with the company. Analysts should also evaluate a variety of underlying perspectives from social media to establish internal checks and balances in order to maintain the integrity of such public involvement. In some cases leniency in information checks across social networks may lead adversely to whistle-blowing against the company.

General Electric employed a proactive approach to social media in an effort to gather ideas about what it called a "social" airplane, offering prizes with Virgin Airlines for the best insights. The company enlisted a community of more than 90,000 people who followed its eco-imagination Twitter account and organized conversations around key topics using hash-tags.[2] This global network produced thousands of ideas that had not been discussed or published elsewhere. Some focused on green topics, such as the use of solar panels and electric vehicles in engine-manufacturing operations, and of LED lighting on aircraft. Participants also suggested giving each flight its own hash-tag for conversations or allowing airlines to send messages directly to passengers when their rows were boarding (Harrysson et al., 2012).

Companies investing resources in social media should develop strict policies to monitor, respond to, amplify, and analyze consumer behavior and use them as tools for stimulating purchasing decisions. Managers should be able to craft marketing strategies by tapping social media's unique ability to engage with customers in the interest of the company. Most companies have quickly learned that social media works through some of the following successes:

- *Opinion analysis*: American car manufacturer Ford had driven an opinion campaign for its Fiesta model in 2009, a major element of which involved several social media influencers documenting their experiences on the car through various social network channels. Videos related to the Fiesta campaign generated millions of views on YouTube, and the company received over half a million requests for sharing information about the vehicle, primarily from non-Ford drivers. Upon responding to these requests, some ten thousand units of the Ford Fiesta model were sold in a week during late 2010.
- *Lessons from social media*: Mountain Dew (branded as *Mtn Dew* in the United States) is a carbonated soft drink brand produced and owned by PepsiCo. Mountain Dew launched the second phase of its Dewmocracy campaign—referred to as *Dewmocracy-2*—in July 2009, inviting consumers' involvement on a broader range of online components to participate in voting about the brand attributes, product preference, quality, uniqueness, and consumer value through Facebook, Twitter, and YouTube. Customer insights gathered through this campaign, led to the creation of new varieties of Mountain Dew and to PepsiCo increasing its market share in the carbonated soft drinks segment in the USA.

Expressing consumer behavior has a significant impact on building customer-centric marketing strategies for companies. Behavioral analysis may involve multiple feedback loops and social media is a unique tool for portraying the consumer's decision journey. Most companies are leaning toward the *social amplification* of brands, which involves using social media as a motivator for companies to stay pro-customer and gain competitive advantages in the marketplace. It means that the core concepts for campaigns must invite customers into an experience that they can choose to extend by joining a conversation with the brand, product, fellow users, and other enthusiasts. Once a consumer has decided which product to buy and makes a purchase, companies can use social media to amplify their engagement and foster loyalty.

Social media can be used most proactively to lead consumers toward long-term behavioral changes. In the early stages of the consumer decision process, this may involve stimulating brand awareness by driving web traffic to share knowledge about existing products and services. Starbucks moved to increase awareness of its brand, for example, by launching a competition challenging users to be the first to tweet a photograph of one of the new advertising posters that the company had placed in six major US cities, providing winners with a gift card. This social media brand advocacy effort delivered a marketing punch that significantly outweighed its budget. Starbucks said that the effort was "the difference between launching with millions of dollars versus millions of fans" (Miller, 2009; Divol et al., 2012).

Content analysis of social media may also be helpful for companies when launching a new product or trying to mitigate negative word-of-mouth against their product, services, or corporate image. Analysis can focus on the company's current Internet performance, number of website hits, frequency of search, and traffic, measured against sales growth. This approach can give managers insights to make decisions on investing further resources—financial and human, as well as time—in social media. As social media activities achieve a scale of returns over a period of time, the company's challenges may center less around justifying funding and more on organizational issues, such as developing the right processes and governance structure, and identifying clear roles for all involved in social media strategy. Managers can identify the functions, touch-points, and goals of social media activities, and craft approaches to measure their impact and manage their risks. However, companies may need to drive internal discussions on how to lead and learn from social networks, competitors, and young consumers to stay competitive in the marketplace.

Companies have long used strategic teams to solve customer-centric problems, engaging focus groups to explore customer needs, consumer surveys to understand the market, and annual meetings to listen to shareholders. Recent developments in information technologies—including many Web 2.0 applications—have leveraged public participation in companies. Most companies can now take collective decision initiatives on a wider scale over temporal and spatial dimensions. The power of the Internet has also driven firms to try to take advantage of crowdsourcing to sell their products and services. Crowdsourcing is a process that involves outsourcing tasks to a distributed group of people. This process can occur both online and offline, and has been used for problem solving by distributing tasks to a large group of people, using collective intelligence to resolve issues. Companies working in close association with social networks can use these platforms for crowdsourcing. Increasing use of information markets, online encyclopedias, crowdsourcing, the concept of collective intelligence, and other web-based tools constitutes a paradigm shift in the way that many companies make decisions. The strategy of collective intelligence is termed “Decisions 2.0”—using next-generation web platforms. In view of the significance of involving social networks in corporate business, companies like Affinnova, Google, InnoCentive, Marketocracy, and Threadless have successfully implemented Decisions 2.0 applications for a variety of purposes, including research and development, market research, customer service, and knowledge management (Bonabeau, 2009).

7
Social Media Metrics

The characteristics of the global marketplace are diverse and international marketing approaches differ around the world. Companies need to adopt a strong rationale for grouping countries into segments. Multinational and global corporations are different, as the former operate in a number of countries and make adjustments to their production and marketing practices in each country at a highly relative cost (Levitt, 1983). Global corporations, on the other hand, operate with staunch loyalty at a relatively low cost for standardization. Coca-Cola and PepsiCo have standardized their products globally according to the regional and ethnic preferences of consumers. The most effective world competitors integrate quality and trust attributes into their cost structure. Such companies compete on the basis of an appropriate price value for quality, trust, and delivery systems. These values are considered by the companies with reference to the product design, function, and changing consumer preferences, like fashion. Multinational retailing firms develop a strong information base about the business environment in a marketplace and put efforts into adapting to the given consumer preferences and retail environment, in order to put in place a gradual penetration process across the marketplace. However, global retailing firms attempt to acquire customers for economic reasons of lower prices by standardizing their marketing operations. For example, with its everyday low prices (EDLP) policy, Wal-Mart has emerged as one of the retail stores most favored by a large number of customers in developed and developing countries who are sensitive to price. Global retailing companies treat the consumer segments as being composed of many independent and customized preferences, which lead to loyalty formation over a long association with the firms and their brands. There are four major drivers: market, benefit-based cost, and technology that propel consumers toward configuring their buying behavior. Of these, the market driver is the most significant in developing consumer behavior.

The market driver spots the needs of common customers, global customers, and global channels in reference to products that serve an existing consumer demand, products that bridge the gap between latent demand and availability of products, and develop consumer education for those products about which consumers are unaware. The needs of the common customer become a compelling factor for retailers when customers of different profiles appear to have similar or identical needs within the same product category. The emergence of international retailers and increasing accessibility to virtual and bricks-and-mortar retail channels has created homogenous groups of customers. However, some markets that typically deal with culture-bound products like food and beverages, apparel, and entertainment strongly resist the shift toward globalization and remain multidomestic, serving different customer preferences and differentiating products across different countries. Contrary to this, global customers need the same products or services across marketplaces, as was the case for Kodak films or Hilton Hotels. The global channels, distribution, and logistics companies offer seamless transport, storage, and delivery services to support the smooth operations of retailers. Retailing companies can expand internationally provided the channel infrastructure can meet the company's distribution needs to serve customers and enhance their shopping value. Hence, integrated networks thrive, bringing multinational companies close to global distributors and retail stores like supermarkets and department stores in order to generate a systems effect on consumers and keep them loyal to the store. Convergence marketing is applied to the same marketing ideas on brand names, packaging, advertising, and other components of the marketing-mix in the different marketplaces to serve various consumer segments. Nike's campaign anchored by the basketball champion Michael Jordan pulled up the brand in many countries. This is how the good ideas by multinationals get leveraged to win the consumer confidence the world over.

> The BMW database provides a big haul of opportunities to provide the best solutions on building the existing and prospecting customers. The X Factor programs were built on data mining strategy intending to deliver highly effective marketing programs, incremental revenue opportunities, low cost per sale, and increased customer/prospect contact and satisfaction. The X factor program includes special

> events, referral programs, automobile certification, and the scope of second BMW in member's home, lifestyle programs and felicitation to the BMW family members owning three cars. The X factors programs are drawn initially for one year which grows each quarter from prospecting to referral sessions, celebrating the car anniversary and finally launching the augmented services to the customer. Besides, dozens of new ideas are developed for entertaining the customers and building the most win-win relationship. The X1 factor programs are addressed towards the women prospects that brings close to the brand and keep them longer by matching the corporate appeals to their unique needs. The X2 factor program is oriented towards the prime time customers who are willing to buy the second BMW. The trend of multiple BMW owner customers is analyzed and referrals were drawn to motivate the X2 factor program participants and rolled out to sales program executives for implementing the customer decisions. The X3 factor program is specific to the launch of series-7 BMW automobile in which these special people are invited to be among a small group who are allowed to preview the new 7 series. The X3 factor activities included appeal to their appreciation of inclusion by asking for their feedback and opinion allow them to be among the first to test drive and notify them periodically of the status of the vehicle. The X4 factor is targeted for the prospects of Mini USA (MINI) model of the company and attempts to create the lifestyle concepts and messages for them to affirm their decision on buying the Miniusa model of BMW. These X-factor programs build a net relation with the customers and allow them to browse, post their views and requirement on net about Mini. The X5 factor is a felicitation program on the anniversary of the BMW automobile purchased or the owner's birthday that communicates the personality of the brand and reinforces the relationship with BMW owners. This program also offered e-cards and a gift to the customers.
>
> (Rajagopal, 2003)

Benefit-based drivers ride on consumer decision making toward products and services in reference to perceived benefits and shared benefits. Consumers judge the perceived benefit of using the product by way of owning (purchasing) the product or services, while the share benefit is derived by consumers when its use value is felt upon receiving word-of-mouth information. Thus, companies manufacturing consumer goods and retailers continuously look to match their product and retailing strategies appropriately with consumer preferences. However, the emergence of strong global competitors has served to develop the market infrastructure for local companies and has also helped in the transfer of technological skills, enabling domestic companies to explore the scope of expansion. Consumers evaluate benefit-based buying decisions with reference to perceived use value, value for money, social implications, opportunity cost of buying, and the advantages of the product or services in satisfying relative needs. In emerging markets in India and China, where large segments of consumers judge their buying decisions based on direct and indirect benefits, global manufacturing and retailing firms need to modify their business strategies on the basis of the emerging middle class in these countries. A mix of local and global leadership needs to be fostered in order to explore and exploit business opportunities, and accept local partners.

Cost drivers that commonly affect consumer decisions include product-search cost, final price, and services costs like maintenance, insurance, and security. These factors are largely based on the scale of retailing that involves the inventory management and service provider functions, either of the manufacturing firm or of an outsourced agency. When a new automobile plant is set up, it aims to design, manufacture or assemble, and deliver a particular model by penetrating into the neighboring markets to gain the advantages of economies of scale. Multidomestic companies with a high-market share derive gains from spreading their production activities across multiple product lines or diversified business lines to achieve advantage through scale of economies. The manufacturing and marketing activities of Proctor & Gamble, Unilever, and Colgate-Palmolive illustrate this global attribute, which is explained by cost drivers that appear on the part of the customers (Prahalad and Lieberthal, 2003).

Because rivals do not stand still, the firm's capacity to develop these capabilities, as well as its ability to compete, depends on the firm maintaining a steady pace of innovation. Containerization has revolutionized the transportation business, significantly lowering the costs of shipping goods over long distances. Before the advent of containerization, moving goods from one mode of transport to another was very labor intensive, lengthy, and costly. It could take days to unload a ship and reload goods onto trucks and trains. The efficiency gains associated with containerization have dramatically driven down transportation costs, making it much more economical to ship goods around the world, thereby helping to drive the globalization of markets and production.

Decision making through social media

Society has always been complementary to industry and social participation in business ventures has always helped companies to grow organically and strongly against competitive forces. Business-linked social contracts in a company embrace not only direct stakeholders such as consumers, market players, employees, regulators, and shareholders but also envelop socio-political forces in driving appropriate strategy. These forces contribute fundamentally to the strategic thinking of a company or industry and can create valuable market opportunities by highlighting unmet social needs and new consumer preferences. However, the challenge is to find right ends and means for companies to incorporate socio-political issues more systematically into their core strategic decision-making processes. Increasingly, a company's sources of long-term value—such as its brand, talent, and relationships—are affected by the rising social intervention of consumers through various network platforms (Bonini et al., 2006). In pharmaceuticals, for instance, social concerns about the cost and safety of the industry's products, as well as access to them, have made the regulatory environment tougher during the early twenty-first century. Managers should stay ahead in taking part in the debate of involving social and political networks in order to develop convergence with corporate and social policies for developing a set of stable rules. New product or market strategies can also emerge by considering changing social and political perspectives. Toyota Motor's success with the Prius can be attributed to a growing interest in environmentally friendly products. Unilever's innovative product offerings in developing countries, such as its Wheel detergent brand in India, met with a favorable response due to the unmet needs of BoP consumer segments. The effectiveness of the social media depends on the extent of consumer participation on network platforms and the degree of corporate involvement. There are many implications of the levels of participation by consumers and companies through social networks on the effectiveness of communication as exhibited in Figure 7.1.

Most companies become aware of the risks on social media manipulations and political advantage in business. Ignoring these may damage the stakeholders' value and corporate image in the long run. An understanding of the influence of various groups, their agendas, and their level of activism makes it vital for companies to choose the right partners when involving socio-political networks in developing their business strategy. Companies should aggregate this information

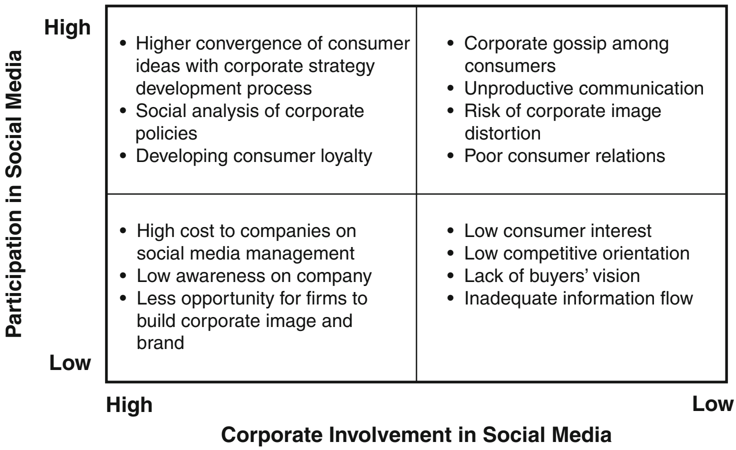

Figure 7.1 Effectiveness of social communication

to identify high-risk plots and action areas in their administration. It is also necessary to develop potential future scenarios that can take into account the reaction of competitors and shifts in consumer patterns in response to network participation and shifts in the company's operational strategies in view of the integration of socio-political discussion platforms into business activities (Bonini et al., 2006). Britney Spears is one of the most successful female recording artists in contemporary music worldwide. She and her team of employees depend on social media applications to communicate, create, and maintain her celebrity brand image. The use of social media during the launch of her single "Hold It Against Me" and the associated album *Femme Fatale* in early 2011 was used by her team in making campaign decisions. The interplay of postings on Twitter, YouTube, and Facebook—combined with comments on her webpage, BritneySpears.com—can be seen as a prime example of social media usage to support new product introductions (Kaplan and Haenlein, 2012).

Large companies are leaning toward making massive investments to collect, integrate, and analyze data from each store and every sales unit, using social network communication analysis to run real-time experiments. Connecting this information to suppliers' databases would allow companies to adjust prices in real time, to reorder fast-selling items automatically, and to shift items from store to store easily. By constantly testing, bundling, synthesizing, and making information instantly available across the organization from the store floor to social networks, the company can become more attuned to the consumer expectation. Most companies are investing resources in collecting *big data*. In information technology, this refers to the collection of datasets so large and complex that it becomes difficult to process them using on-hand database management tools or traditional data-processing applications. The challenges include capture, data treatment, storage, search, sharing, analysis, and visualization. Data from social media fall into the broad framework of the big data. Firms with adequate resources are engaged in collecting data across business units and are also spreading their coverage to partners and customers (some of this is truly big, some more granular and complex). Such data-management projects need a flexible infrastructure to integrate information and scale-up effectively, in order to meet the surge from social media and growing formal communication networks. Some companies with strong information technology support embed sensors during the collection of operations data, while some marketers scan social media or use location data from smartphones to understand teens' buying quirks. Data exchanges may be used to network supply-chain partners and allow employees to swap best practices on corporate platforms. Customers are also becoming aware of the importance of staying abreast with current information and want to integrate various formats of big data and draw out correlations between these—for example, data ratings of market research organizations in reference to social media postings, or aggregating marketing messaging of competitors in a given category. Such convergence of big data, social media, and traditional internal datasets would bring forward many factors to support buying decision for consumers, as well as for companies (Brown et al., 2011).

Most companies have been enthusiastic about the growth of information technology platforms that could integrate both social networks and corporate websites. The boom of social networks like Facebook, Twitter, Google Plus, etc. has driven most companies to collecting lots of friends and followers on social platforms over the years. However, some have succeeded in generating profits using social media and networks as they deployed digital strategies into social environments by broadcasting their commercial messages or seeking customer feedback. In order to succeed on social platforms, companies need to devise social strategies that are consistent with consumers' expectations and behaviors. The basic nature of people is to connect with other people, not with companies; hence, companies need to keep up consumers' interest, attention, desire, and action through consumer-involved commercial communications. Successful corporate social strategies are those that reduce costs or increase customers' willingness to pay by helping people establish or strengthen relationships through doing free work on a company's behalf. Some successful companies, like eBay and American Express, show that social strategies can generate profits by helping people connect in exchange for tasks that benefit the company, such as customer acquisition, marketing, and content creation (Piskorski, 2011).

Technology convergence with social media

Growing new technologies have driven customers to become co-creators in developing customized products and services. New technologies have also allowed customers to disseminate personalized messages that they receive and authorize companies to customize the messages that they would like to deliver in the society. Such services were once offered only to the elite for a very high cost, but the application of the technology by companies to penetrate the mass market makes such customization much cheaper and easier. From jeans to coffee, to bicycles, to eyewear, to cosmetics, to vitamins, to breakfast cereals, companies have used this technology to create customized offerings. Managers have realized over time that if customers can get exactly what they want, why would they settle for some less-than-perfect standardized offering or message? If companies can manufacture to order, the inventory reduction will go directly to the bottom line. Many firms have focused on convergence of technology with customer value in promoting products and services in the mass markets. This path has proceeded in the initial responsible stage: companies and social networks, and social organizations, realizing that firms, technology, and society have to coexist, have started to look for ways to influence each other through joint social responsibility projects. This experience paved the way for the get-into-business stage, in which social networks and companies sought to serve customers in the BoP market segment by setting up successful businesses. In this process, customers learned business discipline from the private sector through their peers, while corporations gained an appreciation for the local knowledge, low-cost business models, and community-based marketing techniques that had mastered in managing BoP communications. Increased success on both sides has laid the foundation for co-creative businesses, where companies and social networks become key parts of each other's capacity to deliver value (Burgmann and Prahalad, 2007).

The convergence of technology with customer value provides a higher competitive advantage to businesses with frequent interactions among market players and customers that are complex and important for achieving success. The convergence marketing is woven around the five Cs driving the "fusion" concepts in corporate marketing strategies (Wind and Mahajan, 2001). These "C" factors are:

- *Customization*: Convergence of customized and standardized offerings and messages.
- *Community*: Convergence of virtual and physical communities.
- *Channels*: Seamless convergence of call, click, and visit.
- *Competitive value*: Convergence of new and traditional competitive value equations and pricing models.
- *Choice tools*: Convergence of new search engines and decision tools for consumers and company-provided advice.

These are areas in which new technologies and systems are creating opportunities for customers to do things. These factors also provide new strategic areas in which customers can combine the old with the new to create a fusion.

New and old technologies survive in the market as complementary. Complex customers try to combine new technologies and behaviors with enduring human needs. Like the mythical centaur, they run on the hooves of the new technology but still carry the same human heart. These lessons of convergence have shaped the unfolding of Internet technology, contributing to the decline of dot-coms and the missed opportunities of incumbent firms. These lessons will shape the technological revolutions to come (Wind and Mahajan, 2002). Companies can use a variety of strategies to combine standardization and "customer-centric marketing" (the customization of both offerings and messages). Companies can keep their standardized offerings a click away from their customized programs. They can offer superficial customization, such as different faceplates and ringtones for cellular phones, without fundamentally transforming the underlying offering. They can invite the customer into the lab to actively engage in creating the new product. Convergence marketing has emerged as an outgrowth of relationship marketing. It emphasizes a strategic, reflective, and organizational look at relationship marketing and contributes to existing knowledge within three fundamental elements: organizational customer focus, customer management focus, and customer knowledge focus. Such strategic orientation of companies can integrate successfully with the market competition and converge to produce an effective relationship marketing strategy. As this paradigm moves ahead into the next generation, it is now increasingly characterized by a polarization of opinion and would be better served by focusing on resolving two fundamental issues. Firstly, there needs to be some form of consensus and convergence in thinking regarding the actual nature of the paradigm in order to direct future research activities toward common ground among its various conceptualizations. Secondly, this convergent position in the paradigm needs to be communicated to practitioners more coherently in an attempt to move it from being an academic discipline and into the jurisdiction of an implementable validity (John, 2006).

In global consumer markets, there have been various initiatives using mobile phones to provide shopping services to customers in order to gain value added services benefit over traditional banks, which introduced the mobile retailing or m-payment systems. This innovation in Internet retailing has revealed three cross-cutting customer-centric benefits including amplification of services, simultaneous payments, and a multidimensional trust (Donner and Tellez, 2008). Trust has been identified as the key to e-commerce because it is crucial wherever uncertainty and interdependence exist. The strong association between a high level of trust and the retailing sector has not yet been fully translated into the electronic world, as Internet retailing is still not used by the customers to its fullest potential. It is observed that trust and perceived risk are direct antecedents of intention, and trust is a multidimensional construct with three antecedents including perceived trustworthiness, perceived security, and perceived privacy (Yousafzai et al., 2009). The recent Internet retailing cycle, as equilibrium industry dynamics triggered by technology innovation, has been analyzed in various studies. When a major technology innovation arrives, a wave of new firms enters the market implementing the innovation for profit. However, if the innovation complements existing technology, some new entrants will later be forced out as more and more incumbent firms succeed in adopting the innovation. The diffusion of Internet technology among traditional bricks-and-mortar firms was indeed the driving force behind the rise and fall of dot-coms as well as the sustained growth of e-commerce (Wang, 2005). However in reference to market reforms in India, technology has been found to be the major input in driving competition, as has been evidenced in a study revealing a positive relationship between the level of competition and banking efficiency. However, a negative relationship between the presence of foreign firms and business efficiency has been found, which contributed to a short-term increase in costs due to the introduction of new retailing technology by foreign retailing firms (Ali and Hang, 2006).

There are many socio-cultural factors associated with adaptation of technology in the services industry which should be applicable to customer culture. However, as a concept, self-service technology (SST) has been generally limited to technical or functional factors and with regard to value compatibility among the SST providing organization and customers. Cultural disparities among customers also affect the performance of SST offered by the retailing industry (Bunker et al., 2007). The performance of retailing increasingly relies on SST applications to augment efficiency in rendering customer services. Competing firms try to create and sustain a competitive advantage in retailing their products by offering customer value based on the utilization of SST options, while customers try to receive the best value for their participation in service production and delivery (Anitsal and Flint, 2006). The Automated Vending Machine (AVM) and Electronic Fund Transfer at Point of Sale (EFTPOS) provide refinements on a dual evolutionary process underpinning the development of a system of innovation in reference to growing technology and the emergence of new forms of coordination across the players in the banking industry (Consoli, 2008).

E-tailing services include e-remittances, e-payments, e-trades, and e-credits. However, many e-banking businesses have been forced out of market due to low-customer perception of products such as e-procurements supporting the purchase transactions of large orders. Internet-based transactions require their own security measures for which private solutions may not be sufficient. For example, government actions are needed to set up a framework for digital signatures and to designate agencies or processes to authenticate public keys associated with transactions. Consequently, Internet-only banks have been substantially less profitable. They generate lower business volumes and any savings generated by lower physical overheads appear to be offset by other types of noninterest expenditures, notably marketing to attract new customers (de Young, 2001). However, e-tailing develops automated credit authorization systems by developing appropriate credit scoring and cash-flow scoring systems to reduce operating costs, improve asset quality, and increase client profitability. One of the major benefits of credit scoring systems is that lenders can make credit decisions without necessarily obtaining financial statement, credit reports, or other time-consuming and hard-to-get information.

Advances in technologies have allowed service providers to incorporate many different technologies into the delivery of their services.

These technologies have been implemented in the service encounter for the customer to use with varying degrees of success. Unlike nonelectronic retailing, Internet retailing does not have well-developed typologies that identify underlying factors for differentiating online buyers. There are three primary types of Internet retailers: intermediaries, product-focused retailers, and micro-segment retailers. The strongest differentiator of sites may be the size and scope of the product assortment. Customization services attract collectors or shoppers prepared to wait for their purchases to be created and delivered. Internet customers often hesitate in revealing their demographics and purchasing patterns, including date of birth, address, average spending, product preferences, and hobbies due to security reasons. Web-based businesses largely use this information as a platform to create an interactive loyalty program and database marketing. Although consumers can research high-price items, such as cars and real estate, via the Internet and analyze information on the attributes of offerings, the deal is still more effectively done face-to-face as the confidence of buyers is boosted in personal negotiations. A retailer provides necessary personal contact that the Internet cannot offer. However, a successful retail store must build confidence in its virtual shopping and add value to its consumers' shopping experience by giving them that "something extra" to ensure their continued patronage. In contrast, certain industries, such as music, have won a significant percentage of the market away from retail outlets. There will always be a place for retailers. Conventional retail stores need to reinvent store ambience as their online competitors often compete offline and online. While some Internet-only retailers survive and prosper, for most, multichannel retailing provides a sustainable and attractive blend of new and existing retail formats. The complementary roles of stores and the Internet are frequently noted, yet the renewed significance of catalogs is often ignored. A study reveals that four major components in channel choice emerge consistently: risk reduction, product value, ease of shopping, and experience (Mcgoldrick and Collins, 2007).

Consumers process information in different ways, and determine their cognitive styles. A website can offer additional technical details about a product to a user who has an analytic cognitive style, while a visitor who has a holistic cognitive style can receive more simple, straightforward information. Such enhanced information platforms have the potential to increase the effectiveness of web communications and influence buyer behavior. A recent study involving a website, from which consumers could purchase broadband services, found that the company could increase potential purchases by 20% when the website is designed to match individual consumers' cognitive styles. While there are many dimensions of cognitive style that could be used, it is observed that analytic or holistic, impulsive or deliberative, visual or verbal, and leader or follower may be the stimulating designs of the website to attract online retailing (Urban et al., 2009).

The Internet is perceived to increase market efficiency, and thus reduce price dispersion. Internet retailers of homogeneous products may choose to actively differentiate their stores and offerings in order to avoid competing just on price. It has been observed in a study that high traffic is associated with lower market prices. However, Internet retailers can mitigate the tendency to compete on price by relying on external linkages from other websites. Furthermore, Internet retailers may use economies of scale and participation with *shopbots* in conjunction with charging lower prices. Surprisingly, Internet retailer use of economies of scope is associated with higher prices. This indicates that firms may be in a position to avoid price competition by selling a wider product variety (Bailey and De Ruyter, 2007). The basic practice of retailing has undergone remarkable, fundamental changes with the rise of nonstore retailing comprising retailing by person-to-person, catalogs, telephone, and the Internet. Coupled with consumers' increased willingness to buy via these alternative channels, traditional bricks-and-mortar stores are not necessarily a requirement in today's retailing environment. Given the dramatic changes affecting retailing in general, the question of what makes a successful retail establishment is relevant for practitioners and researchers (Crittenden and Wilson, 2002).

The traditional components of marketing-mix include product, pricing, place, and promotion further supplemented by another set of four Ps consisting of people, pace, process, and physical evidence in marketing of services. Conventionally during the early 1990s, logging and monitoring in the call center was relatively simple, incoming or outgoing calls were recorded to verify transactions or to gather samples for quality monitoring. Those days are gone forever. Multimedia contact centers now handle large volumes of traffic and operate in a better way. Call centers are viewed as strategically critical profit centers, no longer just a revenue-draining help desk. The role of the manager of call center is increasingly important to the future success of the organization. The goal of the call center is to track and evaluate the entire customer experience. Whenever customers communicate with the company about an insurance policy, the company wants to capture every e-mail, web chat, and telephone conversation linked to that customer and his insurance policy.

Call center technology encompasses a wide range of telecommunications hardware and software, including automated phone systems capable of answering incoming phone calls and performing outbound autodialing. A call center is a department within an organization or a stand-alone company, typically comprising telephone agents (customer service reps, salesmen, etc.) who either accept incoming calls or make outgoing calls. Call centers can be completely automated, processing incoming and outgoing calls using no human agents in the process. Software applications typically associated with calls centers are customer relationship management (CRM) programs. The following technology is typically associated with a call center phone system:

- Interactive Voice Response (IVR) is an automated computer-based telecommunication system, which allows providers to create complex menus which the caller can navigate by using touch-tone key press or via spoken commands. IVR systems can be used as a voice portal to access remote information such as bus scheduling, where the callers can select the route for which they require information, or for billing or customer service systems, which allow the callers to enter information such as their account number or credit card details without the need for operator assistance.
- A soft phone is a "computer telephony application" that enables a desktop, laptop, or workstation computer to function as a telephone. In this scenario, a computer network functions as the medium for transmitting telephone information and service.

Internet telephony, or VoIP, is rapidly replacing the conventional kind. US companies have acquired more new Internet-phone connections than standard lines. The major driver behind this change is cost. What makes VoIP so powerful is that it turns voice into digital data packets that can be stored, copied, combined with other data, and distributed to virtually any device that connects to the Internet. The technology makes it simple to provide all the functionality of corporate phone call features, directories, and security to anyone anywhere there's broadband access. This fosters new kinds of businesses, such as virtual call centers, where widely dispersed agents work from their homes at all hours. The most successful early adopters focused more on achieving business objectives than on saving money (Werbach, 2005).

Trust and cross-cultural effects

Culture refers to the distinctive way of life of a group of people, their complete "design for a living." For ethnologists, folklorists, anthropological linguists, archeologists, and social anthropologists, culture is always a point of departure or a point of reference if not invariably the point of emphasis (Kluckhohn, 1951). Culture consists of patterns, explicit and implicit of and for behavior acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiment in artifacts; the essential core of culture consists of traditional (i.e., historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other, as conditioning elements in a future action (Balazs, 2002). The influence of cultural values on business negotiations has been diagnosed by Geert Hofstede (1991) by conducting research in 66 countries to measure the cross-cultural impact. The four cultural dimensions observed by Hofstede include:

- Individualism, which focuses on self-reference criterion;
- Power distance index, which leads to authority orientation;
- Uncertainty index, which refers to the attitude of risk avoidance; and
- Masculinity/femininity index, which focuses on assertiveness and achievements.

Most existing frameworks tend to want to discard the current situation in favor of a new corporate culture, thus discarding the best of what already exists. Changing an organization's culture is a contradiction in terms. This is because cultures act to preserve themselves and to protect their own living existence (Trompenaars and Wooliams, 2003).

Organizational reforms are introduced by many multinational companies in view of changing scenarios in the global marketplace and the nature of competition. As markets globalize, the need for organizational reforms in workplace management, operating systems, and work culture emerges. However, the balance between consistency in the changes and adaptation is essential for corporate success (Trompenaars, 1993). As long as there are no imbalances in the change process, introducing new systems and adaptations need not threaten the organizational management. The human value system is a synergy of societal values, family values, and individual values generated through the influence of culture. Personality traits are largely evolved through the family and societal values that govern the family value paradigm. Such process may be described as a pyramidal paradigm of personality and values, which has a large base of societal culture at the bottom of the pyramid, groomed into the family values and ultimately shaping the personality at the top of the paradigm (Rajagopal, 2004).

The term "team" conceptualizes the group of people engaged in delivering a common task. In ideal situations, individual and group behavior in a team is integrated toward common objectives and the task delivery process is shared, which sets the group dynamics. The basic attributes of a good team include clear identification of goals, clarity of roles, common feeling, motivation, commitment, and a collaborative attitude. The efficiency of group approach is a function of many behavioral factors which may be expressed as (Rajagopal, 1999):

$$p = f(m, a, g)$$

where, p denotes the degree of performance, m represents motivation, a exhibits the abilities of the individuals associated with team, and g is expressed as realization of goals. The team may not function effectively if any of the above factors or associated variables thereof are disjointed. The reward and punishment issues in a team emerge as a postprocess synergy of all associated variables and are largely governed by the factors of common feeling, motivation, commitment, and collaborative attitude (Rajagopal, 2006a). Hence teams are collections of people who must rely upon group collaboration, if each member is to experience optimum success and goal achievement. Changing technologies and markets have stimulated the team approach in multinational companies for performing organizational tasks. Furthermore the complexity of society and human needs have endorsed the team spirit as a significant tool in managing corporate tasks (Dyer, 1987). Team management is employed largely in organizations where activities are less repetitive and predictable. Such an approach demands effective liaison, appropriate delegation of powers, judicious allocations of roles of team members, sharing of information, and accuracy in evaluation of team performance (Harris and Moran, 1999).

Social networks induce brainstorming a lot on issues of common interest. Brainstorming exercises in the business arena are used as a tool to defreeze the ideological barriers, emphasize the core issues, and filter the process of negotiation. Many companies use brainstorming as a tool for innovation and strategy development (Scharge, 2001). The process of brainstorming involves six major stages—setting objectives, defining core issues, laying discussion protocol, filtering the shared information, synthesizing the discussion, and evaluating the outcome in reference to the set objectives. Brainstorming sessions with a group including both Mexicans and Americans should be carefully managed as American business culture is based on transparency, time, and strategic decisions, encapsulated as the SMART variables—strategy orientation, measurability, approach, reality, and timeframe. The strategy orientation would drive the brainstorming discussion to result in orientation, and the measurability would count on the success of the deliberations (Rajagopal, 2005b). It may be necessary to follow a mutually suitable brainstorming approach respecting the individual and corporate cultures with real and open facts. However, respecting the timeframe for discussion is another important issue to be considered; failing to do so may end up the discussions with unfinished decisions.

The personality of an individual is crucial for gaining confidence within and facing the extrinsic environment. Personality traits are largely determined through cultural settings observed in the native education, etiquette, language, expression ability, family, and friends. The native environment is also an important factor influencing personality traits (Onedo, 1991). When a person cannot appraise his personality to the best of his satisfaction, he tends to find it difficult to adjust to the new culture and may like to regress to his native culture.

Dealing with the concept of trust now appears to be significant in the environment of globalization in varied cultural settings to build relationships among individuals and organizations. In view of this process, trust may be defined as the confidence among people, which rests in mutual goodwill (Ring and de Ven, 1992). Trust is a collective behavior, which emerges over a period through the personality traits of individuals in a community. When trust is damaged the community as a whole suffers in dealing with any matter—business, social, or personal. However, in general, trust is a situational feature. When trust is low in a cultural setting, it affects the confidence of the people and so depletes their responsiveness to the given situation. If a businessman relies on trust and it is not reciprocated, he will suffer substantial harm (Butler, 1991). Thus, the conditions under which trust seems most likely to be a factor in organizational behavior and any damage to it would not only affect the negotiations but may also uproot interpersonal relations. Trust is not accorded at the outset and then tested. It is grounded in direct experience and fits with an overall emphasis on relationship (Weiss and Stripp, 1998). Trust is also measured by the previous experiences—antecedents and precedents. It is largely culturally determined and so the degree of trust is a community or country-bound issue. Russians respond to unknown persons with fear and suspicion but interact with strong loyalty to those outsiders with whom they are successful in developing personal relationships. In particularistic cultures, where one judges according to the particular nature, a trustworthy person may be one who respects the terms of relationships (Rajan and Graham, 1991). However, judgment on personal relations or organizational negotiations can often be reduced to patterns and rules, and truly inspired decisions seem to require an ability to see similar patterns across regions. Since trust is an opaque entity as it has built over subjectivity associated with the human nature rather than objective traits, it can easily cloud intuitive decision making (Hayashi, 2001). Hence it is necessary to run businesses in low trust regions with more objective determinants than leaning toward personal relations or biases over the people.

Customer co-creation in business

Value creation through interaction between supplier and customer is key in business-to-business marketing. Customer-perceived value is considered fundamental to a company's competitive advantage and value creation of customer–supplier relationships (Vargo and Lusch, 2008). Customer perceived value is commonly defined as the trade-off between the benefits and sacrifices as perceived by the customer. Customers weigh the benefits resulting from the performance and quality of the offering against the sacrifices (such as monetary cost, time, and effort) associated with the exchange (Ulaga and Eggert, 2005). Creating an effective dialogue may be particularly challenging in the context of complex offerings, where the suppliers are dependent on their customers to define their needs, requirements, and the usage context; but customers may lack the necessary knowledge and skills to articulate these elements to the supplier (Nordin and Kowalkowski, 2010). Exchange complexity originates from the number and intricacy of the steps in the process, and the high level of uncertainty, increased need for information search, and the nonroutine nature of decision making perceived by the buyer. The greater the information asymmetry between supplier and customer, the more dependent the customer and supplier are on each other in value creation. Many fields of business involve complex exchange, where value creation occurs through a process characterized as problem solving: high-tech, innovative product development, tailored solutions comprising products and services, and professional or knowledge-intensive business services (Alejandro et al., 2011).

Corporate venturing can be an important source of technological innovation for corporations by providing a window on emerging technologies, market opportunities, new business models, and distribution channels. However, effective implementation requires a clear view of the objectives, dedication to understanding the process, and discipline. Success in corporate venturing is associated with high levels of commitment, trust, group dynamics, and skills in functional management of the venture. In one study the variables of economic and relational dimensions of external and internal fit have shown greater association with venture success. It has also been found that ventures opt for greater autonomy and less economic dependency on their parent ventures for leading success, which makes an intuitive sense. It was observed during the study that the parent–venture relationship does not differ between high and low performers. It appears from the analysis that although economic dependency on the parent decreases as the venture grows older, managerial accountability increases in the organization. The level of economic change across the phases of venture maturity is not significantly different between high and low performers. The social media metric exhibited in Figure 7.2 addresses the critical issues on diffusion and adaptation of social communication among various market players. The organic reach of communications over social media refers to the number of unique people who saw the content on the media page for the selected timeframe. This includes people who have liked the message or contents of communication and people who have not, while the viral reach of communications on social media platforms shows the number of unique people who saw the message or contents of communication published from another user (friends or user groups) over a period of time.

Social media has increasingly attracted attention from consumers and companies over the traditional media. Accordingly, most companies have redefined key factors of their marketing-mix by reviewing shifts in consumer behavior and online word-of-mouth, competing for innovations in the products, operations, and services strategies. Many companies consider staying active in social media as a viable alternative to traditional advertising and communication. However, managers should understand that both traditional and online social media should serve as complementary to each other rather than banking on either exclusively. A comparison of advertising and word-of-mouth shows that social media follows very different rules to traditional advertising. Social media can start conversations or build brand recognition, but the results are much more difficult to predict or measure (Armelini and Villanueva, 2011).

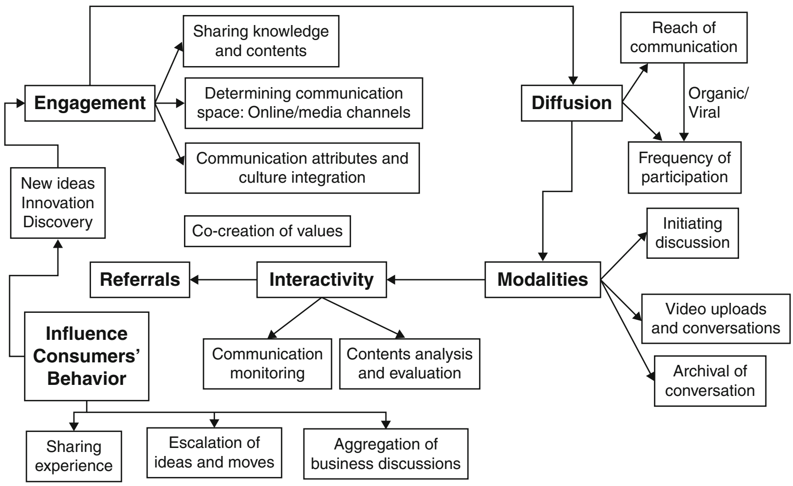

Figure 7.2 Social media metrics

While working with social media, some companies have realized that the problem-solving process begins with the identification of exchange content and goals, such as what does the customer need and how does the company deliver solutions to meet those needs. The company's high degree of specialization may not be often ready to meet shifts in consumer behavior, as online interactive media drive the perceptions and attitudes of consumers faster than traditional communications (Tuli et al., 2007).

Consumers on social networks are largely driven by the speed of communication and volatility of the ideas, which often makes their needs inconsistent and means that it is up to the supplier to diagnose a problem. Consumer resources are nevertheless critical to the process in manufacturing and marketing contexts. They possess knowledge needed for problem solving concerning technological information, market insight, and project objectives in an unrefined form. The complexity and information asymmetry inherent in knowledge-intensive businesses challenges both suppliers and consumers in value co-creation, making it difficult for a company to communicate the value proposition in advance and to manage the service process to achieve the best service outcome. However, it has been observed that the common attitude of consumers interacting over social networks is to place a heavy emphasis on the quality of interaction, product, and service process in reference to the company (Liu, 2006).

8
Technology and Media Effectiveness

New information technology is becoming an important factor in the future development of the financial services industry, and especially the retailing industry. Developments in information and communication technology (ICT) have significantly contributed to the exponential growth and profits of financial institutions worldwide. This evolution transformed the way that banks deliver their services, using technologies such as automated teller machines, phones, the Internet, credit cards, and electronic cash. However, banks face a number of important questions on strategies for deriving full advantage of new technological opportunities and tracking electronic development changes affecting interactions with customers. In general terms, increasing convenience is a way of raising consumers' surplus, provided new technology is adopted by the banks in order to offer convenience to customers, which might be through an electronic transaction as a substitute for a trip to the branch. Technology-based services imply different combinations of accessibility attributes (time, distance, and search costs), ease of use, and price. Another factor in determining the magnitude of the surplus that the bank can seize is the relative importance of cross-selling. The bundle of services provided electronically is usually not the same as the one available at a branch. For this reason new technology-based retailing services with high-customer value may offer better service conditions to harmonize the flow of information and services across the spatial and temporal dimensions.

The rapid growth in information technology has brought many solutions for business firms to enhance their client spread and market share. Firms are in competition to keep up with new developments in media technologies and explore the opportunities, let alone to adopt the innovations in media communications and to implement them as first movers. However, most advancements in information technology need more time for implementation and effective results, which may cause delays in technology adaptation and even initial failures but those information technology advancements, which have low-risk factors, are making an impact on companies. Companies using new information technologies to deliver effective market communications have some critical responsibilities, including choosing the right technologies and media platforms, using an inside-out approach to cater to the right needs of the business, and encouraging the optimum usage of media platforms by analyzing contents and strategy work flows. What's most important is for companies to build up a broader picture of how information technology is likely to affect their organization. Information technology can be classified into three types, each of which provides companies with a particular level of change. Function-led information technology encompasses data capturing and analytical tools such as spreadsheet and word-processing applications to streamline individual tasks. Network-based information technology includes capabilities like e-mail, instant messaging, and blogs, and helps people communicate with one another, while enterprise-focused information technology applications bring with them approaches such as customer resource management and supply chain management, and let companies recreate interactions between groups of workers or with business partners. Categorical technologies bring organizational change in different ways and managers should tailor their own roles accordingly. Categorizing information technology and its functions in this manner can help companies determine in which technologies to invest (McAfee, 2006).

Consumer-centric marketing approach is a relatively new trend in marketing, and it aims to streamline data used by companies and to leap forward in marketing by establishing sustainable customer relationship bonding. Most firms are reorienting their relationship between the corporate and individual customers by shifting from market-oriented approach to customer-centric strategies. The development of ICTs and the Internet has catalyzed the shift in communication among the consumers dramatically. Firms have learned to offer cost-effective and superior platforms for building customer relationship through online tools as compared to conventional means. Hence, most firms are capitalizing on the emerging new tools to enhance the relationship between business-to-business and business-to-consumers by adding value, improving services, and ultimately enhancing their profitability. Customer-centric marketing is a more advanced marketing philosophy than the notion of customer relationship management as it puts the customer first and allows firms to collect very detailed information on the cognitive dimensions of their customers. Such opportunity has been enabled by networks, databases, data warehousing, and data mining applications.

Many organizations have been responding to the new reality of online interface with customers and other market players involved in the marketing activities of products and services. Customer-centric companies have realized that the power and the potential of social media for corporate life enable virtual collaboration in cross-functional projects through internal blogs, discussion boards, and YouTube channels. Such interactivity among market players encourages global conversations and sharing of knowledge. Successful consumer companies engage in sophisticated virtual media campaigns to drive customers and create brand loyalty. Next-generation products are co-developed in open-innovation processes and companies work on shaping their enterprise with Web 2.0 strategy. The commitment of General Electric to social media is perhaps most visible through its digital platform GE Colab, designed by employees as an interface to facilitate global teamwork and collaboration. GE Colab platform combines the capabilities of Facebook, Twitter, and other social applications, allowing easy networking, information sharing, instant communication, advanced search, blogging, video-blogs, and more.[1] This change driven by the information technology has created a potential for social media, although it does carry the risk of negative campaigns and misuse of posted information. The new communications media can also let internal and privileged corporate information go public virally if not properly monitored by the company. Social media encourages horizontal collaboration and unscripted conversations, which are disseminated in random paths across the networks and management hierarchies within the company (Deiser and Sylvain, 2013).

The tendency of compulsive buying in retail stores in response to point-of-sale promotions among consumers has often been dichotomized in terms of its arousal-led compulsive nature and has been found closely associated with postbuying level of satisfaction determining the customer value and justification for the buying decision. Such impulsive buying attitudes emerging from self-reference criteria may lean toward derived cognitions, possibly including compulsive buying, hoarding, and materialism (Doron et al., 2007). As new and exciting products are introduced, firms prospect consumers through interpersonal negotiations managed by the sales promoters and inculcate high arousal among customers toward buying these products. The *visual merchandising* and computer-aided simulations act as stimuli to consumers who intend to elicit a positive response. This creates shopping arousal among customers in reference to merchandise choice, store ambience, attributes of promotional products, perceived use value, pricing policies, and promotional activities. These factors may be considered as foundations of consumer behavior toward point-of-sale promotions offered in retail stores (Otieno et al., 2005).

Visual effects and economic advantage associated with promotional products in retail stores often stimulate compulsive buying behavior. Point-of-sale brochures, catalogs, and posters build assumption on perceived use value and the motivational relevance of buying decisions. Emotional visuals exhibited on contextual factors, such as proximity or stimulus size, drive perception and subjective reactions on the product's utility and expected satisfaction (Codispoti and De Cesarei, 2007). Retailers demonstrate higher visual attention and increasing visual stimuli during point-of-sale promotions. It reveals that consumers exhibit a muddled search strategy where economic and perceived use value benefits influence the buying decision process. In addition, a pleasant store ambience where attractive displays, music, hands-on experience facilities, and recreation are integrated, helps to maximize consumer arousal toward buying. It has been observed that consumers perceive positive effect during interaction with sales promoters if arousal is high (Wirtz et al., 2007).

A streamlined social communication can help in co-creating the distribution and retailing patterns for a company. The company needs to analyze and contextualize the media content to create new meanings. Messages are often required to be re-broadcast and re-drafted to meet the corporate marketing, re-posting comments on blogs, re-tweeting, and using fragments of other people's content to create a revised knowledge hub for the managers to brainstorm strategy development perspectives. In traditional corporate communications, consumption is mostly a passive act as consumers are left alone to make sense of messages and to assess their authenticity and credibility. With social media, information is shared and commented on quickly and frequently, and managers must decide when to reply, what messages should be linked to their blogs, when to copy material and share it with their own, and identify any categorical information to be shared with communities. However, often the drawing of inferences from blog posts becomes a collaborative process in which managers have to play a thoughtful part (Deiser and Sylvain, 2013).

The impact of initial interactions among fellow customers about point-of-sale promotions can be measured in reference to the degree of stimulation gained by customers. Interactive tools on product learning provided by retailers significantly affect the level of arousal and pleasure, which contribute toward experience, and thereby influence buying behavior. As higher stimulation or interactive learning provided by the sales promoters focuses on gaining initial experience on the product use, consumers tend to engage in higher arousing activities and adhere to the sale promotions offered by the retail stores (Rajagopal, 2008c). Retailers use point-of-sale promotions to build shopping arousal, gain satisfaction, and stay loyal to the stores. The magnitude of consumer response to clearance sales is weighed in two ways—evaluative and behavioral. Firstly, consumer satisfaction with the decision process leading to the expected level of *satisfaction* is measured, which may be expressed as one of a number of cognitive and affective responses. Satisfaction is the customer's perception of the value received in a transaction or relationship, and it contributes to re-patronage decisions on the basis of predictions concerning the value of a future product. Hence, many retailers develop innovative approaches to acquire new customers for new products by strengthening customer relationship and value management strategies (Ganesh et al., 2000).

Information technology is reshaping relationships between companies and customers, often delivering mutual benefits. However, the liberal use of communication technology can erode customer care if proper care is not taken in managing the media platforms. The company's employees should listen empathetically to customers, but a rash of "innovations" aimed primarily at reducing costs may make companies opaque to their customers if they are inadequately served and increasingly frustrated. Technology can actually enrich customers if companies affirm their commitment to active, empathetic involvement with them, understanding the ways in which current procedures and systems mediate interactions with customers, and promoting the deployment of social networks and other technologies to help customers tell their stories, and to enable workers and managers alike to hear them (Gorry and Westbrook, 2011).

Growth of communication technology

Information technology is undergoing a relentless shift with advances toward virtualization, grid computing, and web services that are enabling companies to grow their business in customer-centric platforms and gain competitive advantage in the marketplace. The virtualization of business has passed through three stages in reaching the business pattern of today, where consumers feel that they have access to the company from products to stakeholder rights. First, home computers and e-mail became the tools of freelancing, offering both consumers and company new flexibilities. These were followed by mobile technology, which gave 360° business access-anywhere and shop-anytime flexibility to consumers. Now, in a third wave of technology, new ways of providing community opportunities involving business and shared thinking space are driving the effect of virtualization through increased consumer–company collaboration (Johns and Gratton, 2013). Virtualization enables personal computing platforms to run applications designed on one operating system to be deployed elsewhere. Grid computing allows large numbers of hardware components, such as servers or disk drives, to effectively act as a single device, pooling their capacity and allocating it automatically to different jobs, while web services standardize the interfaces between applications, turning them into modules that can be assembled and disassembled easily (Carr, 2005).

The International Electronic Network, begun in 1968 by the Advanced Research Projects Agency of the Department of Defense known as ARPAnet, was designed to connect different university networks for the wider exchange of academic information the world over. The ARPAnet was the first step in setting up a global information network through intermediate networks compatible with personal computers. In the 1980s it was divided into two networks called Millet and NSFnet. The former was used for government information purposes, while the latter was intended for information sharing in research and education. The rapid growth in computer technology and commercial needs have allowed significant changes in information management systems. In the early 1990s many commercial networks emerged to link with the NSFnet to provide market information to business firms. The Internet today is a combination of the NSFnet and commercially available backbone services disseminating information on decentralized networks all over the world.

As technology grows more sophisticated, the consumer's expectations also swell exponentially. In fact the convergence of a few key technologies is enabling that change. Smart-card payment technology has driven a new revolution in retailing, not only helping to increase the quick buying decisions of consumers but also attracting a large mass of potential customers into the retail gamut. Smart cards have offered a wide variety of applications that could revolutionize payment transactions, reduce costs, and spur online purchasing. Despite the benefits these electronic purses offer, a number of issues inhibit their widespread use, especially in open systems. A tested technology, smart cards can store various types of encrypted information as well as cash balances and digital signatures. A secret key can be used to secure e-commerce transactions as well as protect the card contents. These keys are vulnerable to attack, however, and the stored-value feature is attractive to international money launderers. Despite these risk factors, smart cards are globally accepted by the retailers (Kearns and Loy, 2003).

One of the negative attributes of innovations in information technology-led communication is that implementation is frequently expensive, time-consuming, and highly problematic for companies. The rate at which value in business is achieved by an innovation in information technology is likely to peak long after the community's attention to the original organizing vision has dissipated. Thus managers need to distinguish carefully between attention paid to a new communication platform led by advances in information technology, and the actual adoption and implementation of such communication platforms, as well as value gained from their use. Understanding such dynamics of communication technology can lead managers to make better decisions on which new technology platforms to use (Swanson, 2012).

There has been a significant change in retail trading over the years. Modernization, systematization, and consolidation are the catch phrases and keys to understanding retail. The present age is that of rocket science retailing, which is the act of blending traditional forecasting systems with the prowess of information technology. It fuses data and instincts with computer models to create a high-tech forecasting system supported by a flexible supply chain. The need is to evaluate not just what the retailer sold but what it could not sell and what it could have sold had the inventory been available. Merchandise decisions have become more complex and the penalties for errors even steeper. Merchandise planning has become all the more important to reduce fallouts and increase customer satisfaction. A new set of software tools and sophisticated techniques have emerged, which promise to revolutionize the entire merchandising chain, from buying to stocking to pricing. The latest techniques used for efficient inventory management include vendor-managed inventory, forecasting techniques, inventory classification, computer-assisted ordering, distribution centers, and direct store delivery (Kumar and Banga, 2007).

The technology impact on the various functions in retailing has been increasing. As the number of channels for a retailer increases, managing the dynamics of customer behavior in the rapidly emerging multichannel environment becomes complex. Building and retaining a long-term association with customers requires that relationship management applications should be able to accommodate the various channels. Multichannel customers are the most valuable to customers and hence multichannel integration should improve customer loyalty and retention (Ganesh, 2004). Besides self-service retail stores and grocery stores, technology has enormously supported the buying process for consumers purchasing capital goods like automobiles. The purchase of a car is a highly involved process when compared to other retail experiences. Despite the range of purchase channels available and the increased level of accessible information, the majority of customers still choose to buy a car through a traditional dealer network. However, since the end of twentieth century the computer-assisted buying process has been well received by customers (Reed and Sekar, 2004).

E-shopping is influenced by time and attractiveness of virtual sales offers and the effectiveness of customer relations. These factors vary widely in reference to consumer segments and markets attractiveness and induce compulsive buying behavior among customers, which is judged by the satisfaction in spending and perceived pleasure of buying, occasionally exercising choice and spending time getting to know new products, services, technologies, and understanding fellow customers (Watkins and Bond, 2007). Retailers using a "store as the brand" strategy invest in creating a specific, unique shopping experience for their target customer and encourage leisure and group buying behavior where delivery of customer satisfaction seems to be an effective source of differentiation. Change-of-season sales are most frequently introduced with attractive sales promotions in reference to price discounts or two-for-one price basis and linked with objectives of moving a volume of stock. Retail promotional sales also include general sales, and are linked with other promotional objectives and activities, such as increasing profit and inventory management. A company's information technology structure and its brand architecture are intended to minimize transaction costs both within the organization and between the organization and its customers. B2C e-commerce fundamentally alters the structure of those transaction costs relevant to the information technology structure and the brand architecture. Manufacturing companies typically implement contemporary changes in the information technology structure and the brand architecture to integrate the two more strongly and to support consumers in retail buying as B2C e-commerce is highly important to them (Treiblmaier and Strebinger, 2008).

In the e-business planning process, firms need to first identify potential e-business initiatives according to whether they create business value or reduce costs, and analyze the functional scope of each project using architecture of e-business processes. Firms need to analyze the sustainability of each initiative's benefits, particularly in the e-business context, because Internet interactions are susceptible to being copied by competitors. It is necessary for firms to prioritize between e-business projects depending on how they fit with other information technology elements. The e-business, if managed in the right way, can create opportunities for completely new products and markets, including adding information features, selling information as a product, and finding new markets (Basu and Muylle, 2007).

China views the development of a low-cost, non-cash payment network in rural areas as critical to increasing rural spending and closing the wealth gap with urban areas. A payment-settlement system among merchants, banks, and mobile-phone network providers has been a major revolution in the application of technology with a low rate of investment, which can quickly be recouped through transaction commission fees and mobile-phone usage charges. A short messaging service (SMS) based payment system closely fits into the personal, economic, and operational requirements of making payments. Users simply send an SMS message specifying the mobile phone number of the payee and the amount to transfer, along with a personal identification number. Within seconds, the payee receives both a confirmation message by SMS and the money in the designated account. The payer receives a confirmation message. Consumers can also make retail purchases or pay services, use the system to receive payments like salaries and wages, or transfer money to friends and relatives. The large migrant labor pool in China and India also have access to such technology, which has proved to be a convenient, inexpensive, and secure system for sending money home. The experience of the Philippines shows that SMS-based payment systems have been widely followed, as are new "mobile-wallet" systems, which are rapidly catching on. Advances in technologies have allowed service providers to incorporate many different technologies into the delivery of their services. These technologies have been implemented in the service encounter for customers to use, with varying degrees of success. Factors influencing consumer attitudes toward and adoption of Self-service Technologies (SSTs) across three different technologies used in the banking industry reveals that service attributes related to trust, quality, and time are major attributes influencing attitudes toward each of these technologies and offers an explanation of the varying degrees of acceptance found among consumers (Curren and Mueter, 2005). Online retailing and the digitization of merchandizing has changed the commercial landscape, where virtual shelf space is infinite and consumers can search through innumerable options. Traditional marketing research methods—such as test markets, focus groups, and controlled field experiments—are subject to certain limitations. Some are vulnerable to observation and manipulation by competitors, while the virtual store not only addresses those limitations but also broadens the horizons of marketing research (Raymond, 1996).

The Internet ambiance and applications have empowered consumers with their preferences of products and services with the help of current market information. The ICT has been helpful to consumers to stay informed on purchases and join the information grapevine (social networks) with other customers for exchanging opinions or experiences from around the world, thus enabling e-word-of-mouth communication at wide network levels (e.g., bulletin boards and news groups). The communication between consumers and companies has also achieved new levels of interaction by enabling firms to receive personalized inputs to enable mass production of customized products. The customer-centric marketing is based on a positive cycle of learning from customers, allowing customers to take the initiative in designing the product features and enabling firms to offer consumer products with higher perceived value augmenting the customer lifetime value.

Search engines play a key role in the operation of the World Wide Web. However, there are many challenges to managing these and search engine providers face the problem of revenue generation when users expect free content, while advertisers need to attract the interest of surfers on the Internet. The use of text advertisements based upon search topics addresses the challenge of businesses and revenue-stream generation. This e-business module entails advertisers competing for top listing position by bidding in ongoing auctions and then paying when users click on their advertisements, making paid searches a flexible and accountable form of advertising. Since its introduction in 1998, paid searches have become the dominant form of online advertising and led to Google's $140 billion market capitalization in 2006. Web search engines analyze the emergence of paid searches and the mechanics of its operation, and offers managers guidance on its effective usage (Laffey and Seltman, 2007).

It has been recognized that enhancing the role of technology in a service organization can reduce costs and improve service reliability. However, it is argued that there remains an important role for customized relationships in the delivery of any service proposition (Durkin et al., 2008). A large number of customers use the Internet as a medium of business (e-commerce). The association of SSTs with customers indicates that six attributes common to the diffusion model—perceived convenience, financial benefits, risk, previous use of the telephone for a similar purpose, self-efficacy, and Internet use—play a significant role in the performance of retail banking operations. It can be stated that banks adopting information technology-based capital-intensive techniques are more efficient, as both cost and profit frontiers gain a competitive advantage in the financial markets (Casolaro and Gobby, 2007).

Globalization in economic terms may be explained as a historical process which has emerged as a result of continuous development of civilization, human needs, innovation, and technological progress. It not only endorses integration of various types of economies—developed, developing, and transitional around the world, particularly through the flow of trade and financial operations—but also influences markets, culture, and consumer behavior in transitional economies. Emerging markets have responded promisingly to the global moves, and a fast change in the consumer culture emerged as global firms penetrated into the region. Globalization has propelled strategies toward using clustering techniques to help quick decisions on the relatively small number of variables that usually drive the consumers' buying process. The customization by clusters approach, which began as a strategy for grocery stores in 1995, has since proven effective in drugstores, department stores, mass merchants, big-box retailers, restaurants, apparel companies, and a variety of consumer goods manufacturers. This strategy has shifted the global marketing approach to make a dent on the local marketing effects and influencing consumer behavior accordingly.

The new philosophy of multinational companies that is a driving force for many growing firms is to reorient their strategies toward global consumers in a global village, primarily focusing on developing a sustainable market communication at the bottom of the pyramid. It has been observed that firms have shown increased territorial mobility for business and customer acquisitions at different levels of their expansion to homogenize consumers and markets. Most firms intend to adapt a strategy that associates the brand with local cultural meanings, reflects the local culture's norms and identities, is portrayed as consumed by local people in the national culture, and/or is depicted as locally produced for local people (Alden et al., 1999).

In increasing global competition, retailers—whether running a physical store, a catalog business, an e-commerce site, or a combination of the three—need to offer customers superior solutions to their needs, treat them with respect, and connect with them on an emotional level. Retailers also have to set prices fairly and make it easy for people to find what they need, pay for it quickly, and then move on. Hence, e-commerce is shifting from making purchases online to going shopping online, a social experience in which people interact in a 3-D web space. Moving ahead with the growing technology, customers will use choice-boards and interactive buying platforms, while manufacturing companies and retailers will be able to use online systems that let people design their own products by choosing from a menu of attributes, prices, and delivery options. It has been found that SSTs which can be customized by users engender a higher sense of belongingness and safety within the banking industry. The association with SSTs in financial operations leads to three forms of positive attachment, based on three different foundations, which include the credibility of the organization, compatibility between the values of the organization and those of the consumer, and interpersonal or relational considerations (Aldlaigan and Buttle, 2005).

Managing consumer relations is the strategic process of shaping the interactions between a company and its customers with the goal of maximizing current and lifetime value of customers for the company, as well as maximizing satisfaction for customers. It is a complex set of activities that forms the basis of a sustainable and hard-to-imitate competitive advantage derived from customer-focused strategies. Customer relationship strategies inculcate values that help to build portfolios and retain customer and market segments for the long run in order to optimize the firm's profits. "Difficulty in managing the customer" is a function of the level of competition for customers, customer-buying behavior, and the characteristics of products bought by the customer. "Strategic importance" is determined by the value/volume of purchases, the potential and prestige of the customer, customer market leadership, and the overall desirability to the supplier in making strategic improvements and adaptation to customer specifications (Rajagopal, 2009a). Consumer behavior is also influenced by specific features of the supplier–customer relationship, which include:

- Length of customer–company relationship,
- Importance to the customer,
- Amiability during the transactions and services period, and
- Social status.

Thus, it can be stated that consumer behavior is significantly affected by four As—accessibility, approachability, affordability, and adaptability—and four Cs—convenience, comprehension, cost to customers, and care leading to loyalty and long-term association of consumers with the firm (Rajagopal, 2005b). Customer satisfaction has long been considered a milestone in the path toward company profitability. It is widely acknowledged that customer satisfaction leads to higher market share and stable revenues, while the relationship between customer satisfaction levels and quality of customer services influence acquiring new customers. In fact, there seems to be little guidance for linking company costs to the key elements involved in providing customer satisfaction in services, thereby diminishing the ability of a company to manage its activities accordingly. Customer satisfaction includes location convenience, one-stop shopping convenience, firm reputation, firm expertise, and direct mailings on both customer retention and cross-buying. Trust and satisfaction play different mediating roles in the relationships between service attributes, customer retention, and cross-buying. Relationship value is an antecedent to relationship quality and behavioral outcomes, and displays a stronger impact on satisfaction than on commitment and trust.

Technology's effects on media

Social technologies have proven helpful to marketers in forming customized relationships with prospective and existing consumers. Brand marketers need to update their models to include new digital media administration to gain the advantage of first movers and understand how to integrate social media into corporate communications by building cross-functional teams (Spenner, 2010). Since the emergence of cable networks from the 1980s onwards, the rate of viewer penetration of major broadcasters all over the world had declined and in particular it has fallen to less than 38% from 56% in reference to three major service providers (ABC, CBS, and NBC) in the USA. Simultaneously the share of overall television advertising revenues has also fallen to less than 65%, from 96% in USA. As the quality of streaming media had reached on a par with conventional television broadcast levels, the competition in this service segment has become more intense, causing broadcasters' share of audiences (and thus of advertising revenues) to fall still further.

New entrant broadcast networks and their affiliates, as well as cable and satellite providers adapted to the online paradigm of video distribution and, to a large extent, traditional content providers, have leveraged their brands in the digital world to turn streaming into a significant revenue generator for them, as well as adding substantial value for viewers. Online streaming content and videos and tagging them to social networks can offer viewers a varied and interactive experience when watching business events live or offline and allowing them to participate in events and shows through chats, polls, and quizzes. Social media is providing new revenue streams, including data-mining revenue and e-commerce revenue from the sale of merchandise, as well as video streaming to the entertainment industry. Televisions, personal computers, and broadband Internet appliances have become the dominant devices for residential access and the related infrastructure, and business houses. The evolution of streaming media has proceeded along with that of high-speed home Internet access. Higher bandwidth allows media companies to stream content that is richer, clearer, and longer. Likewise, the demand for streaming content drives bandwidth providers to upgrade their residential systems (Bhandari et al., 2000).

As consumer broadband use is going to revolutionize television and video entertainment, it will at some point outperform television and cable networks. The conventional media would be risking a repetition of their experience with the narrowband performance if they invested heavily in programming for interactive TV or video-on-demand to compete with the broadband media segment. The key to profitability for media marketers, including cable and media channel providers, is to reach a large audience, but this interactive technology would capture only niche audiences for home broadband entertainment. While broadband programming has lower fixed costs than broadcast does, the variable revenues of broadband (from advertising, commerce, and user fees) appears to have a larger share than that of conventional media to cover its higher variable costs. Broadband becomes more compelling, however, when programs are truly interactive. More advanced interactive features might include links to related audio or video material, or the ability to view a program out of sequence (Christofferson and Gatzke, 2001). An array of new technologies combining elements of broadband technology, wireless devices, personal video recorders, telephony, and other interactive services are advancing in the market. The integration of cost-effective and profiteering tools should be considered by customer-centric firms and they should create media platforms by leveraging the economies of scale.

Using digital technology to radically improve performance and earmarking the outreach of enterprises are becoming a prime concern for companies across the global marketplace. Companies striving to gain competitive advantage no longer think that only digital start-ups or high-tech performers like Amazon, Apple, or Google can use digital transformation. Emerging industries are seeking ways to use digital advances to change customer relationships, internal processes, and even business models, while industries that are transforming from conventional technology are seeing how fast digital technology can assure returns on investment. The principal attributes of digital networks include:

- Social media,
- Analytics,
- Mobility, and
- Embedded devices, or smart Radio Frequency Identification (RFID) tags.

The above attributes would help companies create digital transformation. However, they might have a harder time gaining transformative insights through analytics if they have a poorly implemented enterprise resource planning system. New technologies also take advantage of emerging infrastructure technologies like cloud computing. It has been observed that while new companies move toward digital transformation process few companies are aware of the process, while others largely apprehend that the process would be smooth. Often companies are influenced by the digital dynamics of young companies like Apple and Amazon. Big traditional companies have a different notion of digital transformation than newer digital entrants, as technology for these companies is often just one of the tools managers used to support the overall business. In addition, traditional companies often suffer from hosting unsuccessful technology projects that have failed to deliver expected returns on investment. The implementation of technology can have the following effects:

- A substitution effect, as it intends to substitute the existing process, which is often untested and may not qualify for a specific consumer and market segment.
- An extension effect, as the technology usage in a company aims at extending the company's brand or product line into a new platform, such as the web or mobile technology.
- A transformative effect, as the company begins doing business differently from the set process.

Most companies want to reach the derived transformation effect; however, a large number believe that transformation in technology is not only an issue of introducing new media platforms and analytical tools, but also a big challenge with regard to managing the organizational change. Hence, companies settle down with the substitution or extension effect results in the short term. One study discusses how Pages Jaunes, the French Yellow Pages, has completely changed its business model based on the idea that it is not a purveyor of advertising books, but of localized advertising. Its technology strategy includes building 100,000 websites for small businesses in France, creating a strong mobile presence, and using analytics to help its clients develop better brand and advertising strategies (Fitzgerald, 2012). There are many different paths to digital transformation, of which a few are universal, and it has been evident that technological transformation is successful when top leadership in the company takes a strong interest in making it happen.

Radio as a digital media

Consumer decision making in a competitive marketplace is complex due to the narrow time availability and broad range of products and store choices. Outdoor advertisements help to accelerate the process of consumers making buying decisions. In the retail marketplace every firm develops a push strategy to stimulate consumers to instigate buying behavior. Traditionally, consumers' limited awareness has guided their decision to buy through a discount superstore or a pricey boutique. It was a fair assumption of retail stores that certain customer types were held captive by certain channels. The situation is different today and managers should understand that consumers have become unfettered, gaining better analytical insights to make sustainable and value-led buying decisions. As their channel options have proliferated, they've come to recognize that different channels serve their needs better at different points in the buying process. Hence managers of retail stores should consider value-pilfering strategies in educating consumers through advertisements, which should be able to generate higher buying arousal and push increasing volume of sales (e.g., Nunes and Cespedes, 2003). Radio advertisements should be focused on driving consumer mind-sets toward volume of sales and not just catering to target consumers. A company should design advertising pathways across channels to help its customers get what they need at each stage of the buying process. In urban habitats, leisure shopping is not as effective as radio advertisements for informing consumers about sales promotions across the stores. Thus, radio commercials play a significant role in stimulating the buying decisions of urban consumers. Managers of retail stores should develop media content with more entertaining jingles, punch lines, and dialogues, meticulously targeting consumers' attention, interest, and desire in order to drive their quick response to relevant commercial messages.

Consumers in competitive marketplaces in urban habitats are being bombarded with an overwhelming array of product and market information. However, to allow consumers to narrow down the scope of information generated by advertisements and concentrate on it, advertisements should address carefully the four Rs—responsiveness, repositioning, rightfulness, and reasoning. Advertising managers of retailing firms need to affirm their strategies in reference to the four Rs in order to motivate consumers (e.g., Locke, 2000). Radio stations in urban areas develop niches of listeners over time, based on the audience preferences. Listeners in each niche benefit from higher quality radio services, where quality is defined as fewer commercial broadcasts with innovative techniques. It is important for the retailing firms to use new ideas and techniques in designing advertisements for broadcast on radio. Firms may explore suitable anchors, who have a personal interest in a specific product, store, or service, and who deliver messages on air during the program. This will give an additional endorsement to boost the commercial's impact.

The lifecycle of radio advertisements is short unless they deliver top-of-the-mind impact on listeners. Thus old advertisements should be replaced periodically, as most 30-second jingles are heard few times a day before they go off the air. Retail advertisers should be aware of the value dimensions that are crucial to the receptivity of radio advertising within specific target markets. Such understanding would enable managers to develop tailored messages to achieve advertising goals more effectively and efficiently (e.g., Kim and Kim, 2008). Developing and broadcasting radio commercials is a cost-effective and influential way to reach urban commuters, provided that the right strategies are adopted for disseminating messages. Attributes of radio advertisement should be selected with a view to eliciting emotional responses and stimulating audiences in a pleasurable way.

Most marketing institutions have built websites to inform and attract customers. Market aggregation presents an opportunity by which they can build stronger relationships with customers. Information technology affects retailing in two main ways. First, it may reduce costs by replacing paper-based, labor-intensive methods with automated processes. Second, it may modify the ways in which consumers have access to retailers' services and products and, hence, may enhance the contestability of markets. Deregulation and technological advances have opened up new opportunities, but the skill needed to exploit them effectively may be unknown.

The early entry of financial institutions into technology-expanding activities may have learning benefits that are manifested in discovering the skills needed to operate effectively. E-tailing products and services are getting more and more advanced and increasing in variety by providing information at an early stage in transactional activities.

Further, on the issue of technology adaptation, Lassar et al. examine the relationships between consumer innovativeness, self-efficacy on the Internet, Internet attitudes, and online banking adoption, while controlling for personal characteristics. Results confirm the positive relationship between Internet-driven innovativeness and online banking, but they also, surprisingly, show that general innovativeness is negatively related to online banking (Lassar et al., 2005).

The customer values for banking services are shaped more by habits, reinforcement effects, and situational influences than strongly held attitudes. However, the aggregate returns on the customer value toward the new product from the perspective financial institution may manifest in increased market share and services coverage, and augmented profit in a competitive environment.

The value concept in the above relationship governs the customer portfolio decision in terms of formulation of recursive utility over time. It shows that the optimal portfolio demand for products under competition varies strongly with the values associated with the brand, industry attractiveness, knowledge management, and ethical issues of the organization. The extent of business values determines the relative risk aversion in terms of functional and logistical efficiency between the organization and supplier, while the switching attitude may influence the customers if the organizational values are not strong and sustainable in the given competitive environment (Rajagopal, 2006a). The value of corporate brand endorsement across different products and product lines, and at lower levels of the brand hierarchy, also needs to be assessed as a customer value driver. Use of corporate brand endorsement, either as a name identifier or logo, identifies the product with the company, and provides reassurance for customers. A perspective from resource-advantage theory is used to formulate expectations on the degree to which the use of information on customer value, competition, and costs contributes to the success of a price decision. It is argued that the success of these practices is contingent on the relative customer value the firm has created and the degree to which this position of relative value is sustainable in the competitive marketplace. These expectations are empirically tested on pricing decisions with respect to the introduction of new industrial capital goods.

Few contributions address the measurement of customer value as an intangible asset of the retailing, marketing, and financial institutions, though substantial literature is available discussing customer relations and loyalty-building perspectives. The global scenario shows that in view of growing customer demand for innovative technology with convenience-based marketing services to accelerate the information and transaction process, greater household access to the Internet drives a higher website adoption rate. The major factors affecting technology adoption and augmentation include mean market size, per capita consumption, search costs, household access to the Internet, number of retailers, competitive advantages in products and services, product-mix, SSTs, cost of adoption, level of customer satisfaction, and customer density in the region availing banking services. The costs of accessing electronic banking services need to be reduced for wider coverage of customers. Comprehensive knowledge dissemination and trust play a pivotal role in creating customer value, in the absence of which knowledge barriers may limit the size of the market to a subset of customers in the short term. Therefore, once a bank has taken the decision to adopt new technology to improve its services and optimizing its profit, retailers will lean to depend on market-specific demand characteristics. Exploring the synergy between online and offline channels in general reveals that a bank typically delivers standardized, low-value-added transactions, such as bill payments, product enquiries, mobile marketing, and credit transactions through inexpensive Internet channels, while delivering specialized, high-value-added transactions, such as small-business lending, personal trust services, and investment banking through the more expensive branch channel. By providing more service options to its customers, an improved technology adoption will enable retailers to retain their most profitable customers and generate more revenue from cross-selling.

Part III
The Synthesis

9
The Human Factors

The extent of cultural influence varies in accordance with the nature of industrial and consumer products and services. Consumer products, by virtue of the ways they are marketed—which include mass advertising, sales promotions, and personal selling—tend to require a strong degree of cultural awareness since this knowledge relates to the human communication in the selling process. On the contrary, industrial products may have fewer requirements for cultural awareness, as sometimes the negotiation in business-to-business or industrial marketing segment is based on a situation and does not depend on the cultural adaptation process.

Information technology has driven market communications for companies in the twenty-first century, facing both the opportunities and challenges to build a world without boundaries for serving consumers and markets. Importantly, managers face a dynamic and interconnected global environment to interface with consumers and bring them within the purview of their business. The extended role of information technology on reshaping communication reveals the following attributes:

- Social media has turned to become a function of technology, culture, and government to streamline people's participation in business.
- Social media platforms have brought global thinking into local actions. Thus, the local voice of consumers rarely remain local.
- The co-creation of values in business is largely based on technology advancements, shifts in consumer culture, and Internet regulatory policies in the region.

Managers today need to consider new ways to integrate human emotions in distance communications using advances of the Internet, which has emerged as Web 2.0, social media, and brand co-creation with global consumers at a local level and vice versa. This drift in market communication platforms can result in shifts in loci of corporate activity, power, and value. Marketers should engage customers, embrace technology, limit the power of bureaucracy, train and invest in their employees, and prepare to exploit the opportunities of social media with a human touch in their business (Berthon et al., 2012).

Cultural drivers

Culture consists of explicit and implicit patterns of human behavior. Culture is acquired and transmitted by human groups through distinctive expressions. The traditional ideas and values form the base of social culture. Cultural systems may, on the one hand, be considered as products of action, on the other, as conditioning elements in a future action (Heidrich, 2002). Culture has many complex dimensions to define in simple terms. It seems that each anthropologist has defined culture from his own perspective. However, certain anthropological thinkers had agreed-on fundamentals, as can be seen from the description provided by Hoebel (1969): "Culture is the integrated sum total of learned behavioral traits that are shared by members of a society." Culture may be described in reference to three basic concepts. Firstly, culture is a total pattern of behavior that is consistent and compatible in its components. It is not a collection of random behaviors, but behaviors that are related and integrated. Secondly, it is a learned behavior and not biologically transmitted. It depends on environment, not heredity. It can be called the man-made part of our environment. Finally, culture may be manifested in the behavior that is shared by a group of people, a society. It can be considered as the distinctive way of life of a group of people. Accordingly a marketing manager of an international firm is supposed to be familiar with the reference groups, social classes, consumption systems, family structures and decision making, adoption and diffusion, market segmentation, and consumer behavior in order to understand the cultural environment in the host country. In view of the varying definitions that exist on cultural concepts, the following broad areas of culture, which are closely associated with international business, may be addressed:

- Technology and material culture,
- Language,

- Esthetics,
- Education,
- Religion,
- Perceptions and attitudes,
- Social VALS,
- Social organization, and
- Political life.

Market integration allows consumers to buy goods from all over the world in their local shops and supermarkets. While local businesses must compete with these foreign goods on their home turf, they also have new opportunities to develop their export markets by selling in a multitude of other countries. Cultural goods and services are no exception to these new patterns of production, consumption, and trade. Cultural markets are increasingly going global as may be observed by trends in the cultural goods trade in the post-1980 period across the countries in different regions. As consumption of cultural goods and services spreads all over the world, production itself tends to become concentrated. This results in an oligopolistic market with a highly asymmetric structure. The effects of this market profile are as yet unknown. While we are aware that a large share of the cultural products circulating in most countries are produced elsewhere, we know very little about the impact of this global cultural market on citizens, audiences, businesses, and governments.

The past few years have seen the emergence of a powerful interest in culture resulting from a combination of diverse phenomena, such as globalization, regional integration processes, and cultures claiming their right to express themselves—all this in a context where cultural industries are progressively taking over traditional forms of creation and dissemination and bringing about changes in cultural practices. The issue of "culture and trade" has now acquired prime strategic significance. Cultural goods and services convey and construct cultural values, produce and reproduce cultural identity, and contribute to social cohesion; at the same time they constitute a key free factor of production in the new knowledge economy. Culture is an essential dimension of business development. Business solutions should be tailored to locally relevant traditions and institutions and these activities should make use of local expertise and knowledge. International companies entering the host country should ensure that people, their cultures and society, and their organizations and institutions are taken into account in formulating business goals and operational strategies. Such development coordination with local culture improves the lives of people, especially the poor, and builds social capital for a company to sustain itself over the long term in the host country.

Culture contributes to core business development objectives by helping:

- Provide new opportunities for local communities to share skills and generate incomes from their own cultural knowledge;
- Catalyze local-level development through communities using their diverse social, cultural, and economic resources;
- Conserve and generate revenues from existing assets, that is, reviving city centers, conserving natural resources, and generating sustainable tourism revenues;
- Strengthen social capital by providing marginalized groups with a basis to pursue activities that enhance their self-respect and efficacy, and to strengthen respect for diversity and social inclusion; and
- Diversify strategies of human development and capacity building for knowledge-based dynamic societies: for example, through support to local publishing, library, and museum services.

Depending on the context, cultural industries may also be referred to as "creative industries," "sunrise industries," or "future-oriented industries" in economic jargon or "content industries" in technological jargon. The notion of cultural industries generally includes printing, publishing and multimedia, audio-visual, phonographic, and cinematographic productions, as well as crafts and design. For some countries, this concept also embraces architecture, visual and performing arts, sports, manufacturing of musical instruments, advertising, and cultural tourism. Cultural industries add value to content and generate values for individuals and societies. They are knowledge- and labor-intensive, create employment and wealth, nurture creativity—the "raw material" they are made from—and foster innovation in production and commercialization processes. At the same time, cultural industries are central in promoting and maintaining cultural diversity and in ensuring democratic access to culture. This twofold nature—both cultural and economic—builds up a distinctive profile for cultural industries.

Social interactions establish the roles that people play in a society and their authority/responsibility patterns. These roles and patterns are supported by society's institutional framework, which includes, for example, education and marriage. Consider the traditional marriage of an Indian woman, which is largely arranged by the parents. The social role assigned to the women is to abide by the norms of the society and culture therein and yield to the social pressures. Social roles are extensively established by culture. For example, a woman can be a wife, a mother, a community leader, and/or an employee. However, what role is preferred in different situations is culture-bound. Most Swiss women consider household work as their primary role, which leads them to resent modern gadgets and machines. In conventional marketing, demographics are often a key determinant of intent to buy specific products. But in green marketing, consumers' feelings of being able to act on these issues, or empowerment seems to determine willingness to purchase environmentally conscious products more than demographics or even levels of concern for a specific environmental issue (Roberts, 1996).

It is necessary for a marketer to remember that self-referencing can be misleading while interpreting various cultural manifestations in different countries. Self-referencing criterion (SRC) may be described as a process by which judgments on others are formed. It involves judging others' behavior against antecedents and experiences that are weighed on a preconceived platform of thinking. Before framing perceptions and conclusions, it would be wise to check with people who are familiar with the culture of the host country, and perhaps debate the issues of concern on a knowledgeable base. However, the bottom line is that an international marketer should learn about the culture, bypassing the blind trust of first impressions or preconceptions, and play down self-referencing in favor of more objective information. Cultural adaptation refers to the making of business decisions appropriate to the cultural traits of the society. In other words, decision makers must ensure that native customs and conditions, and taboos will offer no constraint to implementing a marketing plan.

The high versus low context distinction and silent languages describing the nonverbal communication elements provide useful concepts by which to think about various cultures. The study of IBM employees around the globe conducted in 1980 is a much more systematic assessment of cultures across countries by Hofstede. Although there have been significant cultural shifts since the study was done, cultures have changed less and judging from recent events in Eastern Europe and Russia, ethnicity and cultural roots are stronger than ever. According to Hofstede's paradigm of cultural influences, countries can be classified along four basic cultural dimensions (Hofstede, 1993). The first is individualism versus collectivism. In a collective society, the identity and worth of the individual is rooted in the social system, less in individual achievement. The second dimension is high versus low power distance, which posits that high power distance societies tend to be less egalitarian, while democratic countries exhibit low power distance. The third dimension has been the masculine versus feminine, which captures the degree to which a culture is dominated by assertive males rather than nurturing females and their corresponding values. The final dimension describes weak verses strong risk-avoidance rates among various demographic segments in the country.

General culture defines a set of acceptable and unacceptable behaviors within social norms. Individuals should learn to act according to these behavioral norms, while managers need to learn how to do business. These are the processes of enculturation and socialization. They determine how individuals behave as consumers in the marketplace, how demanding they are, how they voice complaints, how managers approach subordinates and peers, and so forth. In due course, individuals become skilled in exhibiting acceptable behaviors and identifying unacceptable behaviors as less risk averse. An American marketer will be good at briefly presenting his or her point of view, while the Japanese counterpart will be good at listening. But going beyond one's accustomed norms is hard to do. Acceptable behavior in the business firm is usually a reflection of acceptable behavior in society, especially if the company is large. In multinational companies, employees cannot know each other personally and thus have to rely on more arm's-length relationships based on the general culture, which may be stated as corporate culture. The regional business houses, which are smaller in size than the multinational companies, may be less orthodox, with an organizational culture that is cultivated, unique, and different from that of larger societies. Relationship building is a prerequisite for an international firm to achieve success in business. The manager of an international firm should ask the sales representative of his company how many new relationships were built and if the employee has participated in the local culture before evaluating his performance. The manager may then ask local colleagues to give their impression of how well the expatriate is working out in their country.

Urban and ethnic marketing strategies require an understanding of in-culture nuances and the lifestyle of the marketing segment that a business is trying to reach. While urban marketing is employed to reach Hispanic, Latino, Asian American, and African American markets because of demographic clustering of these subcultures in metropolitan areas, it is also used to reach certain niche markets best found in urban environments. Urban and ethnic marketing strategies integrate consumer marketing solutions including Internet and technology aspects within the host country's cultural environment. An international marketer should evaluate the psychographic and demographic profiles that indicate the target market of urban and ethnic groups. The firm may choose to provide the marketing communication to the target segments close to their lifestyle.

Consumer behavior

Consumer psychology is largely governed by the perception of economic and relational variables as conceived by buyers of products or services. The organizational values and consumer relationship approaches of the company also influence consumers to acquire higher values. The measure of consumer value as product efficiency may be viewed from the consumer's perspective toward a ratio of outputs (e.g., perceived use value, resale value, reliability, safety, comfort) that he or she obtains from a product relative to inputs (price, running costs) that he or she has to deliver in exchange. The derived efficiency value can be understood as the return on the consumer's investment. Products offering a maximum consumer value relative to all other alternatives in the market are characterized as efficient. Different efficient products may create value in different ways using different strategies (output–input combinations). Each efficient product can be viewed as a benchmark for a distinct sub-market. Jointly, these products form an efficient frontier, which serves as a reference function for inefficient products (Bauer et al., 2004).

There are some critical issues associated with price-sensitive consumer behavior—whether customers are equally price-sensitive while purchasing products for functional (e.g., purchasing frozen vegetables, toiletries, or paper towels) versus hedonic (e.g., purchasing a high-tech computer or a video camera) consumption situations—and whether perceived value derived during consuming the product influences price sensitivity. It may also be stated that higher price volatility makes consumers more sensitive to gains and less sensitive to losses, while intense price promotion by competing brands makes consumers more sensitive to losses but does not influence their sensitivity to gains (Han et al., 2001). Companies may involve customers in the product-designing process and incorporate their preferences in order to optimize the application of derived customer values.

A major intervening variable on behavioral manifestation today is online social communities and postings, which essentially define or redefine a product or service brand. Previous research studies have acknowledged that social intervention leads to asymmetric performance by brands and determines their market power (Sivakumar, 2004). It has been observed that there is a need for the forward integration of manufacturing companies into retailing, through the establishment of flagship stores, which provides such companies with an opportunity to provide a context to consumer behavior and exercise a level of control over their manifestation (Doyle et al., 2008). Behavioral manifestation reveals the brand health of products. The set of consumer behavior elements that serve as leading indicators of sales risk and potential include brand leadership, attractiveness, distinctiveness, satisfaction, and liabilities (Berg et al., 2007). The behavioral appearance influences brand image, whereas initial brand associations and perceived fit between the new product and either the remaining products (category fit) or the brand image (image fit) are able to strengthen consumer attitude (Salinas and Perez, 2009).

The brand, product attributes, availability, price, promotion, endorsement of social networks, and corporate image constitute the core determinants of the behavioral manifestation of consumers. In fact, a brand's identity represents the firm's reality, while image represents consumer behavior (Balmer and Thompson, 2009). The emotional attributes of consumer behavior are manifested by the metaphor of personality, which among other sources, evolves from where the core values converge with economic gains and socio-cultural influencing factors. Consumers use different mental calculations to determine value for money in each buying decision. They obtain information from different sources rather than treating each unit of money they own equally. Commonly observed mental calculations include windfall gains, small gains, add-on benefits, and savings. Windfall gains and pocket money are usually the easiest for consumers to spend. Income is less easy to relinquish, and savings the most difficult of all.

Personality traits of consumers are developed through associations with the "typical user" imagery, endorsers and network interface with peers and company employees. Firms therefore need to ensure that a consumer personality is conveyed consistently by both their salespeople and marketing communications through social media. Another influential source for developing consumer personality is to foster an integrated approach to buying and encourage positive value chain in the entire process of buying the products or services (Harris and Leslie, 2001). Consumers perceive familiarity or belongingness with a company, product, or market upon realizing the similarities and dissimilarities of opinions between members of the social networks and market informers. This distinction allows individuals to create a socially influenced behavior. When consumers strongly identify a character, there is convergence between their own and the social personality. It is important to recognize that behavioral expression is a cognitive measure of consumers' personality that develops emotional, behavioral, and buying inclination among consumers in a given market ambience (Carlson et al., 2009).

Behavioral expressions of consumers largely depend on visual stimuli in communications. There is a significant relationship between behavioral catalysts and communications disseminated by a company through social networks to develop buying orientation among consumers. For example, Asian brands tend to catalyze consumer behavior in the market with reference to their perceptions of quality, recognition, cultural meaning of the brand, and *feng shui* values (Henderson et al., 2003). It has been observed that association with intangible values and symbols as resources in developing consumer behavior play a significant role. In certain companies, such active strategy is considered as a co-creation process. There are three kinds of human beliefs that drive consumer perceptions: descriptive, informational, and inferential. Descriptive beliefs derive from direct experience with the brand. Informational beliefs are those influenced by outside sources of information, such as advertisements and communications, friends, and so on. Inferential beliefs are those formed by making inferences (correctly or incorrectly) based on past experience, as this experience relates to the current stimuli. Images held in a consumer's mind are the manifestation of these beliefs. Under the effect of communication and previous use, consumers form images about a product's cues, which will serve as a basis for judgment in future evaluations (Koubaa, 2008). Consumer involvement in the buying process develops possessive behavior and consumption culture among individuals and their peers. Possessive behavior in consumers can drive psychological needs, such as actively creating consumer's self-concepts, reinforcing and expressing self-identity, and allowing one to differentiate oneself and assert one's individuality. Possessiveness as a consumer behavior can also serve as a chain reaction in the social network by reflecting social ties to family, community, and cultural groups, including brand communities (Escalas and Bettman, 2005).

A company must conduct a full review of its entire global marketing strategy—from its mission and vision, to its portfolio, positioning, and product usage, to its communications and advertising campaigns. In order to implement effective global marketing strategies companies should not only articulate the culture-bound values of one particular company, but also develop competence in managing the stakeholder values. Social media should be managed by companies effectively to narrow the cultural distance in reference to beliefs, social norms, and language among target consumers across operational regions of the company to help the liberal expansion of trade. Virtual markets linked with social networks can help to reduce the geographic and economic distance between markets and consumer segments. This framework can help to identify the ways in which potential markets may be brought closer to existing ones (Ghemawat, 2001).

Demographics in social media

Understanding social media demographics is critically important when business organizations are looking to create targeted marketing campaigns. Social media primarily comprises people wanting to converse; individuals enter these conversations with a valuable response to find solutions to their problems, not just a product or service. It is crucial that firms understand how to find targeted customers based on their social network demographics. Some of surveys conducted by independent websites reveal that about two-thirds of adult Internet users (65%) were associated with social networking sites like MySpace, Facebook, or LinkedIn during 2011, an increase of 4% over the data of 2010. The user orientation on social networks is more than double the percentage that was reported in 2008 (29%). However, social media is still most popular with women aged 18–30 years, about 90% of whom use social sites on average once per day.

There is hyper growth in social networks, which have been shown to have a potential impact on the marketing of products and services, so many companies are diligently establishing presences on Facebook, Twitter, and other social network platforms. Yet the true value of social networks remains unclear, and while common wisdom suggests that they should be tremendous enablers and amplifiers of word-of-mouth, few consumer companies have unlocked this potential. More recently word-of-mouth has emerged as a stronger mind-set when compared to freelance reviews of marketing strategies, values delivered, and corporate image. When a firm thinks of word-of-mouth as media, it becomes a form of content, and businesses can apply tried-and-true content management practices and metrics to it. In addition, word-of-mouth generated by social networks is a form of marketing that earns customer value from peers over conventional media (Zeisser, 2010).

It has been observed that many companies are using social data to enhance their influence and improve their personal brand within the organization. This social data can do more than just facilitate collaboration or improve brand awareness; it is an unexpected and potentially new source of legitimacy in the C-suite.[1] Empowered by online social technologies such as blogs, social networking sites like MySpace, user-generated content sites like YouTube, and countless communities across the Web, customers are now connecting with and drawing power from one other. They are able to define their own perspective on companies and brands. This works well with people using technologies to get the things they need from one another, rather than from companies. However, such consumers, with strong bonds to their peers, are now tilting the balance of market power from companies to customers.

Once people went online to seek the anonymity it offered. Now they more often use the Internet to socialize with people they do know and expand their circle of friends. With millions of users worldwide, it raises the question of what types of people rely on these online social media tools in their interactions with others. Most users (nearly 90%) visit sites to keep in touch with people they already know, and more than half have two or more profiles online. Users of the most popular social networking sites are young adults (75%) under the age of 25. It has been observed that more adults were attracted to these sites during 2001–2010. In 2005, only 8% of adult Internet users had an online profile; today, that number has quadrupled to 35% (Lenhart, 2009). Users of social networking site are also regular visitors, with more than one-third checking their profile page daily and almost another 25% visiting every few days. Among teens, these numbers are higher: almost half said they logged into their profile at least once a day and about one-third visit weekly (Correa et al., 2010). In one study of college students, males and females were equally likely to have profiles on social networking sites and were found to spend about three hours each day on the sites (Raacke and Bonds, 2008). Adults make up a larger portion of the US population than teens. However, within the teen population, 65% also use social networks. Still, younger online adults are much more likely than their older counterparts to use social networks, with 75% of adults 18–24 using these networks, compared to just 7% of adults 65 and older. At its core, use of online social networks is still a phenomenon of the younger population in the USA. However, 60% of adult social network users restrict access to their profiles so that only their friends can see them, while 58% of adult social network users restrict access to certain content within their profile (Lenhart, 2009).

Social information analysis

In marketing operations, social information analysis can be determined as a tool to trace and link various activities in a particular function. To be competitive, companies must grow innovative new businesses on market platforms. Firms may face several operational barriers and seldom mesh smoothly with well-established systems, processes, and cultures. Nonetheless, success requires a balance of conventional and new marketing strategies to keep the competitive forces in equilibrium (Garvin and Levesque, 2006). Emerging companies face challenges when they pursue new businesses, as well as the usual problematic responses to those challenges. Such companies, they say, must perform three balancing acts, which include:

- Developing strategies on a trial and error basis, narrowing potential choices, learning from small samples, using prototypes to test business models, tracking progress through financial and nonfinancial measures, and knowing how and when to implement on an appropriate competitive strategy.
- Searching for the best combination of integrating conventional and new operational processes by using social information analysis to determine which capabilities to develop and which to acquire.
- Striking the right balance of integration, establishing criteria for using creative marketing strategies.

Social information analysis as an idea can be applied in various scientific fields including planning and evaluation, education, business and management, public health, sociology and psychology, cognitive science, human development, agriculture, sustainability, environmental sciences, ecology and biology, earth sciences, and other physical sciences. Social information analysis can influence many of the existing concepts, theories and knowledge in each of these fields (Cabrera et al., 2008). In marketing and related business strategies, managers need to think ahead of competitors to keep moving from niche to market leader status. Changing the way we think does not automatically solve problems, issues, or crises in the business. However, social information analysis does reframe how we think about what we view as a problem in the first place, and what solutions might look like. The reasons for the scientific utility and promise of social information analysis are extensive. Table 9.1 illustrates the rationale for social information analysis and required strategies for implementing a “social information

Table 9.1 Social information analysis approach in marketing strategy development process

Thinking blocs	Determinants
Why	Internal growth and business expansion
What	Right policy development, performance measurement, governance, and values
Who	Competitors and customers
Where	Niche market, international marketplace, business-to-business, and virtual shops
How	Product, place, price, promotion, packaging, pace, people (sales), performance, psychodynamics, posture of the firm, and proliferation
When	Existing demand, latent demand, matching competitor's moves, and during peak consumption season
Which	Sensitive variables, image portrayers, loyalty building strategies, and value generation

analysis" approach through the creation of a "learning environment" in a given marketing place (Inelmen, 2006). In a learning environment simulations are used to evaluate the strategies developed to prevent any wrongdoing and support either aggressive or defensive moves in the marketplace. The need to check the authenticity of the work is obvious.

Social information analysis in developing marketing strategy is considered a disciplined approach to promote the competitive behavior of firms in a marketplace. It is an approach that can provide a rational view of the situation, as well as identify approaches that are intended to produce the desired result. A business organization must make a substantial change to its organizational culture in order to develop a social information analysis approach (O'Connor, 1997). However, this approach would be helpful in resolving various business conflicts, including:

- Multiple perspectives on a situation that is causing a dilemma over its management,
- Endlessly oscillating consumer behavior,
- A previously applied strategy, which seems to overshoot the goal and affect related areas of operation,
- A weakness in negotiations over time,

- Problems in establishing procedural standards in business operations,
- Decline in business growth over time,
- Lack of efforts in developing core competencies, and
- Optimizing resources and their business application for augmenting growth in vital business indicators in the firm.

Social information analysis is usually driven by many smaller systems, or subsystems. For example, an organization is made up of many administrative and management functions, products, services, groups, and individuals. If one part of the system is changed, by definition the nature of the overall system is often changed as well. Systems theory has brought a new perspective for managers to interpret patterns and events in their organizations. Effective systems methodology lies at the intersection of the following four foundations of social information analysis (Gharajedaghi, 2006):

- Holistic thinking focuses on systems logic and process orientation in general. Reviewing the system in totality requires an understanding of structure, function, process, and context at the same time. The systems approach enables various types of objects to be connected to a single platform of thinking, to organize different forms of activity within the given time and space of the business situation. One of the principal requirements of each successful system is effective communication among different actions. The effective development of the organization can be achieved when various strategies, strategic planning, team work, and principles of organizational changes are applied. Technical aspects are combined with the aspects of behavior, personal (personal mastery and intellectual models) with conceptual ones.
- Operational thinking, which also signifies dynamic thinking, refers to the conception of the principles of systems dynamics, that is, the evaluation of multi-loop feedback systems, identification of the effect of delays and barriers to growth, mapping stock and flow, etc. The conception of these principles creates an additional value for managing an organization with reference to business systems that emerge as interdependent factors in decision making (Skaržauskiene, 2010).
- Interactivity is a tool for future business dynamics and information plays a pivotal role in this process. Interactive design is both the art of finding differences between things that seem similar and the science of finding similarities between things that seem different. The distinct outputs

of interactive designs may lead to defining problems, identifying the leverage point, and designing solutions-ideation processes.
- Interactive design is a part of critical thinking that is defined by articulating a problem, gathering information to solve this, formulating a hypothesis, checking presumptions and correctness of findings, and implementing a solution. Interactive design offers a constant critical assessment, continuous learning, and understanding of mental models. This dimension of social information analysis is based in intuitive thinking that stimulates creativity and provides an organization with a conceptual foundation to create a unique competitive advantage.

In view of fast-growing market competition, more and more companies are recognizing the business opportunities that focus on what sustainability creates. Such a shift in thinking in many companies and industries—where learning–organization principles are being applied to create sustainable business models—is evidenced by changes in organizational culture and improvement in the core competencies. Simultaneously, such businesses become inspirational, energetic places to work, where even relationships with customers and suppliers improve. However, a more integrated view will enable companies to innovate for long-term profitability and sustainability. There are three core competencies that learning organizations must master to profit from sustainability: encouraging systemic thinking; convening strategic market players and customers toward changing conventional thinking; and taking the lead in reshaping economic, political, and societal forces that resist change (Senge and Carstedt, 2001).

Dynamic complexity in business may arise in oligopolistic market systems with high risks in investment, brand development, and generating customer loyalty. This may be observed in a beer distribution where consumers exhibit switching behavior when the distribution of the company's product is weak in the market. In many cases companies are not able to carry controlled experiments on implementing business strategies due to cost-related and ethical reasons. Hence, dynamic complexity not only slows the learning loop but also reduces the learning gained on each cycle. Developing the right business strategies in the right market situation is a growing challenge among system thinkers and business strategists. Delays in developing appropriate strategy creates instability in market dynamic systems. Adding time delays to risk and negative feedback loops increases the tendency for systems to be nonsustainable. Marketing systems from driving a car (luxury), to drinking alcohol (mood setting), to restaurant services, to selling real estate, all involve taking time to develop the right business strategies and implementing them. As a result, decision makers often continue to intervene to correct the discrepancies between the desired and actual state of the system to restore equilibrium in the given marketplace.

Business strategies in competitive marketplaces need to be played safely and camouflaged to avoid competitors guessing strategic moves in advance. This refers to dynamic management decisions to maximize competitive advantage with minimal risk in a given marketplace at a given time. For example, in one famous experiment, Bruner and Postman showed playing cards to people using a tachistoscope[2] to control exposure time to the stimuli. Most could identify the cards rapidly and accurately. Competing firms should make dynamic moves in their strategies by narrowing down the scope for counteractions from rival firms. In this game many firms may misidentify the strategic moves and others may wait to observe the effects of strategic moves before reacting to them. Such expectations can make competitors anxious and confused. Only a small minority correctly identify the moves and these firms can be manipulated.

Value-chain management

Firms entering into market competition need to develop competence in building strategic integration, which involves exploring and creating new business opportunities. Such tasks can be performed by combining resources from multiple units within the firm, each with its distinctive attributes and market focus to extend the corporate strategy in new directions. Only a few multinational firms have developed the competence of strategic integration, however, the challenges and imperatives for all companies are the same. Firms need to manage the emerging tension between reinforcing their core business strategies, redirecting them in new directions, and sharing and transferring resources to meet new competitive challenges in the marketplace. Above all, company leaders have to create a corporate context that facilitates the strategic integration process as an ongoing institutionalized process, emphasizing the development of appropriate organizational structures, control systems, and performance-linked incentives (Burgelman and Doz, 2001).

In growing competitive markets, large and well-known firms are developing strategies to move into the provision of innovative combinations of products and services as "high-value integrated solutions" tailored to each customer's needs, rather than simply "moving downstream" into services. Such firms are developing innovative combinations of service capabilities, such as the operations, business consultancy, and finance required to provide complete solutions to each customer's needs in order to augment customer value. Global strategies are most frequently analyzed using the global integration local responsiveness paradigm. A number of studies have extended various aspects of this framework, including structural determinants and operational flexibility (Prahalad and Doz, 1987). Market-driving behavior is different from a firm's market orientation, which emphasizes the competitive dynamics among firms conducting identical business, namely, automobile sales. It is argued that the firm's market orientation interacts with other strategic orientations, in the process determining how they are manifested and implemented. Furthermore, market orientation plays a critical role in determining transitions among various strategic orientations over time among firms engaged in identical business with regard to products and services (Rajagopal, 2009b). A strong market-oriented strategy alleviates the possibility of using coercive strategies against competitors and offers advantage to the customers over competitive market forces (Chung et al., 2007).

Firms need to clearly understand the term "value chain," which suggests an orderly progression of activities allowing managers to formulate profitable strategies and coordinate operations with suppliers and customers. The value chain should be integrated within a "value grid." This approach allows firms to identify opportunities and threats in the competitive marketplace. It drives managers to understand the power balance between suppliers and manufacturers. The new pathways to value can be vertical, as firms explore opportunities upstream or downstream from the adjacent tiers in their value chain, while horizontal pathways can be determined by identifying opportunities from similar tiers in multiple value chains among all functionaries and customers (Pil and Holweg, 2006).

Marketing firms should develop strategic value chains to enhance their organizational capability for getting a fast response to rapidly evolving market dynamics. In order to implement the value chain efficiently, firms should strive to find a response to some critical questions, including:

- Where is value being created?
- How can the business be expanded?
- Does the firm need outsourcing?
- Which areas need investment?

- How can the value chain be optimized?
- Does the firm need to establish any strategic alliances?

Firms are required to employ economic value-added analysis and strategic value assessment, such as customer preferences, the rate of change of underlying technology, and competitive position in the marketplace (Fine et al., 2002).

Information churning and decision making

Developing and implementing the right marketing strategy involves making meticulous choices about whom to target as customers, what products to offer, and how to undertake related activities efficiently. The most common cause of strategic failure is the inability to make clear, explicit choices in these areas. It is very common for aggressive competitors to imitate attractive strategies but, perhaps more importantly, new strategic positions emerge continually. Successful incursions into established markets by strategic innovators such as Canon and the brokerage firm Edward Jones are based on strategic innovation, proactively establishing distinctive strategic positions that are critical to shifting the market share or creating new markets (Markides, 1999). Figure 9.1 exhibits the strategy cycle in business.

In formulating marketing strategies it is necessary to involve all players (such as manufacturers, quality and packaging managers, distributors, logistics and inventory managers, retailers, franchisees, etc.) and fully acquaint them with the marketplace environment. Low involvement role can lead to poor strategy implementation, while intensive feedback and business analysis can be helpful in shaping the next round of the strategy formulation cycle. Strategists tend to use powerful drivers when referring to implementation efforts. Descriptors such as “killers,” “confrontation,” and “engagement” are linked with actions like “conquering,” “blocking,” “tackling,” and “honing.” Managers of firms should know that implementation is a critical ally in the building of a capable organization, and the use of the appropriate levers is the pivotal hinge in developing the organization (Crittenden and Crittenden, 2009).

Strategy can be defined as a rational set of time-sequenced actions aimed at gaining a sustainable advantage over competition and improving position with customers. Strategy answers *what* and *where* questions concerning business. It is a shared vision, describing what the organization should be in the future and where it is going, not how it will get

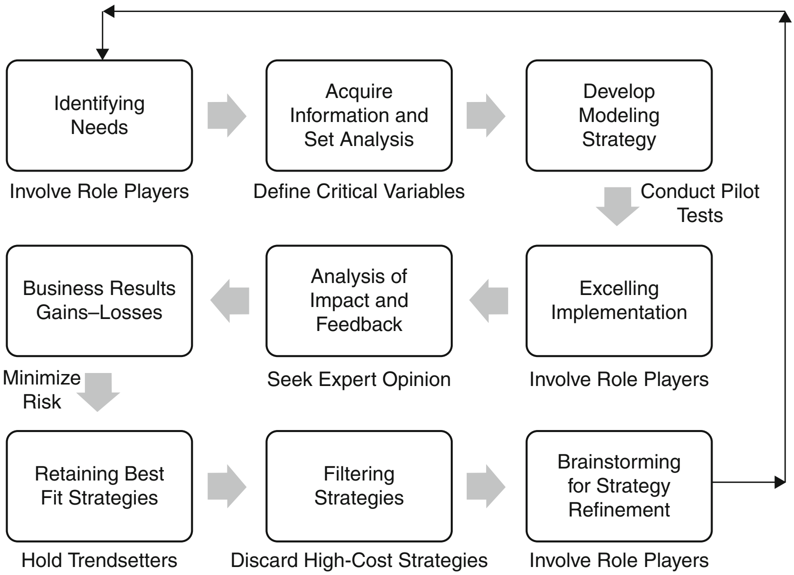

Figure 9.1 Social information analysis and strategy development process

there. Strategy is the framework managing the "how" choices, which determine the future nature and direction of the organization. It focuses on accomplishing maximum and enduring positive differentiation from the competition in meeting customer values. The choices guided by strategy relate to the entire range of the organization's products or services, market, principal capabilities, growth rate, return from and allocation of resources. Perhaps most importantly, strategies identify critical issues that are the changes, modifications, and additions to the organization's structure and systems, to its capabilities and resources, and to its information needs and management.

Strategic marketing is a bridge between the marketing management and the marketing, and interplays with three forces in the markets: customers, competition, and corporate entities. The marketing strategy synchronizes the functional activities among the three Cs and helps to build distinctive strengths in the corporate houses to deliver better customer values. An effective marketing strategy should include a clear definition of market, and an appropriate match between the corporate strengths and market needs and competitive performance. A good balance of these attributes would build a successful marketing strategy and justify the role of marketing in an organization.

Selling through social networks

In direct-to-customers selling practice consumers are continuously blitzed with relationship calls and marketing messages, including television commercials, e-mail solicitations, and business circulars. Often persuasion hits the mark and stimulates the buying need to elicit the desired response on the prospected product or service. It might be very difficult for salespeople to identify what drives consumer behavior, largely because there are so many possible combinations of stimuli. Although innovative selling strategies have always been a creative endeavor, adopting a scientific approach to it could make the selling process easier and more cost-effective, and enhance customer value. "Experimental selling" techniques—which have long been applied by some prominent direct selling companies such as Avon International, Dell Computers, and the like—let the salespeople engender stimuli by testing just a few of selling designs on customers. In this personal selling process, salespeople may lean toward testing combinations of critical attributes—including perceived use value, price sensitivity, prolonged guarantee, loyalty benefits, and lifetime service—not only to gain the consumer's confidence but also to optimize the firm's resources, revenues, and profitability.[3]

There is a strong relationship between stimulus and response in the selling process. Such cognitive interrelationships can be explained as an approach to selling that relies on the salesperson's ability to provoke the prospect by delivering comprehensive knowledge on the product or service (stimulus) in order to obtain a conviction from the buyer (response) toward his possible association. A balance between the extent of stimulus and quality of response needs to be developed in order to measure the performance of the direct selling approach. Stimulus and response are the attributes of an individual, hence direct selling strategies should not be generalized and applied to a group of consumers; rather they need to be crafted case by case by optimizing selling efforts.

The stimulus–response (SR) model in the context of direct selling may be stated as a cognitive progression of a cause and effect relationship. In managing an SR course, after identifying the needs of customers and problems, the salespeople need to deliver a comprehensive presentation so that thoughts of the prospect will flow naturally from the prospect's mind-set to the salesperson's product. The consumer's thinking process must be guided to experience the salesperson's product as the solution to a problem or need.[4] The four major approaches to designing direct selling include:

- Stimulus-response analysis,
- Mind mapping of consumers,
- Problem solution, and
- Need satisfaction.

Many psychological experiments have shown that subjects will respond in a predictable manner when exposed to a specific stimulus. When subjects are rewarded for correct responses, the responses may become automatic. Salespeople using the SR approach concentrate on saying the right thing at the right time to develop a favorable response from the prospect. Knowing how prospects normally respond to certain stimuli helps salespeople build a sequence of favorable responses. The SR approach is most appropriate in simple straightforward selling situations, such as selling a vacuum cleaner in a home. Churning out information from all available sources generates arousal, silence, or alienation among consumers, which emerges as response to various buying preferences. Peer influence is generated by the free customers, who play a vital role in promoting a vast array of businesses, such as media companies, employment services, and even IT providers. This phenomenon takes into account not only direct network effects where buyers attract more buyers or sellers attract more sellers, but also indirect network effects revealing that buyers attract more sellers or vice versa.[5] Mind maps track the natural progression of prospects' brains by allowing a salesperson to connect each new thought to the ones that have come before, whereas linear notes or lists deliberately cut off each idea from the ones preceding and following it, thereby stimulating the natural thinking process. Mind maps can also be used by salespeople in informal meetings with consumers as a sort of visual agenda on Facebook or live chat in any electronic platform geared toward delivering more lively and participatory learning process.[6]

Customer value is an intangible factor that has a significant role influencing buying decisions. It includes broadly psychometric variables like brand name, loyalty, satisfaction, and referral opinions. The customer lifetime value (CLV) is built over time by the business firms and CLV contributes to the individual perceptions of the customers and augments their perceived values.

When salespeople construct a customer value proposition, they often simply list all the benefits their offering might deliver. But the relative simplicity of this all-benefits approach may have a major drawback of benefit assertion, which may lead the salespeople to claim advantages for those features of their products and services that customers do not care about. Salespeople should instead look into the following strategies for enhancing customer value:

- Enhancing customer esteem—You be the best judge;
- Million dollar words—Satisfaction guarantee or money back;
- Unconditional guarantee;
- Conditional guarantee;
- Time limit, warrantee, usage conditions, maintenance only;
- Creating impulse—Double guarantee, dramatize statement;
- Competitive guarantee;
- Keeper offer—Premium value to customers; and
- Value protection guarantee—Security against frauds.

Successful multinational companies organize their customer value and satisfaction strategies around various key activities by developing a customer-focused culture, offering executive support to salespeople to help them improve their capability and competence in prospecting customers, and improving customer listening tools. Enhancing customer value is basically an organizational issue, where every employee from manager to salesperson plays his role. Hence, managers need to identify improvement opportunities and plan intensive training programs for salespeople.

10
Communication Conflicts

The emergence of advanced information technologies in the global marketplace has offered companies many effective ways of disseminating communication to customers. The ability to deliver consumer-targeted messages and to communicate with stakeholders depends not only on the message positioning but also on the response it elicits (Wreden, 1999). Market communication requires a certain competency level to demonstrate the contents value and its reach to the target audience, irrespective of their education, social background, nationality, and common language. However, most companies have yet to develop the social media communication skills necessary to become successful. Most rely on basic communication skills, which are not sufficient to conceive of communications that will successfully target consumers. Companies need to ensure that they have the following attributes of a good communicator to stay effective in sharing information with their consumers and stakeholders:

- Good communication is bi-directional and gives scope also to listen from another end.
- It is necessary to maintain consistency in marketing communications and to predetermine the right place, time, and target audience at which the communication is targeted. Messages once delivered cannot be retrieved and making modifications in the contents may affect their value.
- Internet-based communications through social media is a sensitive task for companies and they should try to find the right combination of verbal and nonverbal contents to communicate in a message.
- Avoid repetition of words, contents, and style of messaging to attract audience toward social media communications. Ambiguity

in messages to be delivered through social media is a common flaw, which is often ignored by firms. Such vagueness in the messages may be interpreted by social media users in various ways that may affect the image and credibility of the company.
- Good communications should be flexible and open for drawing inferences and reaching a decision for solving problems and negotiating compromises.
- Marketing communications should be reciprocal in nature to draw attention, feedback, and community reactions to the contents.

Although the above attributes may appear easy for firms to understand, often managerial incompetence causes difficulties in applying the communication principles in a consistent manner. Most companies implement integrated marketing communication (IMC) strategies to develop communications as a continuous process of knowledge sharing. IMC is aimed to manage consumers' responses to brands, services, product attributes, and consumer value in order to help companies to develop appropriate marketing strategies on manufacturing, price formulation, channel arrangement, consumer service management, marketing message construction, and communication program implementation. As such, IMC is capable of enhancing the consumer experience and creating a holistic brand value structure, which can integrate the consumer's sensory, emotional, social, and intellectual experiences in a new and positive way (Tsai, 2005). An effective integrated communication strategy should include the following attributes:

- Open-mindedness;
- Tolerance of different perspectives;
- Willingness to experience new modes of interaction;
- Allowing bi-directional communication within the organization across various functional departments and policy makers, and also from market players to the company and vice versa;
- Information analysis that is fair, objective oriented, and constructive;
- Openness to changes in authority and status, and future challenge emerging from the communication analysis;
- Able to ensure that important elements of information are constantly being conveyed and understood by all team members; and
- Team members who are honest about their own wishes, needs, and concerns.

Companies considering the communication task on social media as a casual process may commit several errors when it comes to delivering their messages to the right audience. It is necessary to prepare the contents of the message to be delivered to consumers and market players over social media. The inconvenience of sharing too much information is not as great as the potential risks associated with team members not having the information they need. Communication managers should solicit input from team members and then analyze the intent of the communication prior to broadcast though social media. However, managers should periodically run checks and balances to clear up misunderstandings in the communications process quickly and accurately. Misunderstandings, when left unchecked, can become a source of great conflict among team members. It is usually best to clear up misinformation as soon as possible.

Many widely accepted management theories on communication statements in marketing that pertain to branding and advertising are largely applied when companies go global. What plays well in a niche may not go down so well in the global business environment. Companies should conduct a complete review of their entire global marketing strategy from mission and vision, to portfolio, positioning and product usage, to communications and advertising campaigns. Managers should develop consistency and standardization in social messaging contents. To be truly effective in social media communications, firms need to articulate their global marketing strategies not only on the culture-bound values of the response of one particular consumer segment, but also considering the values of the company's stakeholders (de Mooij, 2010). The company's broad communication policy should have the following elements to make it more effective and value oriented[1]:

- Valid content with no factual errors, interpretation, or judgment should be posted on social media websites or communicated by the companies through the media.
- These targeted messages with no hidden content should be delivered or placed where the audience can access them. Placement varies according to audience, message complexity, and purpose, ranging from interpersonal and social networks to billboards and mass transit signs to prime-time TV or radio, to public kiosks (print or electronic), and to the Internet.
- Wherever appropriate, the content of communication should illustrate the benefits and risks of potential.
- Cultural competence: The design, implementation, and evaluation process of communication should be accountable to demographic

consumer segments comprising different ethnic, racial, linguistic, and educational levels.
- Marketing communications should be evidence-based to inculcate truthfulness of content and promises.
- All market communications must aim to serve larger target audience so as to enhance reach and the frequency with which they receive messages. The higher frequency and longer reach of the communication should make it adaptable faster.
- It is necessary for companies to ensure that communications shared on social media and other peer networks are reliable and the content is based on credible sources.
- Repetition of messages should be avoided as it may adversely affect the audience's interest and lower the inclination to buy. However, some companies following the drive strategy insist on delivering the content repeatedly over time, both to reinforce the impact with a given audience and to reach new generations.
- Timeliness is one of the critical attributes of market communications to be considered by companies. They should ensure that content is provided or made available when the audience is most receptive to or in need of it.
- Companies should see that all communication disseminated through social media and other channels are understandable with reference to the reading or language level, and format (including multimedia) for the specific audience.

Constructive communication develops a positive relationship between communicators and the audience, whether delivered through social networks or any other media channels. Poor communication approaches may exacerbate misinterpretations of the messages and cause the company's image to decline. Constructive communication is particularly helpful when coaching or counseling an employee. A poorly handled discussion of a staff member's performance can easily lead to defensiveness and even outright rejection of any suggestions for improvement.

Problem-oriented communication focuses on a problem that can be solved rather than the person who is responsible for the problem. For instance, a committee chair might tell a committee member, "That topic is not on today's agenda." On the other hand, an example of person-oriented communication would be, "You're off topic." Person-oriented communication puts the listener on the defensive and focuses the attention on blame rather than on avoiding or solving future problems. A congruent communication from a company conveys what it feels and draws perceptions on a given topic or a business situation. There are situations where discretion is a more appropriate choice than full disclosure of what we think and feel. However, in most communication situations, messages are communicated effectively when they are candid. A common example of incongruent communication is saying that "It's no big deal" or "I don't mind" where a communication is in fact discussing an important issue in an indifferent way. An evaluative communication expresses the listener's judgment, or his or her actions. To be a constructive communicator, the messages should objectively describe problems rather than present the communication in an evaluative manner. An example of a blatantly evaluative statement would be, "The last shipment delivered by the company was mismanaged." Evaluative communication puts the listener on the defensive. It can be more descriptive and therefore more constructive to say that the last shipment delivered by the company reveals some important lessons. However, validating communications helps people to understand, derive values, and accept. In contrast, invalidated communications treat people as if they are ignored, worthless, or alienated. Invalid communications are superiority-oriented, rigid, impervious, and indifferent.

Changing corporate culture

Global enterprises are increasingly concerned about the effects of international expansion on their corporate culture. Multinational companies nurture a set of enterprise-wide mindsets, which can maintain a unity of purpose, while at the same time successfully adopting practices to suit diverse local economic and cultural conditions (Bellin and Pham, 2007). It is observed that if adequately balanced, individualism–collectivism may be a good source of intercultural fit while building shared leadership that protects mutual values. Such a managerial outlook would help to reconfigure individual and cultural orientations and styles of persons of different origin in the design of management teams to build high levels of social effectiveness in the work environment (Rodriguez, 2005). Managing cross-cultural challenges in the workplace may be made easier by developing a strategic fit of values in the organization, with flexibility in individual values and shared personality traits. In low-trust cultures interpersonal relationships remain obscure and business dealings are largely bureaucratized and tagged with evidences. Such negotiation approaches slow down the process of getting the work done and also may cause retrenchment from the business scenario over time. Thus it is necessary to identify the right and responsive people who can be relied upon, as well as qualifying organizational parameters to build future relationship continuum (Bridgewater et al., 2005).

Wal-Mart China announced in November 2004 a US$1 million commitment to establish the China Retail Research Center at the Tsinghua University School of Economics and Management. The China Retail Research Center is the first academic institution in China dedicated to researching this country's fast growing retail industry. China's rapidly growing economy continues to create unprecedented opportunities for retail corporations like Wal-Mart. The retail giant hopes to contribute to China's economic development. The US$1 million donation is an example of Wal-Mart's long-term commitment to China. Tsinghua University is a world-renowned university with strong academic staff and advanced research capability. Wal-Mart's support for the Center will facilitate China's participation and cooperation in the international retail field and drive the healthy development of the country's retail sector.

The corporate philosophy of Canon is *kyosei*. A concise definition of this word would be "Living and working together for the common good," but our definition is broader: "All people, regardless of race, religion or culture, harmoniously living and working together into the future." Unfortunately, the presence of imbalance in our world—in areas such as trade, income levels, and the environment—hinders the achievement of *kyosei*. Addressing these imbalances is an ongoing mission, and Canon is doing its part by actively pursuing *kyosei*. True global companies must foster good relations, not only with their customers and the communities in which they operate, but also with nations and the environment. They must also bear responsibility for the impact of their activities on society. For this reason, Canon's goal is to contribute to the prosperity of the world and the happiness of humanity, which will lead to continuing growth and bring the world closer to achieving *kyosei*. To help attain sustainable, recycling-oriented societies, and fulfill its responsibilities as a good corporate citizen, Canon is realizing the concept of environmentally conscious management. The corporate philosophy of *kyosei* remains the guiding tool for its employees in their quest to build a group of companies, which is appreciated and respected around the world. Canon has pursued diversification and laid a solid base for growth well into the future through one of the world's most comprehensive corporate research and development efforts, and with a global network of such facilities capitalizing on expertise in each region, Canon is building the future.

With the increase of globalization powered by information and communication technology, the role of digital social network communities (SNCs) is becoming powerful in determining the business growth among firms. These SNCs have become increasingly popular and have evolved into massive networked groups with large member bases across the marketplaces and regions. In view of the network externalities embedded in the social system and their effect in channelizing communications across the networks, the purchasing powers of these network groups have been substantially augmented. Hence, multinational firms are investing resources within and outside their organizations to better understand the buying behaviors of SNC members. Among many social factors, gender, family and culture, social classes, group behavior, and age contribute in driving the buying behavior of consumers. Though social institutions are embedded as a system of regulatory norms, they conform with a community's ultimate common value system. Firms have integrated the social values in business as way to reach mass consumers and to acquire or pursue business growth.

Long before children enter school, most have already been socialized into play, social values, behaviors, attitudes, and linguistic repertoires shaped by videogames, television programs and spin-off toys, which constitute childhood experience. Childhood culture is an imaginary universe, which connects TV programs to movies, videogames, toys, T-shirts, shoes, games, crayons, coloring books, bed linens and towels, pencil cases, lunch boxes, and even wallpaper. Beyond the merchandise transformations of movie or TV program characters, media icons extend to fast-food chain or cereal box-top contests and special give-away deals; shopping mall entertainments featuring cartoons like *The Lion King, Ice Age,* or *Spirit* from Dream Works Productions; and contests such as a prize trip to Disneyland to meet the characters—all of which create a business platform for the target group through cultural penetrations. TV shapes children's early age and introduces them to narrative and consumption styles by being located in the center of family life (however families may be constituted), and by cross-referencing other narrative forms, such as movies, stories, comic books, videogames, music videos (often movie soundtracks), of which toys and teens' popular culture are an integral extension. In that regard TV serves as a kind of clearing house for both verbal communications and artifacts of consumption. For children, the jump from narrative to commodities from Transformer cartoons to Transformer toys; from Disney cartoons to McDonald's give-aways of characters forms the background cultural tapestry of childhood in Western countries, inculcating consumption behavior. Besides, parents also show interest in taking their children to a fast-food corner and purchasing the latest collectibles, and buying the TV-advertised cereal or peanut butter that children insist on to avoid embarrassing conflicts in the supermarket. These everyday consumer and social practices constitute social and material relations between parents and children (Livingstone and Helsper, 2004).

Social interactions establish the roles that people play in a society and their authority/responsibility patterns. These roles and patterns are supported by society's institutional framework, which includes, for example, education and marriage. Social media has become a public source of communication at a marginal cost. Many firms are aiming to use social media as a community advertising platform and have become a principal source of their marketing strategy. Contrary to that, a large number of SNCs (e.g., Facebook and MySpace) are also using these communication platforms as a revenue stream. In search of an alternative revenue source, some SNCs have adopted innovative methods of generating revenue while some have started selling digital products like digital graphics and digital music items including songs and music to their community members to earn revenue. These digital products are new media elements utilized by members for representation, expression, and communication in online environments. A few common examples of graphical digital items include digital movie characters' accessories like clothes, shoes, and hats; decorative items for virtual rooms such as furniture, art paintings, and wallpapers; and background skins. FarmVille and Facebook partnered digital game may be cited as an example of revenue streaming of SNC. The prices for digital items are typically very low as compared to physical products (Kim et al., 2011).

The social media and SNCs have brought remote markets and their consumers into the main stream of commerce. The ethnic markets have been well connected through the virtual shops and social network platforms. Technological convergence with consumers and firms has facilitated an inflow of suppliers seeking potentially rich ethnic products in globalized market. The SNCs help in inter-market segmentation for firms as it is one of the essential ways to reengineer traditional segmentation principles in order to recognize and take advantage of consumer preferences across countries. The ethnic and bottom of the pyramid marketing strategies of firms are intended to integrate consumer marketing solutions using the social media and commercial information and communication technology platforms. The General Motors (GM) Company has made significant contributions to the Smithsonian National Museum of American History's exhibition "America on the

Move." Its efforts on this made GM the largest single donor to a cultural group. This promotional strategy won the car company naming rights and a prominent place in all promotions (Hostetter, 2003).

Technology and customer value

The role of marketing strategies in fostering controlled consumer empowerment is reflected in the development of information-based consumer-centric marketing strategies that seek to enable and control delegation. In designing such strategies, consumers' familiarity with the use of information and communication technologies are both strengthened and widened, emphasizing the uncontrolled nature of the consumer empowerment process. There is a need to regain control over the marketing process, that is, to either manage the technological empowerment of consumers, or to devise new strategies cognizant of the possibility that such technological empowerment cannot be managed. The valuation of consumer loyalty in this environment rises significantly (Pires et al., 2006). Firms have discovered the narrative process of marketing strategy through the social media and SNCs by driving the market communication to reach masses. This is a communicative, hermeneutic perspective, where consumer decision is based on parts-to-whole thinking paradigm, wherein multiple small narrations are connected with each other to derive a decision. Narration of communication or messages through the SNCs is a form of deriving meaning(s), where the significance of communication grapevine is converged with the individual experiences of consumers engaging online tools of SNCs. Customer-centric research aims at developing pro-customer strategies to focus on better ways of communicating value propositions and delivering the complete experience to real customers. Learning about customers and experimenting with different segmentations, value propositions, and effective delivery of services associates customers with a business and help frontline employees acquire and retain customers with increasing satisfaction in sales and services of the firm (Seldon and Macmillan, 2006).

A common observation about self-service retail stores is the similarity among in-store ambience and retailing operations. Hence, self-service retail stores are increasingly using point-of-sale promotional activities to drive buying stimulation among consumers through redeemable coupons corresponding to the value of purchase. Such promotional strategy and market dominance have significant implications for the volume of sales and inflow of consumers in retail stores (Parsons and

Ballantine, 2004). Prospective customers have an objective to buy at the right time so as to minimize the expected price of the acquired item. However, point-of-sale promotions stimulate compulsive buying behavior among customers, which dominates the buying decision despite comparative differences in the prices of alternate channels (Parlar et al., 2007). By making the attractive products accessible to customers at point-of-sale promotions, customers are driven by the "me too" feeling and preferential prices. The concept of point-of-sale promotions to create compulsive buying behavior is based on a brilliant understanding of the human mind and a smart way of increasing volume of store sales. Self-service retail stores have introduced electronic cash cards (ECC), shopping advantage cards (SAC), and bulk purchase price offers (BPP) as point-of-sale promotions to acquire new customers and retain existing ones (Rajagopal, 2008d).

Retailing firms build their most profitable strategies through services differentiation and competitive advantages, offering customers something new they value that other retail outlets do not have. Self-service retail stores differentiate at every point of customer services and relationship from the moment customers express store loyalty. Large self-service retail stores open up their promotional strategies to stimulate shopping behavior of customers and uncover new opportunities for them to gain long-term benefits with the retail stores and stay loyal (MacMillan and Mcgrath, 1997). However, some firms have experienced how point-of-sale promotion activities can also backfire loudly and put reputations at risk if the tools of promotion—such as ECC, SAC, and BPP—are not effectively managed. Since point-of-sale promotions have emerged as an important competitive strategy for retail firms, managers are exploring the scope of acquiring and retaining customers despite apparent risks. This strategy of point-of-sale promotions has helped large self-service retail stores to slash costs on advertising and publicity, increase volume of sales, and sharpen their focus on their core competencies (Johnson, 2006).

Large self-service retail stores or supermarkets are potential outlets where customers experience innovative promotions on a variety of products and services, which drive their buying decisions. Among various promotional offers, price discounts, free samples, bonus packs, and in-store displays are associated with product trials. Trials determine repurchase behavior and also mediate in the relationship between sales promotions and repeat buying behavior (Ndubisi and Moi, 2005). Repeat buying behavior of customers is largely determined by the values acquired on the product. AATAR factors influence customers toward making re-buying decisions with reference to the firm's marketing strategies. The decision of customers on repeat buying is also affected by the level of satisfaction derived from the products and the number of customers attracted toward buying the same product, as a behavioral determinant (Rajagopal, 2005b). Among growing competition in retailing consumer products, innovative point-of-sale promotions offered by supermarkets are aimed at boosting sales and augmenting the store brand value. Purchase acceleration and product trials are found to be the two most influential variables of retail point-of-sale promotions. It has been found that there is a significant association between the four consumer promotional approaches: coupons, price discounts, samples and buy-one-get-one-free, and compulsive buying behavior (Gilbert and Jackaria, 2002). The occurrence and the choice of appropriate retail sales promotion techniques are important decisions for retailers. It is crucial for retailing firms to apprehend the mechanisms involved at the consumer level regarding these sales promotions. Variables such as variety seeking, perceived financial benefit, brand loyalty, and store loyalty toward point-of-sale promotions have specific influences on buying behavior and the volume of retail sales (Laroche et al., 2003).

Visual effects and economic advantages associated with promotional products in retail stores often stimulate compulsive buying behavior. Point-of-sale brochures, catalogs, and posters build assumptions about perceived use value and the motivational relevance of buying decisions of a product. Contextual factors such as proximity or stimulus size, drive perception and subjective reactions on utility, and expected satisfaction of the products enhance the emotional values of visual merchandising and display (Codispoti and De Cesarei, 2007). Retailers demonstrate higher visual attention and increasing visual stimuli during point-of-sale promotions. This suggests that consumers exhibit a muddled search strategy where economic and perceived use value benefits influence the buying decision process (Clement, 2007). It has been observed that consumers perceive positive effect during interaction with sales promoters if arousal is high (Wirtz et al., 2007).

Social networks and consumer education

Most firms are shifting their marketing philosophy to make it more customer orientated by offering quality services in order to acquire and retain customers in the face of increasing global competition. Through building personal relationships with existing and potential customers, firms look toward inculcating loyalty. However, developing relations with educated customers appears to be challenging, as they are inquisitive, explorative, and meticulous in seeking information and solutions through services offered by the firms. Customer-centric firms focus on providing customer services across the board, providing access to comprehensive information to satisfy emerging customer issues. Such attention to detail requires well-trained and alert salespeople, and efficient back-office personnel. Competitive services marketing firms drive efforts to cultivate relationship competencies by articulating their reasons for customer satisfaction, learning to build pro-customer rationale in resolving postsales issues, building and retaining alliances with more powerful customers, and excelling in co-creating business culture within their customers (Isenberg, 2008).

Customer education was found to be positively associated with customer knowledge or expertise on the products or services. Customer education significantly affects customer loyalty and the service quality delivered by firms (Bell and Eisingerich, 2007). It has been observed that a service firm with a customer-orientated approach can increase the relationship quality while a low-profile selling approach tends to decrease relationship quality with highly educated customers. The relationship quality significantly affects the likelihood of customers' future retention. Firms should focus on service employee training, emphasizing that customer orientation adds additional value to a firm's service offering and influences the acquisition and retention of customers (Huang, 2008).

The expansion of retailing activities using new routes to markets and marketing technologies often demands more highly educated customers to develop compatibility in the selling and buying process. Such needs generate increasing consumer knowledge of marketing tools in order to make optimum decisions. While focusing on consumer education, services marketing issues are considered by firms as a market-driven approach (Drummond, 2004). Service quality has attracted considerable attention among global firms, and marketing services to consumers with high education profiles has been considered as a value-driven strategy to serve the premium- and middle-level consumer segments. It is argued that consumer education is a powerful quality that enables marketing strategy in a variety of service contexts to stay competitive and derive higher customer values (Burton, 2002).

The level of customer education is a key factor for measuring service quality and the way this is delivered (functional service quality). Customer education is also positively associated with customer expertise on the products and services that are to be purchased. However, it has been observed that where there is a significant amount of research on customer knowledge and expertise, there is relatively less understanding of how convergence of knowledge with service quality determines the perceived value and satisfaction (Bell and Eisingerich, 2007). In the marketing of services, fairness—which includes distributive fairness, procedural fairness, and informational fairness—are positively related to customer satisfaction. These factors are more critical to in-depth analysis by customers with a high level of education, as well as product-specific knowledge. In the process of services delivery to adaptation, trust is identified as the key mediator of fairness leading to customer satisfaction and generating long-term value (Zhu and Chen, 2012). Customer knowledge of services contracted—including exclusivity of access, the role of the customer in the functional services quality, and the longitudinal nature of the experience with identical or similar buying situations—would help them differentiate from other service experiences (Rowley, 1997). In a competitive marketplace firms tend to develop customer-oriented strategies and stay compatible with customers' knowledge. Service-driven market-orientation strategy consists of six components—customer orientation, competitor orientation, interfunctional orientation, performance orientation, long-term orientation, and employee orientation—that have a significantly strong and positive relationship with service quality (Voon, 2006). Consumer education programs can provide significant benefits, including identification of market information, complaint and consumer redress procedures, and understanding a more technology-based consumer environment (Oumlil and Williams, 2000).

The focus on consumer education in the global market environment has had a significant impact on the services industry. Firms involved in managing resources or designing options, from which consumers make choices, are in a much better position to influence how social, cultural, and environmental resources are used. In order to actualize this potential firms position their services in congruence to consumer education and develop self-efficacy, their capacity for effective advocacy, and interdisciplinary collaboration. Firms also help in raising consumer awareness, the service quality of firms, and social and moral responsibilities associated with professional practice (Sibbel, 2009). Some studies discuss that although service quality has attracted considerable attention within service-marketing literature, high-profile consumer education has not been considered a valuable strategy. It is argued that consumer education is a powerful quality strategy in a variety of service contexts and that it is already being used by an increasing number of service organizations. There exists a relationship between consumer education and service quality prior to developing an information-education continuum that could help organizations recognize when consumer education might be a useful competitive strategy (Burton, 2002).

Firms delivering services influence the degree of quality of services with references to the education of consumers, skills, and cognitive abilities toward reviewing the efficiency of services. Thus services marketing firms try to develop co-shopping and co-reviewing with customers of different levels of education (Sabrina, 2005). It has been observed that often consumers with a high level of education develop negative perceptions on services marketing firms. These consumers resist the service firm's deceptive practices (perceived deception) on consumer's relational variables (satisfaction and loyalty intentions to the online retailer). Also, the level of education in consumers plays a moderating role in product type (goods versus services), consumers' attitudes toward the Internet, and consumers' demographics in the deception–relational outcomes link (Sergio, 2010). Empirical research conducted for differentiating the various knowledge types evidences that the relative effects of self-assessed and objective knowledge depend on the type of information source. Consistent with prior research, this study shows that self-assessed knowledge is strongly linked to the consumer's use of personal sources of information, including internal memory searches and word-of-mouth communication. Conversely, objective knowledge seems to have a positive impact on the consumer's motivation to seek external information (e.g., newspaper articles, mass media sources) about the service provider (Mattila and Wirtz, 2002). Another study reveals that most experiences of power occurred in high contact services, underlining the social nature of consumer power. While high power experiences occurred due to consumer knowledge, service failure accounted for low power experiences. High power consumers have greater self-oriented action thoughts while low power consumers have greater ruminative thoughts. High power consumers expect providers to focus on the core service, while low power consumers have expectations regarding the interpersonal component of service delivery. High power consumers feel more positive emotions, fewer negative emotions and greater satisfaction than low power consumers, but there was no difference in the expressivity of emotions. Emotion expression mediated the relationship between emotions and satisfaction for high power consumers but not for low power consumers (Menon and Bansal, 2007).

Branding and pricing determinants

In the previous literature most research contributions about brand equity for services are based on theoretical or anecdotal evidence. In addition, the presumed differences in brand equity associated with search-dominant, experience-dominant, and credence-dominant services have yet to be empirically examined. Brand equity affects the customer's knowledge–trust levels in reference to experience of products and services. Such measures play a significant role in order to assess whether consumer knowledge of a product category has an effect on the importance of brand equity across product types (Krishnan and Hartline, 2001). The value of a commercial expertise is one of the most important determinants of both consumer satisfaction and identification of their services provider. Besides, corporate social responsibility contributes to building consumer identification with the company, which is positively correlated to satisfaction too. Satisfaction thus is considered as both an affective and cognitive consumer response in the services industry, which, along with identification, finally determines the attitudinal loyalty a consumer shows toward his or her provider (Perez et al., 2013).

The accuracy of consumer price knowledge is dependent on numerous factors. Consumers are more knowledgeable about the relationships between prices of competitor brands than about the actual prices themselves. The accuracy of consumer knowledge of prices is dependent on how much importance they place on price, and it influences subjects' perceptions of themselves as shoppers (Rosa-Díaz, 2004). Buyers often communicate positive and negative purchasing experiences through word-of-mouth and social media, which creates special problems and opportunities for marketer positioning products and services. Price *mavenism*[2] that is associated with price-information searching, and price-sharing behavior is often considered a negative dimension of price (Byun and Sternquist, 2010). Some consumers have a tendency to be especially involved in the marketplace. They acquire information about many kinds of products, places to shop, and other facets of the market; and they engage in many product-related conversations with other consumers to share their knowledge. Most consumers as "market mavens" exhibit their enthusiasm for shopping, buying, and talking to others (Goldsmith et al., 2006).

The pricing of services is a sensitive determinant in buying decisions among consumers. Services should be priced in a way so as to reflect the customers' price sensitivity, the nature of the transaction and its cost, and the value of information. The pricing should also reflect the four characteristics of services: intangibility, perishability, lack of standardization, and inseparability of production and consumption. By analyzing the value of information, consumers' price sensitivity, and transaction costs other than search costs against the attributes of services offered, firms could make more profitable pricing decisions (Taher and Basha, 2006). It is very difficult for large-scale retailers to price thousands of items dynamically reflecting all constraints and policies. Consumers acquire knowledge through social media on competitor-referenced pricing and demand-driven pricing dynamics in the market. It has been observed in a study that consumers' store evaluations and product search behaviors are influenced by characteristics of the medium (retail versus e-tail) but this effect is moderated by both gender and price knowledge. Females prefer a bricks-and-mortar environment and are likely to seek information at such retailers, even when similar products are available online. However, males evaluate online offers better than identical store offers, and are less inclined to engage in channel transition. The evaluations of online offers show a positive relationship to price knowledge, whereas a reverse pattern is obtained for retail offers (Chandrashekeran and Suri, 2012).

Although consumers' individual price estimates differ significantly from the actual market prices, they make close remarks to market prices based on their peer information and informal knowledge on price movements. In general, consumer price knowledge is continuously refreshed at point-of-purchase information sources disseminated either through kiosks or in-store promoters. However, the weakness in consumer price knowledge can be explained by differences in market price variation (Aalto-Setälä and Raijas, 2003). The taxonomy of product-price knowledge encompasses not just isomorphic prices, that is, actually or formerly perceived and recalled prices, but also include inferential prices, such as the normal price or the upper reservation price for a product. The price-setting conditions and confidence in prices memorized by consumers determine a consumer's product-price knowledge. There are several measurement variables to qualify a person's product-price knowledge. It has been observed that behavioral factors like price consciousness, the use of a shopping list, and shopping frequency, determinants of the accuracy, and brand confidence actively influence product-price knowledge, even though the impact structure is not uniform (Pechtl, 2008). Buyers search differently on premium price products and simultaneously they also compare low price products. This behavior depends on the search costs of the purchase situation and the knowledge of the buyer involved (Smith, 2000).

Consumers' knowledge and services quality perception

Consumers with a good level of knowledge and education perceive that quality is the key to assessing whether or not the industry provides the desired service. Consumers hold the key to business survival and success. However, there is a gap between managers' perceptions of consumers' expectations and actual consumers' expectations. The main implication for the hospitality industry is for managers to develop strategies that will meet consumers' expectations of service quality. However, there exists a gap between firms' perceptions of consumers' expectations and actual consumers' expectations (Douglas and Connor, 2003). Effective service logistics can lower the cost and increase service value by improving customer satisfaction and loyalty. However, conventional service logistics are information-driven instead of knowledge-driven, which makes them insufficient to meet the current needs. The knowledge-based service automation system incorporates various artificial intelligence technologies, such as case-based reasoning, which is used to achieve four perspectives of knowledge acquisition, service logistics, service automation, and performance measurement, respectively (Cheung et al., 2006).

It has been observed that switching costs in the interrelationships between perceived value, perceived service quality, customer satisfaction, and customer retention relatively affect customer loyalty and satisfaction with the services delivered. Service firms may benefit from pursuing a combined strategy of increasing customer satisfaction and switching costs, both independently and in tandem, depending upon the product-market characteristics (Edward and Sahadev, 2011). Customers' knowledge and expectations of service quality are interrelated. Consumer expectations are positive predictors of perceived service quality (i.e., higher expectations lead to higher perceptions of quality), while relationship between expectations and perceived service quality is stronger in the competitive marketplace than the niche markets. Consumers of services have expectations about what they will receive from the delivery system. These expectations are beliefs about future events, which, when compared to the perceived actual service delivered, are presumed to influence satisfaction and assessments of overall service quality (Coye, 2004).

Most consumers feel comfortable with long-held practices and do not respond to innovations or changes in the services system, despite firms adequately transferring knowledge on change to consumers. When consumers resist adopting an innovation because it requires them to alter established habits, the innovation is called a resistant innovation. However, firms under certain circumstances may develop *coopetition*[3] strategies, which involve some cooperation among competitive firms to make an effective strategy to market a resistant innovation. Managers should analyze the marketing problem, phases of services innovation, and the resources available to address it. Also, it is important to consider the kind of specific resources and knowledge that might be exchanged during the coopetition process and evaluate the industry climate, including the role of consumers and all market players (Garcia et al., 2007). In emerging markets, most consumers with technical knowledge of the specific services could help firms to develop the services by making them competitive, attractive, and potentially revenue-generating, as well as offering high value to consumers. Firms must involve consumers in developing such co-creation. They should also aim at low-income segments and cater to consumers' tendency to buy a lot of the cheapest services. In order to stay ahead of the competition firms should develop their service stores into centers of learning, where shoppers can fill the gaps in their product knowledge (D'Andrea et al., 2010).

The strategy orchestration

In the strategy orchestration process firms should not overlook customers at the cost of profit maximization. Managers can capitalize on the variation in customers' requirements by providing flexible market offerings instead of homogenizing marketing policies across markets, consumer segments, and product categories. However, managers may demonstrate how a new product or service being offered will provide greater value using value models and accordingly plan to deliver higher value propositions. The effect of strategy integration may result in achieving consumer loyalty toward a firm and its brands or may also show an adverse effect on consumers, who may become more likely to switch (Hirschman, 1970). Such strategy effects can be expressed as exit-voice-loyalty (EVL). Figure 10.1 exhibits components of the strategic integration process used by marketing firms and discusses related risk factors.

It has been observed that conventional suppliers have responded to the EVL situation or other destructive acts in a number of different ways. Some have shown an inclination to exit, in the belief that a better quality of service and relationship advantages could be found elsewhere. Many suppliers have revealed voice, expressing complaints, protests, or anger, with a view to eliciting an improvement in the quality of service. Mechanisms to increase stakeholder voice and loyalty can help the corporate function effectively and may increase both efficiency

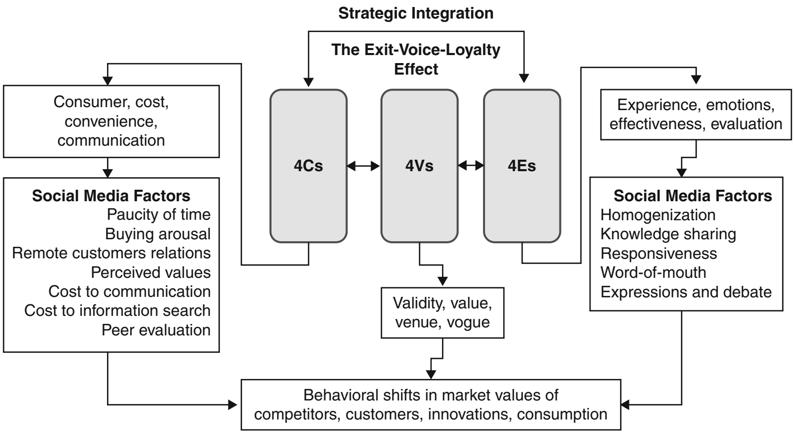

Figure 10.1 Value orchestration in social media communication process

and fairness. Managers should understand this as voice may play an important role in the maintenance of business-to-business relationships (e.g., Ping, 1997).

In a competitive marketplace the integration of consumers, values, and experiential attributes are essential for a firm, as discussed below and shown in Figure 10.1. Managers of marketing firms must understand that consumer behavior is governed by various factors including cost, product validity, emotions, and peer evaluation of consumer decisions. Platforms that successfully connect various customer groups continue to add strength to brands, products, and services. At the retail point-of-purchase factors such as the convergence of customer loyalty, value for money, and competitive product advantages drive loyalty to the firm.

Consumer attributes

Firms may sustain market competition provided they stretch their role with consumers and spread consumer segments across high- and low-end segments. Many multinational companies are enhancing their products to serve mass-market segments and multi-sided platforms that include organizational clients. Managers may consider designing the cost structure in reference to costs associated with the design, production, logistics, marketing, and administration of sales. Convenience to customers is one of the critical determinants for firms to sustain and lead the market competition. It can motivate customers to develop an inclination toward the firm's products and services, and is broadly built around routes to market, financial support, and perceived experience. Managers need to integrate the following modes of convenience to drive higher competitive advantage:

- Mobile marketing;
- E-commerce;
- Exclusive sales outlets;
- Retail ergonomics;
- Self-service technology;
- Financial plans; and
- Product and customer services.

The quality of information to support the process of customer's buying decisions is a vital factor at all levels of a product lifecycle. Information on various marketing variables in developing appropriate strategy provides a strong base for developing decision constructs among managers. Firms may be engaged in selling a range of products, when each consumer prefers to concentrate his purchases from a single supplier, evaluating the buying and nonbuying expenditure (convenience, comprehension of data, cost to customer, and care—the four Cs) of using additional suppliers. If firms offer different product ranges, some consumers will nevertheless use multiple suppliers to increase product variety and, since these consumers' purchases will be sensitive to the difference in firms' prices, the market may be quite competitive (Rajagopal and Sanchez, 2005). Global companies should be characterized by a centralized market communication policy on developing advertisements, and communicating top-down marketing policies. However, managers should also encourage bottom-up strategy building policies involving channel partners in the process.

Value attributes

The validity of products and services is linked to perceived use value of consumers and routes to market that determine the venue for buying. Consumer perceptions of validity include product quality, value, and purchase intentions that do not differ significantly between marketing strategies with marketplace competition. Products with positive marketplace competition are viewed better than products with negative word-of-mouth messages (Borin et al., 2011). In a competitive marketplace firms may drive functional awareness by offering training to distributors and customers on innovative products, technology, and their use value. This helps to develop awareness and comprehension about products and services among channel partners and consumers. Customer value also contributes significantly to validating the firm's marketing policies. Value can be created by the firm by:

- Offering innovative products,
- Improving performance of products and services,
- Designing products that generate higher perceived use value, and
- Considering price sensitivity.

A firm may expand its marketing activities by developing more routes to market, such as retail stores, company outlets, virtual shops, mobile marketing, lifestyle centers, shopping malls, and catalog stores across the markets. Firms should also manage "vogue," which is an endorsement that market communications need to be tailored to market-specific strategies. As a communications tool, endorsement will comprise some of the signal of the endorsed brand; it seems likely that the credibility of an endorser will subsequently transfer to the brand. Endorsement can also affect the brand's perceived quality. Celebrities can function as extrinsic cues to imply information about product attributes, and quality, which consequently reduces consumer uncertainty and encourages particular product preferences (Spry et al., 2011). The communication of the company should be driven in a strategic manner to be well received by consumers and strategic partners. It would be an advantage for companies to have a creative division, which would help in taking their customers into their confidence in co-designing products and services to develop an effective unilateral response.

Experiential attributes

Consumer experience is a major driver of a firm's performance and should be developed through IMC and product access to consumers for developing perceptions. IMC is capable of enhancing the holistic consumer experience and creating a holistic brand value structure, which can unite the consumer's sensory, emotional, social, and intellectual experiences in a new and positive way (Tsai, 2005). Firms may plan to serve consumers to construct sustainable behavior through:

- Generating visual effects;
- Product arousal;
- In-store attention, interest and desire;
- Product experience; and
- Positive word-of-mouth.

These factors may drive consumer emotions in reference to vividness, interactivity, challenge, quality and speed of interaction, top-of-mind effects, and social networking opportunities. Positive or negative emotions may result depending on how the marketing ambience of the firm performs in these dimensions.

There are various risk factors to be understood by the firm's market strategists. Most firms feel that standardizing products and services upholds the firm's values in the competitive marketplace. However, homogenization of policies may not respond to the requirements of consumers and the market if it means that local preferences are ignored. When low-priced disruptive innovation products with easy-to-use versions are offered to low- and middle-end consumers, firms doing business with established brands are affected. Markets offering disruptive innovative products are always motivated to target up-markets than to defend low-end markets (Christensen et al., 2006). As a result, a sub-market consists of highly substitutable products and consumer values are reflected in their competitive gains, perceived use values, volume of buying, and level of quintessence with the customer relationship services of retailing firms.

One potential way to assist consumers in making dynamic shopping decisions is to disclose price information to them before they shop, for example, by posting prices on multiple retail channels like catalogs, websites, and eBay. Multichannel retailing outlets, including catalog and virtual outlets on the Internet, offer quick product searches, and comparative data on product, price, promotion, availability, and additional services to shoppers in order to build shopping motivation. Managers can take advantage of the positive linkage between website design features and product search behavior by tracking online consumers' expectations.

11
Globalization and Consumer Behavior

Globalization may be described as the combined influences of trade liberalization, market integration, international finance and investment, technological change, the increasing distribution of production across national boundaries, and the emergence of new structures of global governance. The global marketplace, equipped with the application of global communications, has become the focus of the global business arena, which keeps the world markets open and competitive practices fair. At the same time the antiglobalization movement is also developing, protesting against the hazards of suppressive strategies used by global companies, which affects regional trade entities. Contemporary trends in globalization and corporate responsiveness to increasing competition suggest that globally integrated strategies are largely customer-centric and supported by the consumer consensus on marketing policies for many industries. The social media based firm-level model explains corporate responsiveness in reference to industry trends from economic perspectives and organizational behavior. The mass markets represented by the large consumer segment exhibit high potential for firms to sustain the market completion. Thus firms should stay consumer-oriented and build their foundation on the social networks in order to develop interactive marketing platforms. This would help firms not only to develop consumer loyalty but also to enhance their market share of this large demographic segment (Tallman et al., 2002).

The concept of globalization has strong arguments in favor of developing the trades and economies of developing countries by way of flexible trade and capital movements, migration of human and technological resources, and sharing of knowledge. Developing countries' exports largely consist of primary commodities, including agricultural produce and raw material. It has been observed that there has been a steep decline in exports of these products from developing countries in the world market. Globalization may liberalize the trade movement for basic export products from developing countries. However, after the introduction of economic reforms, the strongest rise by far has been observed in the export of manufactured goods. Foreign direct investment has become the most important contribution enhanced by the globalization process, which can help developing countries to increase their foreign reserves, strengthen their economies, and maintain sustainable growth. Both portfolio investment and bank credit have risen but they have proved more volatile, falling sharply in the wake of the financial crises of the late 1990s.

Supporters of globalization argue that allowing free trade and capital movement allows workers to move from one country to another, partly to find better employment opportunities. Most migration occurs between developing countries. However, the flow of migrants to advanced economies is likely to provide a means through which global wages converge. There is also the potential for skills to be transferred back to developing countries and for wages there to rise. Transfer of knowledge on managerial skills, and technology and production processes is a necessity for development, which is made easy through globalization. Knowledge about production methods, management techniques, export markets, and economic policies is available within developed countries at a relatively low cost, and it may be regarded as a valuable resource for developing countries.

Globalization and new technologies with interactive platforms have reduced the efficacy of command-and-control management style through effective corporate communication across the company's employees, market players, and consumers. Most companies tend to resolve business situations internally by conversing with their employees rather than simply issuing orders. Such interface strategies to resolve business situations help to promote corporate image, products and services, operational flexibility, employee engagement, and strategic alignment. The organizational conversation reflects the four Is of interpersonal conversation structure: intimacy, interactivity, inclusion, and intentionality. Intimacy drives a bottom-up exchange of ideas through social media platforms in an organization, shifting and developing consumers' behavioral involvement in the discussion. Interactivity entails shunning the simplicity of monologue and embracing the unpredictable vitality of dialogue. Traditional one-way media, like print and broadcast in particular, give way to social media supported by social thinking. Inclusion turns employees into full-fledged conversation partners, entitling them to provide their own ideas, often on company channels. Including subjects in the process of brand building can create content and allow them to act as brand ambassadors, flag leaders, and storytellers while "intentionality" enables leaders and employees to derive strategically relevant actions from the push and pull of discussion and debate (Groysberg and Slind, 2012).

Operating in the global environment requires mastered skills to penetrate the host countries, particularly when trade barriers and government protections have been removed and business policies have been restructured. The phenomenon of the global customer is growing in importance every day and so is the global-customer-centric organization. Yet many companies—especially those designed according to function, country, and business unit—are having difficulty redesigning and aligning their structure with the needs of global customers. The reasons for the globalization of business have been revealed in many ways. Of these, significant variables include:

- Market saturation in the home country;
- Trade deficit and long disequilibrium in the balance of trade;
- Increasing foreign competition;
- Emergence of new markets;
- Globalization and free trade zones; and
- Opportunities via foreign aid programs.

Problems in the developing world manifest themselves in different ways, apart from falling incomes and the absence of growth. In a number of cases there were serious crises with balance of payments (Indonesia, Mexico, and Nigeria); in Latin America there was acute hyper-inflation (Argentina, Bolivia, and Peru). Macroeconomic instability usually has serious consequences for a country's balance of payments and trade. Domestic imbalances translate into current account imbalances, and then foreigners are often blamed for unfair trade practices and the like. The greatest risk of slippage in trade policy occurs where there is a lack of fiscal and monetary discipline, and the real exchange rate is allowed to appreciate sharply; that is, nominal exchange rates are not allowed to compensate fully for the differentials in inflation between the home and foreign markets (Drabeck and Lared, 1997).

Globalization and its impacts have profound implications for a broad range of issues important to the funding community. These issues range from the sustainable use of the world's resources, and the protection and preservation of the environment, to the need to improve living standards, safeguard human rights, promote and protect cultures, and ensure democratic and responsive global governance. While the idea of globalization has only recently captured public attention, it has been taking place for centuries. Globalization of market opportunities has been observed as the outgrowth of the above factors, and the scope of such marketing opportunities has increased with the continued deregulation of significant functional sectors, such as financial services, leisure industry, information technology, etc.

The largest and most powerful multinational businesses prefer to be aggressive to dominate the most demanding and emerging sectors. General Motors, for example, is offering credit cards as well as manufacturing and marketing of automobiles, while supermarket groups now routinely offer gasoline, banking, and pensions and savings plans. The privatization of state and public sector ventures like energy, transport, and communication has led to industrial restructuring and has further allowed multinational companies to compete in these countries. Entry to liberalized state and public sector industries has brought more professional rules and guidelines for implementing quality standards, like International Standards Organization (ISO). Nevertheless, there has been a backlash against liberalism. Traditional calls for interventions to save jobs or redistribute wealth still strike a chord. Moreover, many people dislike the fact that seemingly impersonal market forces hold sway over their lives, even though markets in fact reflect the combined preferences of millions of ordinary people.

Globalization is not new, but it is more pervasive than before. A century ago, for instance, there was more cross-border migration than there is now. Throughout the past century, new technologies have continuously caused upheaval. Now in the media age, people are constantly confronted with changes that they would otherwise have been unaware of. There has often been a strong social and political reaction in the initial phase of building the concept of globalization in countries. Antiglobalization arguments tend to crop up in reference to economic integration, social integration, and political integration. A study using panel data for 123 countries in 1970–2000 empirically analyzes the effects of the overall index of globalization, as well as sub-indexes constructed by measuring the single dimensions of economic growth. The results show that globalization promotes growth—but not to the extent necessary to reduce poverty on a large scale. The dimensions most robustly related to growth refer to actual economic flows and restrictions in developed countries. Although less robustly, information flows also promote growth, whereas political integration has no effect (Dreher, 2003). The globalization of capital and product markets has many implications for economic welfare. Countries can specialize in the production of goods for which they have comparative advantages and capital is allocated more efficiently. However, one potentially adverse effect of globalization is the possibility that the volatility of business cycles might increase. Rapid and badly coordinated capital account liberalization has been blamed for enhancing the vulnerability of emerging markets to unstable international capital flows. At the same time, business-cycle volatility in OECD (Organisation for Economic Co-operation and Development) countries seems to have been on the decline in the past decades.

There has been substantial thinking in favor of globalization. Economists, management experts, and statisticians have the strong notion that big demographic and social lifestyle shifts will impact business in this new decade, century, and millennium. Fickle fashions, ageing but wealthy populations, retired people inheriting trillions of dollars, an aggressive war for top talent, the influence of female consumers, human cloning, medical breakthroughs, and a host of other factors—including the huge untapped challenge of mega-city markets in emerging economies—are fundamental to the shape of business because they alter the way people think and feel. Soft factors may create the greatest new business opportunities. Nevertheless, are teams gearing up to exploit them? Fears that globalization is imposing a deadening cultural uniformity are as ubiquitous as Coca-Cola, McDonald's, and Mickey Mouse. Many people dread that local cultures and national identities are dissolving into a cross-regional consumerism. That cultural imperialism is said to impose American values as well as products, promote the commercial at the expense of the authentic, and substitute shallow gratification for deeper satisfaction. The core issues woven around globalization are that it can free people from the tyranny of geography. Just because someone was born in France does not mean they can only aspire to speak French, eat French food, read French books, and so on. That we are increasingly free to choose our cultural experiences enriches our lives immeasurably. We could not always enjoy the best the world has to offer. Technology is reshaping culture. Just think of the Internet. Individual choice is fragmenting the imposed uniformity of national cultures. New hybrid cultures are emerging, and regional ones re-emerging. National identity is not disappearing, but the bonds of nationality are loosening. Some of the questions that have a strong hold in the debate on globalization seem to be more of a reaction against Western influences pushing global trade. The questions that have emerged during the thought process of globalization may be stated as whether globalization and international trade is destroying local cultures and diversity? Does market expansion drive business liberties and increase firms' operational choices? Does trade in cultural products support diversity in business?

Cultural diversity has multiple meanings. Diversity within a society refers to the richness of choice within that society. Globalization focuses on diversity across societies, that is, whether societies are becoming more similar. Cross-cultural exchange tends to favor diversity within a society but not across societies. Trade tends to increase diversity over time by accelerating the pace of change and bringing new cultural goods with each era or generation. Cultural similarities tend to come together over time across regions. That is, although chain restaurants take an increasing percentage of restaurant sales, growth in dining out has led to an expansion of specialty-food opportunities. While cross-cultural exchanges can alter and disrupt each society they touch, they also support innovation and creative human energies. The author's views are definitely positive on the benefits of cross-cultural exchange. The *creative destruction* of the market creates a plethora of innovative and high-quality creations in many different genres and styles, while media cross-cultural exchanges expand the menu of choice, at least provided that trade and markets are allowed to flourish (Cowen, 2002). Since globalization gathered pace in the 1980s, world inequality has also increased. The strong arguments against globalization claim that while some developing countries were able to take advantage of trade to improve their standard of living, many fell further behind as they depended on a single commodity. Rich countries invested erratically and selectively in developing countries and continued to protect their own markets. The anti-globalization movement argues that the world trading system is unfair, undemocratic, and unsustainable.

Few subjects polarize public opinion as much as the role of globalization in developing countries. Foreign direct investment boosts their economic performance by endowing them with new skills, new technologies, and new jobs—all of which increase their standard of living. In reality, global corporations and the developing countries where they invest have symbiotic objectives. Globalization brings broadly positive economic benefits to developing economies, which in turn represent the best hope for the future of global companies. Both sides should recalibrate their approach. The advantages of globalization may be viewed giving ambitious companies access to the best capital, talent, markets, and resources that the world has to offer. At the same time it generates neck-to-neck competition for survival as, for some companies, every organization is essentially competing against the best in the world. In this adaptation from *Race* *for the World*, globalization explores the economic benefits of free trade and looks at how the changing landscape will force many companies to reevaluate their strengths and weaknesses. Globalization is both irreversible and, in its present form, unsustainable. What will come after it is far from determined. It could be a war of all against all, world domination by a single superpower, a tyrannical alliance of global elites, global ecological catastrophe, or some combination thereof. Hence, at the positive end globalization gets mixed reviews. However, increasing interconnectivity among the world's people seems to promise a *global village* in which the destructive antagonisms of the past can be left behind, replaced by global cooperation and enriching diversity.

Information sharing and market competition

Manifold growth in information and communication technology has been one of the key factors in the changing marketing practices in the global marketplace. As information technology continues to develop, consumer demands and priorities change, and marketing has now come under the control of consumers through the information grapevines that spread around the social networking communities. Such development has driven virtual shopping practices in the developed markets, and the liberalization of economic policies has given impetus to digital-era marketing in developing countries. A principal change that information and communication technology has brought about is that most firms have devised their marketing strategies based on price advantages along with the quality, features, and services as key competitive differentiators. As the route to market has shifted to Internet-based virtual shops, the price-led differences among the competitors have been narrowed though the number of competitors has increased in both physical and virtual markets. The power of social media and social network communities has dramatically blown high the interpersonal communications, which has on the one hand widened the communication grapevine and increased the bargaining power of the consumers on the other.

Competing firms pay more attention to the sources of factors, quality thereof, cost and management in order to prove that they are better than one another. Customers, the end users, are the ultimate target of competitors building aggressive and defensive strategies in business. Competing firms try to attract customers by various means to polarize business and earn confidence in the marketplace. It is necessary for successful business companies to look for a place of business that provides them with a location advantage, as well as customers for their goods and services. Business cordoning or securing trade boundaries is an essential decision to be taken when building competitive strategies to attack rivals across regions. Even small businesses can compete globally with firms of all sizes through the Internet. The distribution channels, franchisees, carrying and forwarding agents, retailers, and mailers with value added services represent an increasingly intense business rivalry in all markets or competitive domains. Many firms like Godrej (diversified products), Proctor & Gamble (consumer goods), and Compaq (computers) reward their managers handsomely for winning business battles in their channel wars. Political patronage for specific industries provide long term support to firms for sustaining the external market competition. Native industries such as textile, food, wine, handicrafts etc. often receive poilitical patronage in the form of business protection to grow in the domestic market.

Many organizations feel that in this competitive environment establishing strategic alliances can better check a competitor's penetration than their own brand or technology-driven company. They recognize that alliances and relationships with other well-known companies are fundamental to outwitting, outmaneuvering and, outperforming competitors by ways of better branding, better service, and tagging global brands to provide an assurance of quality goods and services. Alliances and relationships can thus transform the concept of the competitor. In international marketing many industries face fierce competition leading to price wars. Foreign manufacturers penetrate international markets by offering low priced, high-quality products. Retail sales of food and drink in Europe's largest markets are at a standstill, leaving European grocery retailers hungry for opportunities to grow. Most leading retailers have already tried e-commerce, with limited success, and expansion abroad, often with more.

Globalization has not only shown many advantages of economic growth for the developing countries but has also posed threats to the regional business environment. Competition among firms is increasingly shifting from company versus company to supply chain versus supply chain. Benefits can be grouped as customer-oriented benefits, productivity benefits, and innovation-related benefits. Factors supporting collaboration are observed as trust, common goals for cooperation, and existence of cooperation mechanisms, while barriers are related to three factors: lack of trust, risk-benefit evaluation, and lack of common goals for cooperation (Dilek et al., 2005). Collaborations in business strategy may be considered analogous with cooperation in reference to prevailing concerns about globalization. On the contrary, heavy competition in India in almost all product categories has been experienced due to diversification by large and medium companies and the increased entry of multinationals, which has restricted the growth of domestic companies. Previously, large companies enjoyed high profit margins by targeting premium priced products to the upper strata of Indian society. High levels of competition from equally well-known brands have not only decreased these companies' market share but also created price wars, reducing profit margins and limiting market growth. This has motivated companies to consider the lower classes and the rural segments, which they had previously ignored (Dubey and Patel, 2004). In these increasingly competitive markets, large and well-known firms are developing strategies to move into the provision of innovative combinations of products and services as "high-value integrated solutions" tailored to each customer's needs, rather than simply "moving downstream" into services. Such firms are developing innovative combinations of service capabilities—such as operations, business consultancy, and finance—required to provide complete solutions to each customer's needs in order to augment customer value toward innovative or new products (Rajagopal and Rajagopal, 2007). From the point of view of supporters of globalization, competition may be characterized as striving together to win the race, not to destroy other competitors. Local market competition is targeted toward the customers, with competitors striving to win the customer, temporarily or permanently. However, in the business-to-business process, competition may become more tactical and strategic in order to help firms outperform their rivals. In this way, competition can be seen as a regulated struggle. Competitive roles can be radically altered with technological advances or with the right marketing decisions (Rajagopal, 2006d).

The global growth products of multinational companies are mostly centralized in the country of origin and the products that emerge tend to have features, advantages, and benefits specified by the company's central marketing system. Hence, key technologies and major product introductions cater primarily to customers in that geographical region. Marketing and customers in other regions are relegated to accepting custom modifications or buying from other local suppliers. Product targeting goes beyond the perceived use values of the customers, local preferences, and local language. Expectations regarding size, shape, customized items, price, and availability vary widely. Hence, regional markets tend to be dominated by local companies. Often the companies offer locally engineered or customized products at a differential price to win market share. For growth and success in the new global economy, the guiding principle must be "Go Global, Think Local!" Automation suppliers must become truly global by allowing the local development of products for local markets. The best approach is to develop technology (hardware and software) through global alliances—preferably with relatively small, fast-moving local companies. In a global market, there are three keys that constitute the winning difference:

- Marketing abilities that assess correctly the local needs in a global arena;
- Proprietary technology and products targeted specifically at local markets;
- High-value-added services offered through effective local service providers.

In the global village of the new economy, automation companies have little choice—they must find more ways and means to expand globally. To do this they need to minimize domination of the central corporate culture and maximize responsiveness to local customer needs.

New horizons

During the financial crisis of 2007–2010 in the USA and Europe, most firms in this region faced slow growth and had to live with the effects of recessionary economies (Pradhan, 2011). In contrast, emerging economies such as those of the BRIC countries—comprising Brazil, Russia, India, and China—experienced robust growth, with expected strategic development in trade and economy as planned. The BRIC countries contributed 30% of global economic growth during the period 2000–2008, which was an increase from only 16% in the previous decade. However, by contrast, the contribution of highly industrialized G7 countries—comprising USA, UK, France, Germany, Italy, Canada, and Japan—fell from 70% of growth in the previous decade to only 40%. However, the next generation[1] of emerging countries known as N-11—including South Korea, Mexico, Indonesia, and Turkey—contributed 10% of global growth during 2000–2008. The scope of the growth opportunities in developing and emerging economies is significant, as the middle classes in the BRIC and N-11 economies continue to grow (Patel et al., 2012).

There are many new hybrid business cultures emerging across the world. Of these, the regional ones are re-emerging through international partnering under the aegis of globalization. The evolution of trade partnerships with companies based in other countries is a phenomenon that often reflects deep structural changes in a country's whole economic system. It usually takes a while to unfold, since comparative advantages in international business partnering have long-term gains. Globalization has increased access to markets, following worldwide political and economic changes. Structural reforms in developing countries have broadly focused on five major areas comprising international trade, financial markets, labor markets, and the generation and use of public resources. Consequently financial developments have improved, especially the depth of financial intermediation, private sector participation in banking, and the size and activity of stock markets.

The challenges of firms are growing to manage business in the future. The first challenge is to keep pace with the rapid growth and greater involvement of firms in global business activities. Social media has emerged as one of the new and powerful platforms, allowing firms to stay abreast of consumer dynamics in the global marketplace. In particular, the tremendous growth in interactive marketing activities has necessarily engaged new entrants in global business-to-business activities, to which much greater attention should be paid. The second challenge for firms is toward the business-process transition, which demands better management of supply-chain systems through greater coordination of entire distribution channels, alliances, and relational exchanges. Most companies are relying on social network platforms for faster exchange of communications, while implementing sophisticated market communication technology, such as radio frequency identification. Finally, another challenge facing firms is the transition to electronic forms of exchange, particularly with respect to information access, storage, and retrieval (Samiee, 2008).

Market access has also been improved by the growing regional trade blocks. Such accessibility is further reinforced by the reduction of trade barriers through far-reaching business communication strategies, product and market development programs, and customer relations. This situation has given a boost to determining market opportunities, as narrowing trade barriers helped to deregulate certain sectors of trade, such as financial services. However, there may be some exceptions to this common pattern.

Globalization has opened up high comparative advantages in many manufactured goods through partnership deals to explore businesses in the emerging economies. These generally display a trend toward increasing specialization and high consumer values. Leading alliances between major multinational enterprises may be seen in reference to production, finance, technology, and supply chains, along with other complementary activities.

Production sharing is one contemporary global economic trend, based on the concept of comparative advantages, which offers economic advantages at different stages of the production process. The strategy has emerged as a solution to an economic problem in developing countries, where the absorption of surplus manpower in industry is a national economic issue. Consequently developing countries turn to developed countries as the major cost-effective labor market in order to share production of labor-oriented products. Investment in production-sharing operations has become an integral part of global efforts to reduce manufacturing costs and has contributed to the accelerated pace of cross-border integration of manufacturing in North America and the Caribbean Basin. Currently, production sharing seems to be a growing practice that helps to build and strengthen international partnerships with global firms like Volvo, where the Swedish automobile company has manufacturing partners for heavy-duty engines in India and Mexico. This practice offers both the developed and developing countries scope to share their resources and strengths for their mutual benefits.

Markets today provide opportunities to customers for benefiting from multiple goods and services on a single window of virtual shops, but the shopping trends guided by virtual platforms have significantly shifted the strategies of marketing firms toward cross-cultural ambiance. Firms are drafting a more coordinated and strategic approach through integrated marketing communications instead of deploying disjointed marketing strategies. Accordingly, firms are building marketing strategies that address the long-term marketing directions of the firm and to gain advantage over competitors.

The emergence of virtual shopping and the liberalization of economic policies in developing countries all over the world has turned competition into a traditional derby. In this business game the rules and prize money are subject to change without notice, the route and finish lines are likely to alter after the race begins, new entrants may join at any time during the race, racers may form strong alliances, all creative strategies are allowed in the game and the state legislation may change without notice and sometimes with retrospective effect. Hence, to win the race a company needs to be able to outwit, outmaneuver, and outperform its competitors. In this process, a company must understand thoroughly all the moves of the rival firms from various sources. The locales of rival businesses must be spotted to assess their strengths. In such situations it may be necessary for a firm to hold the hand of a stronger brand.

Social media today is an agglomeration of various online tools that are designed for and center on social interaction. Social media serves as a conglomeration of web-based technologies and services, such as blogs, micro-blogs (i.e., Twitter), social sharing services (e.g., YouTube, Flickr), text messaging, discussion forums, collaborative editing tools (e.g., wikis), virtual worlds (e.g., Second Life), and social networking services. Unlike traditional media, social media relies on user-generated content, which refers to any content that has been created by users of any demographic or professional category. Traditional media such as radio, books, and network television is primarily designed to be a broadcast platform (one-to-many), whereas social media is designed to continue dialogues among peers and organizations. Social media has not only been used by companies to promote their businesses, but also much government activity is now focused on it. This is providing a new challenge for the governments of respective countries to regulate communication flow through social media (Bertot et al., 2012).

Notes

3 Strategic Planning with Social Media

1. See http://www.dell-hell.blogspot.com/.

4 Social Marketing

1. See http://www.amul.com.
2. *Business Today*, September 21, 2000, p. 22.
3. Richard and Rafael (1993).

5 Digital Communities

1. Nippon Electric Company, Limited (renamed NEC Corporation, effective April 1983, both expressed as NEC hereafter) Japan's first joint venture with foreign capital, was established by Kunihiko Iwadare in association with the US firm Western Electric Company (presently Alcatel-Lucent). The basic aim of the new company, expressed in the slogan "Better Products, Better Service," was to carry out the promise to provide its customers with world-class products and dependable follow-up service.

6 Social Media and Consumer Insight

1. See www.bmw.com.
2. A word or phrase used in micro-blogging and social networking services, such as Twitter, that is preceded by a hash mark (#) and identifies a category of interest and facilitates a search for it.

8 Technology and Media Effectiveness

1. See Ron Utterbeck, interview by Robert Berkman, "GE's Colab brings good things to the company," *MIT Sloan Management Review*, sloanreview.mit.edu, November 7, 2012.

9 The Human Factors

1. C-suite is described as consumer-centric marketing paradigm followed by companies using social network platforms.
2. A tachistoscope is a device that displays (usually by projecting) an image for a specific amount of time. It can be used to increase recognition speed, to show

something too fast to be consciously recognized, or to test which elements of an image are memorable.
3. Almquist and Wyner (2009).
4. Pederson, Wright, and Weitz (1984).
5. Gupta and Mela (2008).
6. Harvard Business School (2000).

10 Communication Conflicts

1. Source: Adapted from the Office of Disease Prevention and Health Promotion, Boston University.
2. Market *mavenism* is a process in which individuals who have information about many kinds of products, places to shop, and other facets of markets initiate discussions with consumers and respond to requests from consumers seeking further market information. Market mavens are also engaged in diffusing the market information through social media.
3. Coopetition may be defined as cooperative competition. This practice is largely followed by firms to work with other firms on project-to-project, joint venture, or cooperative marketing basis.

11 Globalization and Consumer Behavior

1. The N-11 group of countries includes Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, Turkey, South Korea, and Vietnam, as identified by Goldman Sachs Investment Bank.

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