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CONSUMER BEHAVIOR IN ONLINE SOCIAL NETWORKS: REVIEW AND FUTURE RESEARCH DIRECTIONS

Rimantas Gatautis[1], Asta Kazakevičiūtė[2]

[1]*Kaunas University of Technology, Lithuania, rgataut@ktu.lt*
[2]*Kaunas University of Technology, Lithuania, asta.kazakeviciute@ktu.lt*

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Abstract

The number of online social users grows very fast and socialization became most important activity. Companies deploy online social networks, platforms, tools and services in various activities aiming to create better experience for consumers which suppose to lead for loyalty, better branding and increase of sales. As social media networks and platforms represent new phenomena to practitioners and researches, there are only few attempts approaching consumers' behavior in online social networks. Researchers analyzes consumers engagement models, transformed cyclic consumer decision model, typology of engagement (types of user behavior) or factors affecting consumer behavior in online social networks. As there is growing number of research in this area paper aims to provide a systematic review of consumer behavior in social media research and to identify important research areas structuring current research approaches.

Keywords: online social networks, consumer behavior, decision making, engagement.
JEL Classification: M39, O39.

Introduction

The recent development of web 2.0 technologies and social networks brought enormous possibilities for consumers and companies. The number of online social users grows very fast and socialization became most important activity leaving behind porno sites and emails. On the other hand the number of various social platforms and tools increase rapidly as well. This also brings new challenges for companies – representing the potential markets online social networks and platforms serve as single markets creating access to large number of customers(Gatautis 2008, Vitkauskaite, 2011).

Companies deploy online social networks, platforms, tools and services in various activities aiming to create better experience for consumers which suppose to lead for loyalty, better branding and increase of sales. According Cap Strategic Research report (2010) currently about one-half of companies use social media to promote themselves through social media messaging (56%), monitor trends among their customers (53%), and provide ways for customers to interact with their company (52%). About one-third use social networks to research new product ideas (34%), and about one-fourth advertise on social networks (27%). Social media landscape serves more as test ground for companies (Ovyang, 2010) and many companies lack of methodological and systematic approach for developing social media marketing programs.

As social media networks and platforms represent new phenomena to practitioners and researches, there are only few attempts approaching consumers' behavior in online social networks. J.Owyang (2011) in his research analyses marketing funnel, hour glass and consumers engagement models, P.Madsen (2011) proposes transformed cyclic consumer decision model, B.Solis (2010) analyzes users' engagement. M. Leander (2011) in his researchers proposes extension for AIDA model, focusing on consumer information absorption behavior, W. T. Paarlber (2011) proposes typology of engagement (types of user behavior). As there is growing number of research in this area *paper aims to provide a systematic review of consumer behavior in social media research and to identify important research areas structuring current research approaches.*

The object of research – consumer behavior in online social networks.

The methods of research are systemic, logic and comparative analysis.

Consumer behaviour in social networking sites

One of the most challenging areas for researcher sand companies is consumer behavior. There are different studies analyzing consumer behavior online models or factors implementing online purchasing behavior. Some researchers tend to agree these models also actual in online social networks websites, on the other hand some researchers emphasize need for new approaches and ideas.

Engel, Kollat and Blackwell proposed consumer decision process is widely recognized by scholars and consists of 5 stages – need recognition, information search, evaluation, purchase, and post-purchase. Considering this approach is also actual is social networking sites it is important outline opportunities created social media in the process (Table 1.)

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Table 1. Consumer buying process and social media opportunities (adapted from Gartner (2010), and Davidaviciene, Gatautis, others (2010) etc.)

Stage	Social marketing opportunities	Enabling services
Need recognition	Create and raise awareness	Connecting and sharing with friends services allows spending more time and identifying new needs
Information search	Provide context	Bookmarking, information sharing, personalized pages services
Evaluation	Build trust	Opportunities to provide feedback and reviews
Purchase	Transaction	Transactional (group buying, buy for friends, ect.) services
Post-purchase	Increase satisfaction	Supporting and personalized services

Although according Gartner (2010) buying behavior stages remains the same as in offline markets, M.Coufario (2002) emphasizes "a key difference between online and offline consumer behavior is that the online consumer is generally more powerful, demanding, and utilitarian in her shopping expeditions". Power and demanding of consumer relate to opportunity to get more information, to access reviews and evaluations, growing socialization. In the context of socialization friend and social activities acts as new information sources increasing consumer power. This also close connects to utilitarian aspect as socialization serves as factor increasing utilitarian value.

The growing social media environment embrace more challenges for consumer and decision making process become increasingly followed by various interconnected decisions. Cort, Elzinga, Mulder and Vetvik (2009) basing on qualitative and quantitative observations in automobile, skin care, insurance, consumer electronic and mobile –telecom industries came with the proposal that consumer decision process is more circular then linear.

The proposed approach was based on 4 stage:

- The consumer considers an initial set of brands, based on brand perceptions and exposure to recent touch points.
- Consumers add or subtract brands as they evaluate what they want.
- Ultimately, the consumer selects a brand at the moment of purchase.
- After purchasing a product or service, the consumer builds expectations based on experience to inform the next decision journey.

D.C Endelman (2010) extends these ideas and explains "marketers assumed that consumer started with a large number of potential brand and methodically winnowed their choices until they'd decided which one to buy". This assumption is based on offline market precondition while consumer used to get limited access to information and brands. Meanwhile with tsunami of information consumer is overwhelmed with various propositions, interactions and services from companies. Within this context consumer "add and subtract brands from a group under consideration during the extended evaluation phase" (Endelman, 2010). The importance of this evaluation process might be resulted as purchase decisions and after acquiring the product, information or service customer enters open-ended relation phase.

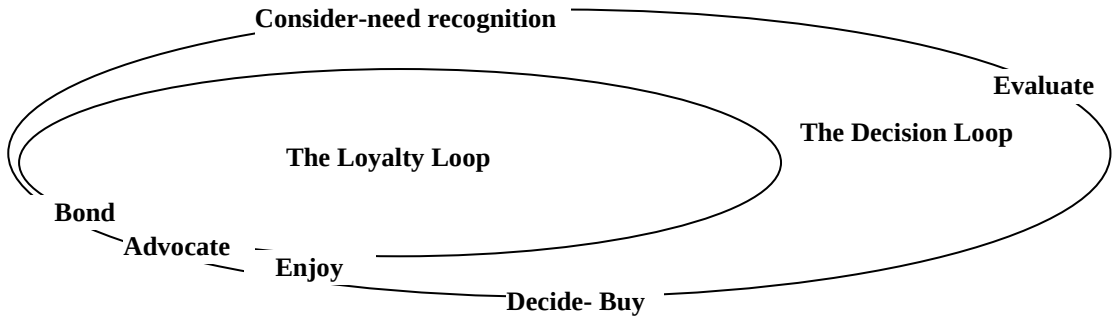

Figure 1. Consumer decision journey *(adapted from Endelman, 2010)*

In the same manner D.C Endelman (2010) stick to consumer decision journey and assumes this process is "how consumer engage with brands". The important issue is to mention that "customer's engagement with brand doesn't necessarily begin or end with the purchase" (Endelman, 2010). Comparing

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with previous research Endelman extends consumer journey process concept structuring post-purchase stages into 3 substages – enjoy, advocate and bond. Endelman emphasizes the importance of evaluation and advocate stages as new media technologies provides opportunities to makes these stages increasingly relevant.

Following these ideas P.Marsden (2011) marketing connects propose neither decision making process as a cyclic activity nor linear process.

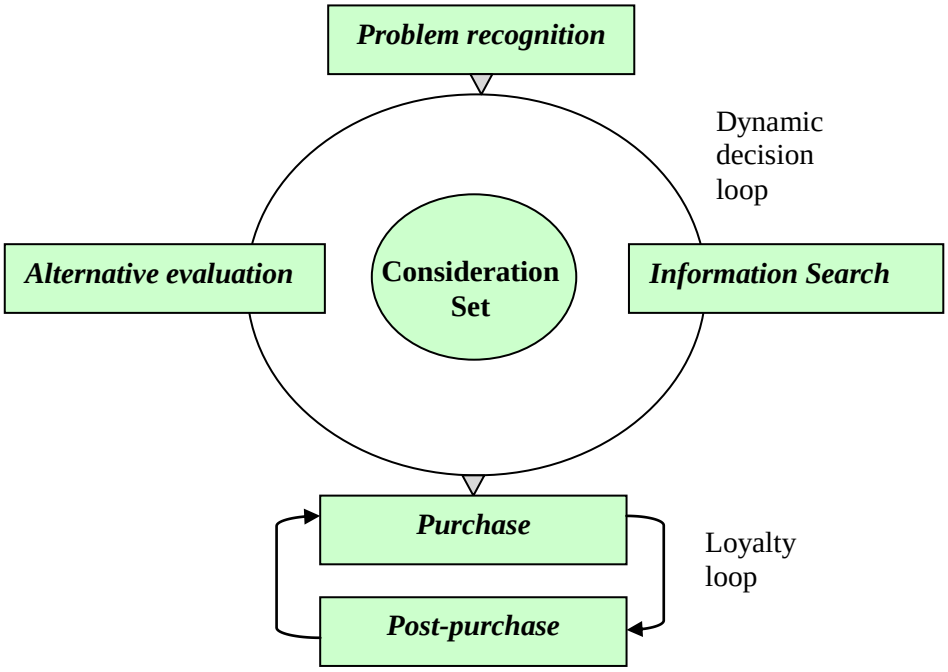

Figure 2. Cyclic user behavior *(adapted from Marsden, 2011)*

P.Marsden (2011) builds his proposition on Endelman (2010) and McKinsey consulting company research explaining shift from tunnel (traditional stage approach) to consumer decision journey and emphasizing cyclic nature of the consumer decisions.

J.Owyang (2012) also agrees on proposed consumer journey approach, but tends to consider this journey dynamic due to 3 factors:

- Recent development and advance in technologies deployment.
- Change of mediums
- Increasing power of word of mouth.

The dynamics nature of consumer journey appears due the empowerment of consumer through technologies which leads to faster, smarter and more informed decisions. This enables consumers' access real time information, to get information from their friends as well as share information with friends.

This approach is reflected in earlier research of Altimeter group also. J.Owyang (2010) proposed engagement in online social networking sites framework which was constructed after analyzing companies activities in social networking sites (Table 2). On one hand framework represents stages of engagement, on other hand reflects types of behavior. J.Owyan and C.Lee (2010) even proposed new segmentation approach – socialgraphic. According to them "companies should first understand how their customers use social technologies before they choose the tools. Socialgraphics is how to measure how customers use social technologies, where they are online, and how it influence them in the context of the customer lifecycle".

The proposed approach is similar to classical approach for user segmentation striving to answer key questions (Owyan, Lee 2010):

- Where are your customers online?
- What are your customers' social behaviors online?
- What social information or people do your customers rely on?
- What is your customers' social influence?
- How do customers use social in context of your products?

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Table 2. Consumer engagement process in online social networking sites
(adapted from J.Owyang and Ch.Lee, 2010)

Stage	Description
Watching	Seeking social-created content to help with making decisions, learning from peers, or entertainment
Sharing	Want to share the information they have with peers, both to support others, and demonstrate knowledge
Commenting	Actively participate, support, or contribute ideas/opinions, but usually one-off's
Producing	Want to express identity, own content, be heard, or be recognized
Curating	Invested in success of a product, service, or community, want to give back, or be recognized

J.Owyang and Ch.Lee (2010) proposed approach demonstrates attempt to connect behavioural process and users typology. Although attempts to analyze and identified different types of buying behaviour online were quite a few, the research analyzing consumer behaviour types in social networking sites is gaining scholars and practitioners attention recently.

Technology use and adoption theory reflecting Rogers's innovation diffusion model explains how technology is deployed by different type of users and defines 5 categories of users:

- Innovators;
- early adopters;
- early majority;
- late majority;
- laggards.

The wide adoption of this theory might be also explained by high degree of generalization. The proposed categorization consider the use of technologies (in our case use of social networking sites) and time is differentiating factor. But such category doesn't reflect how really social networking sites are used (how actually consumers behave).

Valck, van Bruggen and Wierenga (2009) after analysis of virtual communities' members' behavior identified 6 behavior/user types (Table 3).

Table 3. Social networking sites users typology *(Valck, van Bruggen and Wierenga, 2009)*

Type	Description
Core members	Users make extensive use of the community's knowledge reservoir by retrieving information. At the same time, they are frequent suppliers to this knowledge reservoir by submitting recipes, articles, and reviews. Furthermore, they participate actively in forum discussions and chat sessions.
Conversationalists	Users retrieve and supply information, but not to such a high extent as the core members. It is especially their relative high level of engagement in forum discussions and chat sessions that characterizes their participation pattern.
Informationalists	Users visit frequency and duration is comparable to that of the conversationalists. They tend to visit the community somewhat less frequent, but they spend more time per visit. Users show reciprocity in their behavior by also supplying information to the community, although they do this to a lesser extent compared with the core members.
Hobbyists	Users are the community's most frequent visitors with long duration visits, i.e., they visit the community almost daily for about one hour. Users online activities are not primarily focused on the retrieval, supply, or discussion of information. Instead, they are engaged in updating and maintaining their personal page within the community and in writing guest book messages; activities that usually involve playing around with techniques such as uploading music, pictures, illustrations, and cartoons.
Functionalists	The respondents in this cluster visit the community approximately once a week for about 15 min.
Opportunists	They are the community's least frequent visitors and their visits usually do not last long, i.e., they visit the community on average less than once a week for no more than 15 min. While they are online, they are mainly engaged in retrieving information in the form of recipes, not articles or reviews. They hardly supply any information, nor do they join forum discussions and chat sessions.

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Another approach was proposed by Brandtzæg and Heim (2011) categorizing users by two criteria – how active are users (low activity-high activity) and what is the purpose of using social networking sites (informational or recreational). Within their researcher authors named 5 groups.

- The 'sporadics' are so named because they visit the community only from time to time, but not a frequent basis. These users have a low level of participation and tend more toward an informational mode since they, for the most part, check their status and see if somebody has contacted them.
- Lurkers make up the largest user category. They are named 'lurkers' since they are quite low in participation and participate in activities that are more related to recreation. These users are somewhat involved in several activities, but only passively or to a small degree. In addition to "see if somebody has tried to contact me", lurkers score high on "kill some time".
- *Socialisers.* Their behavior is characterized by recreational in terms of 'small talk' with others, but the users' participation level is high. They score high on 'write letters and or messages', 'contact others', and 'look for a new friend'
- Debaters are as high as socialisers in terms of participation level, characterized by being highly involved in discussions, reading, and writing contributions in general. In addition, this participation mode is related to a more informal practice
- *Actives.* 'Actives' are so labeled because these users are engaged in almost all kinds of participation activities within the community, which includes being a member to "publish and share pictures".

As far as above mentioned type of research are gaining attention from scholars, several other directions is becoming increasingly important and attracts researchers' attention:

- Studies aiming to understand and categorize types of users' activities in online social networks. Heinonen (2011) in her research proposed consumer input and consumer motivation based approach identifying nine types of users activities.
- Studies analyzing different factors affecting consumer behaviour in online social networks. These studies tend to analyze one or several factors such as social action (Cheung, others 2010), word of mouth (Wallace, 2011), personality (Pagani, others 2011) and other studies. In the future we can expect more complex studies analyzing different factors joint impact on consumer behaviour.

Taking into consideration above mentioned issues the current research of consumer behaviour in online social networks might be structured basing on two criteria:

- Complexity – the number of issues and factors analyzed in the research trying to build holistic models;
- Time – the level of importance within the time period.

The proposed research framework is presented in figure 3.

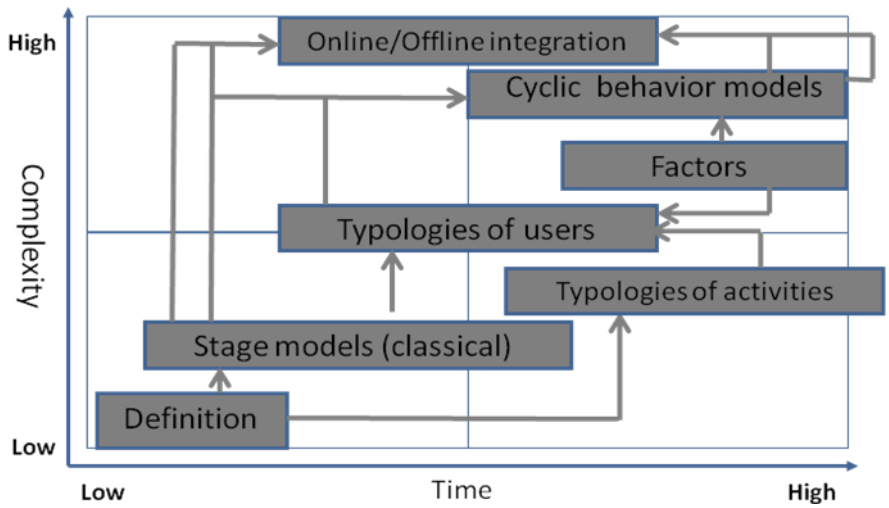

Figure 3. Consumer behaviour in online social network sites framework

The proposed framework outlines seven research directions for consumer behaviour in online social network:

- Definition direction deals with research specifying the peculiarities of consumer behaviour in online social networking sites;
- Stage model direction research access classical buying decision model application in social online networks;
- Taxonomies and typologies research direction attempts to identify different types of behaviour;
- In parallel another direction tries to identifies what are types of consumer activities in online social networking sites
- Factors research direction aims to identify key factors affecting consumer in online social networks behaviour;
- Cyclic behaviour model direction represents research which analyzed consumer behaviour as a cyclic decision making process introducing new substages or extending stages;
- The last research direction aims to analyze to relations between offline behaviour and behaviour in online social networking sites.

Conclusions

Growing number of social networking sites and consumer preferences to spend more time in online social networking sites brings challenges both for researchers and practitioners attempting to understand consumer behaviour.

The increasing attention to this area was followed by many researches which touches different issues and presents various fragments of consumer behaviour concept. Taking these initiatives in consideration the framework structurizing research basing on time and complexity was proposed.

Proposed framework identifies seven different research areas – definition (peculiarities of behaviour), decision stage models, taxonomies/typologies, and factors affecting behaviour, types of activities in social networks, cyclic behaviour models and offline/online behaviour complementarities/integration. Some of these areas are already attracting high interest from researchers – such as classical decision models application in social networks, cyclic decision models, users' typologies and factors affecting users' behaviour, on the other hand other areas such as types of activities or online/offline behaviour complementarities emerge as new research areas.

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