# SOCIAL MEDIA – VITAL INSTRUMENT IN GAINING CONSUMERS CONFIDENCE

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## Abstract

*Given that, currently, the consumer has become more demanding and organizations face some of the greatest challenges due to the economic climate of recent years, the need to build and cultivate strong relationships has become vital not only for the company's success but also for its survival. And solid relationships are built over time through confidence. Trust is one of the most important elements in the process of purchasing and consumer loyalty; it is difficult to obtain but easy to lose. Companies that are enjoying a high degree of confidence benefit from best quotations for their shares, higher profits and a better retention of the best employees. The effects of the lack of confidence are obvious (unsatisfied consumers, lost sales) and very expensive for the company. In this context, through the following paper we seek to bring more understanding on how a company can gain the confidence of consumers given that the forms of communication that consumers prefer and that are gaining momentum currently, are taking place online, especially in the social media.*

**Keywords:** *social marketing, consumers trust, social media, conversational marketing, consumer behavior.*

## 1. Introduction

If in the past the consumers were more easily satisfied, now they have become increasingly more demanding. It's not so surprising given that the current consumers have multiple choices, most often plan their purchases without feeling the pressure of time, and thanks to the Internet, the desired products are just a click away. On the other hand, organizations face some of the biggest challenges arising from the economic climate of recent years. In this context it is appropriate to build and nurture solid relationships, primarily with consumers, vital not only to the success of the company but also for its survival. But solid relationships are built over time, earning consumers trust.

Trust is a critical issue in any type of relationship because a relationship that is not based on trust is not really a relationship. The same applies to the case of the company's relationship with the consumer. Trust is one of the most important elements in the process of acquisition and customer loyalty; it is difficult to attain but easy to lose.

While many parts of a business can be measured, it is difficult to measure gained confidence. We can see however that companies who are enjoying a high degree of confidence benefit from best quotations for their shares, higher profits and a better retention of the best employees. The effects of the lack of confidence are obvious (unsatisfied consumers, lost sales) and very expensive for the company.

Considering the above, through the following paper we seek to bring more understanding on how a company can gain the confidence of consumers given that the forms of communication that consumers prefer and that are gaining momentum currently, are taking place online, especially in the social media.

## 2. What is consumers trust and what are consumers trusting?

According to the Dictionary of the Romanian Language, trust means "to put basis on the honor, on someone's sincerity; sense of security towards someone's honesty, good faith or sincerity; to count on someone or something"[1].

How can this concept be translated in the enterprise-customer relationship? Which are the characteristics of a company that benefit from consumer confidence? The answer to these questions is more complex in relation to the concept of trust that is defined above.

We can affirm that a company that won consumers trust is regarded as:
– a moral enterprise, meaning that it complies with the law and is correct;
– a company that cares about its customers;
– the company's products are as advertised;
– the information conveyed by the company is accurate, complete and impartial. It should be considered that consumers will not feel the acute need to look for alternatives when they are trusting the information and products provided by the company;
– the company's products and/or services are of good quality;
– the company takes into account the consumers

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[1] *Dictionary of the Romanian Language*, 2009, 2nd edition revised and enlarged, Romanian Academy, „Iorgu Iordan - Alexandru Rosetti" Institute of Linguistics, Univers Enciclopedic Publishing House.

interests.

On the other hand, consumers that don't have confidence in a company, are suspicious over its statements and intentions, are verifying from several sources the information provided by it, are giving up more easily on purchasing the company's products and/or services, are deciding to hide or refuse to provide personal information and are telling others about their negative experience with the company.

Conventional wisdom argues that confidence in a brand is rooted in the quality and innovation of company's products. These two attributes are extremely important, but they represent only a small part of a multitude of attributes that determine the confidence in a brand, covering an area exceeding the company's commitment, the integrity of its products and services, its purpose and conducted operations. Although, successful companies have placed in the center of their activity the quality and innovation of products, growing brands have recognized the advantages of listening to customers needs and feedback, adopting responsible measures in solving a problem or crisis and creating programs with a positive impact on the local community.

Also, it is already known that commercial messages are regarded with increasingly more skepticism by consumers; currently they are turning their attention toward collective wisdom and experience of their friends and colleagues regarding products, brands or companies on the market. When people are talking with pleasure and willingly about a product or service, it significantly contributes to increasing confidence in that product/service. This is also reflected by studies in the field. According to data from Forrester Research, 70% of consumers have confindence in brands recommended by friends, and only 10% trust those that are the subject of company's promotion[2].

And where are people currently sharing information if not, most often, online! Word-of-mouth, or „buzz marketing" gained a very high credibility among consumers and thus contributes to increasing the credibility of an enterprise. The internet, through e-mail and its vast and accessible information repository, websites, search engines, thanks to millions of forums, blogs, lifestyle websites, product rating, price comparisons or special offers websites, podcasts and other digital platforms, have opened significant opportunities to make social and communication networks spread a credible „word-of-mouse" (buzz facilitated by Internet) related to products, brands or companies. It is much cheaper to get good references online, than offline. A positive online presence can add extra value to company's products and services and also extra confidence in its brand.

## 3. How to build trust using the online environment?

First of all, there are several premises from which the company should begin in order to get a good start in the online environment. Thus, in online environment the company must meet the following requirements underlying an activity whose purpose is gaining the consumers' trust:

– *Online presence.* The online environment has acquired an unprecedented spread that cannot be ignored by any company. Ignoring the power of this tool is of course an alternative, but not a smart one. On the other hand, the company's choice to not actively participate in the online environment does not mean a total lack of its presence in this environment given the fact that you can not prevent people from discussing and sharing. In these circumstances, the viable alternative for a company is to make its presence felt in online and to create from it one of the pillars on which to build consumer confidence in the company. Creating a professional website, a good use of Google Adwords, SEO (Search Engine Optimization), the company's presence on information aggregators sites and in online media are all tools that provide an active presence of the company in the online environment. Initiallly, trust is built from facts and concrete examples, verifiable; then, trust is developed in time. Thus, a site with a professional design or appropriate to company's promoted message, a clear communication of company's values and objectives, the presence of contact data, a detailed presentation of products etc., represents the first step in a company's online activity[3] . In this context, its also very useful and meaningful the use of visual content (photos and videos) that keep the consumers' attention focused on the company's blogs or other online content for a longer time.

– *Accessibility.* Along with a good online presence, the company must ensure the consumer about its availability, placing and popularizing its contact data everywhere online. Also, the company's presence on social networks should be regularly harmonized and updated. Accessibility should also be understood in terms of accessibility of the consumer. In this case, the company must have the possibility to contact customers via email, phone, and even through social networks.

– *Encourage customer reviews.* Increasingly more consumers turn to various specialized forums and websites, to guide themselves in making their

[2] Wasserman, T., 2013, *Report: 70% of Consumers Trust Brand Recommendations From Friends*, Mashable, 21 March 2013, http://mashable.com/2013/03/21/70-percent-brand-recommendations-friends/

[3] Năstase, T., *How to grow the confidence in a brand using the Internet: main directions*, Traian Năstase Blog, accessed January 25, 2016, http://www.traiannastase.ro/cum-sa-cresti-increderea-intr-un-brand-prin-internet-directii-principale/

purchasing decisions. In these circumstances it is important for the company to encourage customers to post reviews on such forums in order to build a strong and credible presence for the enterprise.

– *Transparency* is another asset of a company that aims to gain consumer confidence. The company must ensure that the public can get an idea about its work and the areas in which it excels. Also, the transparency must be maintained in the event of errors. Any perception related to a secret, concealment or dishonesty will undermine public confidence. In case of a mistake, it is recommended that the company constantly share the actions that it undertakes to correct it and to track the results of those actions.

– *Exposure on the website of the company's professional affiliations.* Professional affiliations speak for themselves and its necessary for people to know about them. If the company is a member of an important organization or association in the field, it is good that this information be published on the website.

– *Developing a privacy policy.* Many consumers are worried about providing personal data. A strong privacy policy for the company's website can bring peace and comfort to customers and can win their trust.

### 4. Gaining trust through social media

We can easily observe that social networks, blogs and other online communities seem to thrive everywhere around us. People use social networks as a primary source for an extremely broad range of information, a phenomenon that keeps gaining momentum. Apart from social networks, people are used to communicate on forums, too; the people they meet there are strangers, but they share the same passions and interests. Online, people communicate sincerely, they share their thoughts openly, and the barrier between an introvert and an extrovert keeps getting slimmer. At the same time, "blogging", as an activity has become widespread and keeps growing. It hasn't been long since social media has overtaken email at the top of the online activities, placing itself first at this moment, an assertion that will surely remain valid in the foreseeable future, considering this field's development.

We can realize the scale of the social media phenomenon if we consider the statements of Mark Zuckerberg, founder of Facebook, made in early 2009, in which he equivalented Facebook to a nation claiming that it was the eighth largest country in the world. Though, since 2015 Facebook, with its 1.55 billion users has exceeded the previous estimation

and it is now the largest country in the world, surpassing China and India.

It is certainly appropriate to ask ourselves whether Romanians may represent a population of interest in this area. According to "Intel UltraYou" study, commissioned by Intel and conducted by Mercury Research, Romanians spend on average 31 minutes a day to update their social networks accounts, surpassing the European average in this field. Among the existing social networks, Romanians prefer Facebook, which is the most popular network in our country, followed by Hi5, Google+, Netlog and Twitter. 39% of them post at least once a day on these channels and postings consists mainly of photos (69% of the respondents), while 66% of the respondents post opinions, and 62% various information[4]. On the other hand, according to Facebrands, in Romania there are approximately 8.3 million Facebook users[5].

All these lead us to conclude that in the online environment, social media may be the most important instrument through which a company can earn consumer confidence. Before making any decision regarding this field, it is good to understand what social media is and which are the types of applications that can be used in the direction that we want.

In the selection process of the environment in which the company wants to make its presence felt it is important to consider that social media refers to several categories of applications. These applications can be categorized by taking into account the abundance of media/social presence and the level of user self-presentation as is shown in the following table:

**Table 1.** Classification of social media applications by media abundance/social presence and level of user self-presentation/self-disclosure

| | | Media abundance/Social presence | | |
| | | *Low* | *Medium* | *High* |
|---|---|---|---|---|
| **Level of user self-presentation/ self-discourse** | *High* | Blogs | Social networking sites (e.g. Facebook) | Virtual social worlds (e.g. Second Life) |
| | *Low* | Collaborative projects (e.g. Wikipedia) | Content communities (e.g. YouTube, Flickr, Slideshare) | Virtual game worlds (e.g. World of Warcraft) |

Source: Kaplan, A.M., Haenlein, M., 2010, *Users of the world, unite! The challenges and opportunities of Social Media*, Business Horizons, No 53, pp. 59-68, http://www.sciencedirect.com/science/article/pii/S0076813090 01232

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[4] Fantaziu, I., 2012, *How much time do Romanians spend on Facebook*, evz.ro, 10 October 2012, http://www.evz.ro/detalii/stiri/Ct-stau-romnii-pe-Facebook-1004927.html

[5] FaceBrands.ro – Romanian brands on Facebook, accessed February 1, 2016, http://facebrands.ro/

From the table above it can be observed that blogs and collaborative projects have the lowest levels of media abundance and social presence, because these types of applications are most often based on text, allowing a relatively limited exchange between users. At the next level of media abundance and social presence of users are content communities and social networking sites; in addition to text-based communication, these applications are allowing users to share images, videos and other forms of media. At the highest level of media abundance and social presence of users, are virtual social and game worlds that are trying to replicate in a virtual environment all dimensions of a face-to-face interaction.

On the other hand, from the point of view of the second criterion used in classifying social media applications - the level of user self-presentation/self-disclosure - blogs are having a much higher level of self-presentation than collaborative projects, the latter being focused on specific areas of content. Also, the social networking sites enable users to self-disclose on a much higher level compared to communities of content and virtual social worlds involve a high level of self-disclosure in relation to the virtual game worlds, these latter being driven by strict rules that oblige users to behave in a certain way (for example, as warriors in a fantastic imaginary realm).

Unfortunately no company can use all social media applications, given that a short census in this area will reveal that there are dozens if not hundreds of such applications, and the number is growing steadily, taking also into account that one of the key requirements of a company's activity in social media is to be active. Choosing the most appropriate social media applications depends primarily on the target group of the company's actions. On one hand, each application attracts a certain group of people, so enterprises need to be active wherever their customers are present. On the other hand, in order to ensure an effective communication, the company should focus on those applications that have specific characteristics.

Once it has decided upon the social media applications through which the company will relate with consumers, it will decide on the orientation of its efforts to create or purchase those apps. In some cases, the use of an existing social media application is indicated, offering various advantages such as the application popularity and the existence of an already created user base. Also, a social media application is more appealing to potential users the higher the number of registered users. In other cases, the required application may not be available, in which case it must be created. For example, Fujifilm Japan has launched its own social network aimed at creating a community of photo enthusiasts and Sears in collaboration with MTV created a social network on the subject of purchases at the beginning of the school year.

Regardless of the company's decision to purchase and/or create social media applications, it is particularly important for it to assimilate the basic idea regarding social media activity - this activity should aim rather participation, sharing and collaboration than direct publicity and sale.

Also, whether the company chooses to use different social media applications or set of applications within the same category for the widest action range possible, it is very important to ensure that all its social media activities follow the same guideline. We must not forget that one of the objectives of an effective communication aims at reducing ambiguity and uncertainty and when using a variety of communication channels, nothing can be more confusing to the consumer than contradictory messages sent through various channels. At the same time, integration should be considered both in the case of using different types of social media applications and the relationship between social media and traditional media. In the eyes of the consumer all this is the emanation of a single entity - the company.

In addition to those mentioned, social media can contribute at increasing the company's credibility by pursuing the following directions:

– *Using social media in marketing research.* In a similar way to that in which people pursue its entire activity, the company must pursue in turn the interests of individuals and identify consumers wishes, preferences and perception of company's brand. On the other hand, defining the profile of the consumer with whom the company wants to converse is one of the most important steps in the process of building trust. How will the company manage to have a relationship with an unknown consumer? Moreover, nobody wants to connect with boring people. As such, the company's preoccupations must overcome the self-presentation attitude of the company and of its products and in order to achieve this it is necessary to use marketing research. To have a true picture of consumer profile means to go much deeper than to select few demographic variables such as age or income. Thus, the enterprise must find what the consumers would like to hear, what they would like to talk about, what would they consider as interesting, enjoyable and valuable, what are their likes and dislikes, hobbies and passions. This will enable the company to understand the consumer at another level, and therefore to build a long lasting relationship with him.

In addition, the company must constantly supervise its online reputation and take prompt action when faced with problems such as negative comments regarding the company and its products.

In this regard, there are several instruments to be used and through which the company is notified when it is mentioned in the online environment: Google Alert, Mention, TalkWalker, Social Mention.

– *Socializing with fans and providing quality services.* In order to provide quality services the company must exploit every opportunity it has to learn customers opinion about its products/services and adapt its offer accordingly. Customer presence in social media is such an opportunity. On the other hand, being always available to customers, constantly answering their questions and concerns and solving their problems through social media is the right attitude that contributes to creating both among fans and all online users the image of a company which not only cares for its current and potential customers but also for people in general.

Also, by using data collected from social media a quite specific consumer profile can be created, which will enable the company not only to turn to the appropriate type of social media platform but also to properly convey its messages. Conversations will be based in this case on collected information regarding consumers likes and dislikes, hobbies and passions. This will lead the consumer to feel connected at another level with the company and will make it the first option that the consumer will choose whenever he will need the kind of product that the company is offering.

On the other hand, the company's credibility is increasing when it proves that it values consumer feed-back and that their desires have a high impact on the development of the company's products. In this way, the company is showing that it is open to changes, which will lead to the involvement of as many consumers as possible in making better products.

At the same time, the company must have an active attitude in its desire to develop a good relationship with consumers. Social media requires a permanent exchange of information and continuous interaction. In this respect, it is necessary to ensure fresh content and initiate constant discussions with consumers. Also, in order to facilitate the „buzz marketing", marketers have to create for their products credible messages, stories and websites, that should be both convincing, interesting and/or entertaining, so that consumers should be driven to seek information and pass it on to friends and family. The company must be aware that the efforts to win consumers trust through social media should be oriented beyond the boundary drawn by the answers to negative comments and promotion of company's products. Social media involves less of an activity that underscores the company's products superiority and more an activity that is engaging consumers in a open and active conversation. The company must consider the fact that social media users are keen to actively engage and become both consumers and producers of information.

– *Constant supervision of competition.* It is well known that in a company the information about the competition must have a constant flow. With only a glimpse over competitors' social media platforms, the company can find important information on the marketing strategies they implement.

– *Positioning the company as an expert in the field.* The company will position itself as a valuable resource that the consumer will want to use by disseminating in social media interesting and useful information, advice and answers to questions about their area of activity.

Any company should be aware of word-of-mouth power. Based on studies' results, experts have concluded that a friendly recommendation wins four customers for a product or service, and a "negative review" can remove up to 14 potential customers for a product/service that are present in the reviewer's circle of friends and acquaintances. Word-of-mouth propagation has taken on an unprecedented scale in the social media era.

## 5. Measuring the company's level of trust gained through online environment

After all the efforts to gain additional confidence among consumers through the online environment, the company will want to determine the effectiveness of its activity in this area. Thus, the most complex indicator of the level of confidence gained by a company is the level of *members involvement*, be it an online community, a social network, a social community or a political party. There are a multitude of online tools that count likes, tweets, number of visitors, but fail to provide any information about the involvement of individuals, although often these indicators are regarded as such.

Consumer involvement is important because it means action, consistency, conviction, accountability, and ultimately confidence given to the company. Online, the intensity of user involvement in a community may vary from moderate interest to active attention and even fascination.

The level of an individual's involvement in an online community can be quantified according to the following criteria[6]:

- creating an account;
- number of visits in a given period;
- number of posts in the community;
- number of polls attended in a given period;
- interaction with other community members;
- response to community newsletters;

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[6] *How to measure the involvement of online communities members?*, accessed February 1, 2016, eResearch Corp, http://www.eresearch.ro/

- its posts popularity among other users;
- intense activity during online meetings.

Also, the number of comments about the company or its products, number of sharings, conversion rate (the rate of visitors who make a particular desired action when visiting the website, such as purchasing a product), the number of visitors per conversion (measures the number of visitors who make a desired action when visiting the website, such as downloading a file, making a purchase, donation of money or signing a cause), the average length of a visit, visitor loyalty on site (measures the number of visitors who are constantly and frequently accessing the company's page; the frequency and consistency of visits can be estimated based on the number of visits per visitor from a certain period of time), consumer sentiment etc. are indicators which contribute at determining the confidence level the company managed to gain through online environment.

Only by using a set of criteria and indicators to express consumers interaction, engagement and commitment regarding the company's activity, we can get closer at obtaining a complete image about the level of confidence that the company gained through its social media activity.

### 3. Conclusions

Given that, currently, the consumer has become more demanding and organizations face some of the greatest challenges due to the economic climate of recent years, the need to build and cultivate strong relationships has become vital not only for the company's success but also for its survival. And solid relationships are built over time by earning consumers trust.

Trust is one of the most important elements in the process of acquisition and customer loyalty; it is difficult to achieve but easy to lose. The benefits of the companies' that are enjoying a high degree of confidence are well known: higher profits, loyal consumers, better quotations for company's shares, better retention of the best employees etc. The effects of the lack of confidence are obvious (unsatisfied consumers, lost sales) and very expensive for the company.

Word-of-mouth or „buzz marketing" came to gain a very high credibility among consumers and thus to contribute at increasing the credibility of an enterprise. The internet, through e-mail and its vast and accessible information repository, websites, search engines, thanks to millions of forums, blogs, lifestyle websites, product rating, price comparisons or special offers websites, podcasts and other digital platforms, have opened significant opportunities to spreading a credible „word-of-mouse" (buzz facilitated by Internet) regarding products, brands or companies. It is much cheaper to get good references

online, than offline. A positive online presence can add extra value to company's products and services and also extra confidence in its brand.

The starting point of an online activity leading to consumer confidence, is to ensure the company's presence in the online environment through a professional website, a good use of Google Adwords, SEO (Search Engine Optimization), ensuring the company's presence on information aggregators sites and in online media, and using visual content (photos and videos) that keep the consumers' attention on company's blogs or other online content for a longer time. At the same time, the company must ensure its availability by popularizing contact data online, harmonize and update its presence on social networks and create the possibility of contacting customers either through email, phone or through social networks. On the other hand, given that increasingly more consumers are turning to various forums and specialized websites for guidance in making their purchasing decisions, the company must encourage customers to post reviews on these forums in order to build a strong and credible presence for the enterprise. Also, transparency is another "brick" to be placed in the foundation on which the company is building consumer confidence. Transparency should be ensured especially if the company commits any mistake. In addition, mentioning the company's professional affiliations on its website and the development of a privacy policy to bring peace and comfort to customers come to complete all the other measures meant to gain their confidence.

Online, social media is a major tool through which the company can earn consumers' trust. Regarding the company's activity in this area, the basic principle that must be assimilated considers participation, sharing and collaboration, rather than advertising and sale. In addition, the company should focus its efforts towards the use of social media applications in identifying consumers desires, preferences and perception about the company and the profile of those with which the company wants to have a conversation in social media. The company must find out what the consumers would like to hear, what they would like to talk about, what would they consider as interesting, enjoyable and valuable, what are their likes and dislikes, hobbies and passions. This will enable the company to understand the consumer at another level, and therefore to build a long lasting relationship with him. Conversations based on what the consumers like, their hobbies and passions, will determine them to feel more connected with the company. The latter will become the first option that the consumers will choose whenever they will need the kind of product that the company is offering.

Also, an enterprise that is always available to customers, that constantly answers their questions

and concerns and solve their problems, will build a positive image, of a company that cares not only for its current and potential customers but also for people in general. In addition, the company's credibility is increasing when it proves that it values consumer feed-back and that their desires have a high impact on the development of the company's products. Also, the company must facilitate the „buzz marketing" by creating credible messages, stories and websites for their products, that should be convincing, interesting and/or entertaining, so that consumers should be driven to seek information and pass it on to friends and family.

In its efforts to win consumers trust, the company must be aware that social media involves less of an activity that underscores the superiority of the company's products over the competition and more an activity that is engaging consumers in a open and active conversation, given the fact that social media users are keen to actively engage and become both consumers and producers of information. In addition, the company will position itself as a valuable resource that the consumer will want to use by disseminating in social media interesting and useful information, advice and answers to questions about their area of activity.

After all the efforts to gain additional confidence among consumers through the online environment, the company will want to determine the effectiveness of its activity in this area. The most complex indicator of the level of confidence gained by a company is the level of members' involvement. Consumer involvement is important because it means action, consistency, conviction, accountability, and ultimately confidence given to the company. Online, the intensity of user involvement in a community may vary from moderate interest to active attention and even fascination.

A complete picture on the level of confidence that the company has gained can only be achieved by using a set of criteria and indicators to express consumers interaction, engagement and commitment regarding the company's activity.

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