

Implementing social media marketing strategically: an empirical assessment

Wondwesen Tafesse & Anders Wien

To cite this article: Wondwesen Tafesse & Anders Wien (2018): Implementing social media marketing strategically: an empirical assessment, Journal of Marketing Management, DOI: [10.1080/0267257X.2018.1482365](https://doi.org/10.1080/0267257X.2018.1482365)

To link to this article: <https://doi.org/10.1080/0267257X.2018.1482365>



Published online: 18 Jun 2018.



Submit your article to this journal [↗](#)



View related articles [↗](#)



View Crossmark data [↗](#)



Implementing social media marketing strategically: an empirical assessment

Wondwesen Tafesse and Anders Wien

School of Business and Economics, UIT- The Arctic University of Norway, Tromsø, Norway

ABSTRACT

The purpose of this study is to examine how firms implement social media systematically to drive strategic marketing actions. To this end, the study conceptualises social media implementation as a multidimensional, organisational construct composed of social media strategy, active presence, customer engagement initiatives and social media analytics. Using primary data, the study operationalises the social media implementation construct and tests its effect on firm performance isolated into social media performance and marketing performance. The results indicate that all except the active presence dimension of social media implementation are positively related to social media performance. The results further indicate that social media performance is positively related to marketing performance. The study contributes to the literature by offering a novel conceptualisation and empirical validation of the social media implementation construct.

ARTICLE HISTORY

Received 30 January 2018

Accepted 11 May 2018

KEYWORDS

Social media marketing; social media implementation; social media strategy; social media performance; marketing performance

Introduction

The dramatic rise of social media has opened up new possibilities for marketers to connect with their customers (Lamberton & Stephen, 2016). Social media facilitates a dynamic space to reach customers, interact with them and leverage their voices for greater impact (Hewett, Rand, Rust, & Heerde, 2016). However, firms struggle to effectively implement social media to drive strategic marketing actions. As firms develop social media strategy, individual platforms are too often treated as stand-alone elements rather than as parts of an integrated whole (Hanna, Rohm, & Crittenden, 2011). Moreover, social media represents a rapidly evolving landscape, which stresses the importance of a holistic perspective (Malthouse, Haenlein, Skiera, Wege, & Zhang, 2013).

Social media marketing has attracted considerable research attention in recent years. This research has illuminated relevant topics such as branded social media content (Ashley & Tuten, 2015), customer engagement (Dessart, Veloutsou, & Morgan-Thomas, 2016), online brand communities (Brodie, Ilic, Juric, & Hollebeek, 2013) and social media's role in the marketing mix (Srinivasan, Rutz, & Pauwels, 2016). However, extant research is largely bereft of a strategic perspective (Valos, Mapelstone, & Polonsky, 2017). In particular, the critical issue of how firms implement social media to drive strategic

marketing actions has been neglected. The literature hardly offers a holistic empirical perspective on the systematic application of social media as a strategic marketing platform (Lamberton & Stephen, 2016).

The purpose of this study is to investigate how firms implement social media systematically to drive strategic marketing actions. Although few prior studies have explored social media implementation, those efforts appear to lack both conceptual and measurement precision. Prior studies have typically conceptualised social media implementation using the stages-of-growth approach – as a process that evolves in a linear sequence of stages (Chung, Andreev, Benyoucef, & Duane, 2017; Effing & Spil, 2016). The challenge, however, is that the proposed stages are difficult to empirically verify (Solli-Saether and Gottschalk, 2010). At times, even seasoned managers have found it difficult to appraise their firms' stage of social media development (Chung et al., 2017). The first contribution of this study is to conceptualise social media implementation as a synchronous organisational process by which firms leverage social media to drive strategic marketing actions. The study conceptualises social media implementation as a multidimensional construct, with the construct itself and its dimensions clearly defined and operationalised.

Marketing research has also begun to address the effect of social media on firm performance (e.g. De Vries, Gensler, & Leeftang, 2017; Srinivasan et al., 2016), although these efforts are mostly focused on social media spending as a measure of firms' social media effort. Consequently, important social media processes beyond spending, such as social media strategy, active presence, customer engagement initiatives and data analytics, have been ignored (Lamberton & Stephen, 2016; Valos et al., 2017). The second contribution of this study is to link these social media processes to firm performance partitioned into social media performance and marketing performance. Whereas social media performance captures customer-based social media outcomes that result from customers' favourable perceptions, feelings or actions towards firms' activities in social media, marketing performance captures customer-based market outcomes that result from customers' purchase and post-purchase behaviours facilitated by social media. Drawing on the marketing performance literature (Katsikeas, Morgan, Leonidas, & Hult, 2016), social media performance is posited as a precursor to marketing performance. The findings shed light on how social media implementation contributes to firm performance.

A third contribution of the study lies in operationalising the social media implementation construct. To our knowledge, no measurement scale for social media implementation has appeared in prior literature. The measurement scale developed here meets all the requirements of a reliable and valid measurement scale and can be employed in future research to measure social media implementation and investigate its antecedents and outcomes.

The remainder of the paper is structured as follows. The 'Literature review' section reviews the relevant literature with a focus on the definition, adoption and implementation of social media in a marketing context. The 'Hypotheses' section introduces the hypotheses. The 'Methodology' section describes the methodology. The remainder of the paper reports the results and discusses their implications.

Literature review

Social media: an overview

Kaplan and Haenlein (2010) defined social media as 'a group of internet-based applications that build on the ideological and technological foundations of web 2.0, and that allow the creation and exchange of user generated content' (p. 61). The authors analysed social media platforms according to their affordances for self-presentation/self-disclosure and social presence/media richness and classified them into blogs, social networking sites, virtual social worlds, collaborative projects, content communities and virtual games.

Social media platforms facilitate a range of user functionality. Kietzmann, Hermkens, McCarthy and Silvestre (2011) discussed these functions along seven major categories: identity disclosure, conversations, sharing, presence (the extent to which users are aware of other users' availability), relationships, reputation management and groups (the extent to which users can form communities). Among the main marketing implications of the proposed social media functions are that marketers should facilitate tools for user self-promotion, they should monitor and influence online conversations, they should develop content management systems and they should facilitate real-time and intimate interactions with customers.

Hanna et al. (2011) highlighted the power of social media to create connections that result in a vast social network. This vast network creates a media landscape that empowers consumers to become 'active participants in the media process' (p. 267). As a result, marketing is no longer solely about capturing attention via reach; instead, it must focus on capturing and maintaining attention via interactivity and engagement. This focus on customer interaction and engagement has important implications for social media implementation, including the need for a holistic social media strategy that integrates multiple platforms into a seamless social media experience (Hanna et al., 2011; Tafesse, 2016).

Stephen and Brat (2015) discussed three main types of information flow that are facilitated by social media. First, social media allows for firm-to-consumer information flow in the form of brand posts and social media ads (Hewett et al., 2016). Second, social media facilitates consumer-to-firm information flow in the form of comments, reactions, sentiments and user generated content (Gensler, Volckner, Liu-Thompkins, & Wiertz, 2013). Finally, social media facilitates interactions among consumers themselves, which can take the form of WOM or brand communities (Dessart et al., 2016). The major implication of Stephen and Brat's (2015) discussion is that firms need to acquire new organisational skills, such as customer engagement and data analytics, in order to leverage social media's information-rich environment and to create value (Choudhury & Harrigan, 2014; Harrigan, Soutar, Choudhury, & Lowe, 2015).

To summarise, there is growing recognition in the literature about the nature and dynamics of social media and their implications for marketing. The challenge for marketers is to implement social media effectively in ways that advance their firms' strategic marketing goals (Berthon, Pitt, Plangger, & Shapiro, 2012).

Social media adoption versus implementation

In this section, we succinctly summarise the literature on the adoption and implementation of social media before we introduce our conceptualisation of social media implementation.

Research on firm adoption of social media is scant, although few publications have appeared in recent years (Parveen et al., 2015). Extant research has typically conceived of social media adoption in terms of the possession (or dispossession) of social media technologies. For instance, Harrigan et al. (2015) considered social media adoption in terms of the number of social media platforms that firms incorporated in their social media programmes. Among the platforms considered in that study were Facebook, Twitter, LinkedIn, YouTube, corporate blogs and mobile apps. Others expanded on this approach by embracing a more functionalist perspective, thereby shifting the emphasis from the mere possession of social media platforms to the organisational functions that they support (Parveen et al., 2015). For instance, Trainor, Andzulis, Rapp and Agnihotri (2014), taking a CRM perspective, identified four broad functions of social media: information sharing, conversations, relationships and online brand communities.

However, the social media adoption literature has failed to illuminate the critical issue of how firms effectively implement social media. The mere emphasis on possession of social media technologies disguises important social media processes that shape their effective utilisation. Social media implementation deals with both the adoption and utilisation of social media (Habibi, Hamilton, Valos, & Callaghan, 2015; McCann & Barlow, 2015). It is concerned with the decisions and actions taken by firms to put social media to effective marketing use. Only a few studies have empirically probed social media implementation along this line (e.g. Chung et al., 2017; Effing & Spil, 2016; Mergel & Bretschneider, 2013). These studies suggest that firms implement social media, over time, in a linear sequence of stages, and, typically, they identify benchmark variables against which the progress of firms is assessed.

For instance, Effing and Spil (2016) proposed three broad stages of social media implementation: initiation, diffusion and maturity. These stages are anchored in seven benchmark variables consisting of target audience, channel choice, goals, resources, policies, monitoring and content activities. The authors suggested monitoring and content activities as the principal markers of social media maturity. Chung et al. (2017) proposed five stages of social media implementation: experimentation and learning, rapid growth, formalisation, consolidation and integration and institutional absorption. Their model was based on eight benchmark variables consisting of strategy, business processes, structure, adopted technologies, application of technologies, impact on internal stakeholders, impact on external stakeholders and ROI. Here, business process and external stakeholders are indicated as the main markers of social media consolidation and integration.

Overall, the staged models of social media implementation are characterised by incremental levels of formalisation and resource commitment. Firms at advanced stages are presumed to formalise and institutionalise social media to coordinate complex tasks. Although these models illuminate the path to social media maturity, their value for research is hampered by the difficulty of empirically verifying the proposed stages (Solli-Saether and Gottschalk, 2010). At times, even seasoned managers have found it difficult to appraise their firms' stage of social media development (Chung et al., 2017). The benchmark variables lack specificity, and the proposed stages are too broad, rendering the models unwieldy for operationalisation.

A proposed conceptualisation of social media implementation

The limitations associated with the stages-of-growth models call for a more precise conceptualisation of social media implementation. As indicated earlier, social media implementation is concerned with the decisions and actions taken by firms to put social media to effective marketing use. It is about leveraging the reach, interactivity and engagement attributes of social media to drive strategic marketing actions (Hanna et al., 2011). More formally, social media implementation can be defined as *the process by which firms employ social media strategically, for customer-facing purposes, by producing content regularly, engaging customers in an ongoing relationship and generating analytics and customer insights to drive strategic marketing actions*. Several aspects of the proposed definition are noteworthy. First, the definition characterises social media implementation as a synchronous rather than sequential organisational process. Firms are presumed to execute the decisions and actions integral to social media implementation concurrently, since many of them will be requisite for effective social media programmes (Habibi et al., 2015; Valos et al., 2017). Second, the definition ties social media implementation to strategic marketing actions, thus suggesting that the success of social media implementation should be gauged on the basis of its contributions to the attainment of strategic marketing goals. Third, the proposed conceptualisation accords well with the practitioner literature. For instance, Hootsuite (2016), a leading provider of social media solutions for marketers, recently suggested a guideline for ‘creating a social media strategy’. The guideline incorporates the following steps: clarify your business and social media goals, audit your current social media status, develop your content strategy, use analytics to track progress and adjust your strategy as needed. These steps largely overlap with our definition of social media implementation. Finally, we should note that although we adopted the more generic ‘social media’ in our definition, our study is primarily focused on the organisational use of social networking sites, such as Facebook, Twitter, LinkedIn and YouTube, among others. This focus on social networking sites is warranted, as they represent the most influential group of social media platforms in terms of both marketing budget and impact.

Overall, the conceptualisation presented here is holistic and integrates core social media processes into a single framework. Next, we elaborate the individual dimensions of social media implementation and derive relevant hypotheses.

Hypotheses

Social media strategy

Drawing on the digital strategy literature, Effing and Spil (2016) defined social media strategy as ‘a goal-directed planning process for creating user generated content, driven by a group of internet applications, to create a unique and valuable competitive position’ (p. 2). The authors identified a range of considerations that constitute a comprehensive social media strategy, including target audience, channel choice, goals, policies, monitoring and content activities. These considerations emphasise the role of a formalised strategy to craft a competitive social media programme.

The primary purpose of a social media strategy is to align social media with firms’ strategic marketing goals and chart a viable pathway towards achieving those goals

(McCann & Barlow, 2015). Social media strategy development contributes to social media effectiveness in multiple ways. First, social media strategy helps to establish clear goals and performance expectations, which reinforce goal commitment and better decision-making (Habibi et al., 2015; McCann & Barlow, 2015). As previously noted, social media goals are primarily derived from firms' strategic marketing goals (Effing & Spil, 2016). Second, social media strategy helps to coordinate organisational actions and mobilise resources around identified marketing goals. Adopting a formalised strategy circumvents the duplication of resources and synergises firms' social media efforts by defining a coherent structure and line of communication (Mergel & Bretschneider, 2013; Valos et al., 2017). Finally, social media strategy is important for establishing and institutionalising policies and procedures that govern channel choice decisions, content development and interactions with customers (Felix, Rauschnabel, & Hinsch, 2017). Such policies and procedures are particularly useful in minimising the risk of improper communication in social media (Tuten & Solomon, 2015; Valos et al., 2017). For the aforementioned reasons, a formal social media strategy is anticipated to contribute to social media performance.

Hypothesis 1: The development of social media strategy will lead to higher social media performance.

Active presence

Once firms decide to implement social media, they need to be actively present on the platforms by creating content, testing different campaign ideas and engaging with customers on a regular basis (Kaplan & Haenlein, 2010). Social media marketing is built on the content, community and technology inherent to each platform. As such, to make it successful, firms must be active in the space by developing customised content and interacting with customers in a manner best suited to that specific technology (Tuten & Solomon, 2015).

Content is the main vehicle through which firms can influence the conversation in social media (Kietzmann et al., 2011). By developing content regularly, firms can drive online conversations that are purposeful and aligned with their objectives (Mangold and Faulds, 2009). As Gensler et al. (2013) noted, 'firm-generated brand stories [in social media] aim to create and strengthen consumers' relationship with the brand by providing a theme for conversations between consumers and firms and among consumers themselves' (p. 242). Although firms cannot directly control customer conversations in social media, they can provide guidance and influence by way of appropriate content (Mangold and Faulds, 2009).

Active presence is anticipated to contribute to social media performance by driving incremental customer reach and brand exposure. By regularly communicating content on social media, firms can potentially reach and appeal to different segments of their customer base (Hanna et al., 2011; Tuten & Solomon, 2015). Similarly, active presence can foster brand connections and mutual trust by facilitating opportunities for frequent interactions between firms and their customers (Kaplan & Haenlein, 2010; Valos et al., 2017). Finally, active presence can prove crucial to countering competitors' influences in social media. Firms that are actively present on social media can swiftly respond to competitive actions. Therefore, the relevant hypothesis is as follows.

Hypothesis 2: Active presence will lead to higher social media performance.

Customer engagement initiatives

Customer engagement is a multidimensional concept manifested in customers' emotional, cognitive and behavioural responses with a firm focus (Dessart et al., 2016). It is a motivational state that leads customers to a heightened involvement with interactive, brand-related responses and experiences (Harrigan et al., 2015; Tafesse, 2016). Of particular importance in social media is behavioural engagement, which represents customers' proactive, firm-directed efforts that go beyond transactions (Van Droon et al., 2010). Behavioural engagement is an extra-role behaviour in which customers make voluntary resource contributions to a firm, such as knowledge, time, network resources and social influence (Jaakkola & Alexander, 2014).

Despite being a voluntary response behaviour, firms can influence customer behavioural engagement using different engagement tactics (Pansari & Kumar, 2017). Harmeling, Moffett, Arnold and Carlson (2017) collectively referred to these engagement tactics as customer engagement marketing, defining it as 'a firm's deliberate effort to motivate, empower and measure a customer's voluntary contribution to the firm's marketing function beyond the core, economic transaction' (p. 6). Firms can use engagement marketing to drive customers' active participation in and contributions towards their marketing efforts (Harrigan et al., 2015; Pansari & Kumar, 2017). In a social media environment, a critical source of customer engagement is the content and experiences that firms facilitate on the social media platforms. Research shows that customers engage more actively with content and experiences that are interesting, novel and transformational (Ashley & Tuten, 2015; Tafesse, 2015; Tafesse & Wien, 2017). Similarly, interacting with customers at a personal level and being responsive to their comments and questions can boost customer engagement and brand value (Choudhury & Harrigan, 2014; Harrigan et al., 2015). Finally, firms can use material incentives, such as special offers, competitions and rewards, to stimulate customer engagement (Pansari & Kumar, 2017). In short, an integral deployment of customer engagement tactics in social media can motivate customers to interact with firms on favourable terms.

Hypothesis 3: The use of customer engagement initiatives will lead to higher social media performance.

Social media analytics

The vast interactions that occur in social media generate an unprecedented volume of behavioural data that can be translated into actionable managerial insights (Wedel & Kanna, 2016). Social media analytics deals with the compilation, analysis and interpretation of part of this behavioural customer data to inform marketing decisions (Peters, Chen, Kaplan, Ognibeni, & Pauwels, 2013).

One of the defining features of social media marketing is that it enables firms to develop and track a range of metrics that quantify customer responses to given marketing actions (Peters et al., 2013). Among the most frequently employed metrics in social media include follower base, reach, engagement, web traffic, brand mention, brand sentiment, conversion and ROI (Hoffman & Fodor, 2010; Mintz & Currim, 2013;

Smallwood, 2016). Some of these metrics, such as reach, engagement and web traffic, measure the magnitude and quality of customer responses to firms' marketing actions. Other metrics, such as brand mention and brand sentiment, measure the magnitude and valence of consumer-generated content. Still, other metrics, such as conversion and ROI, measure the effectiveness of social media in driving sales and firm profitability.

An effective metrics system should reflect a shared definition and understanding of key marketing drivers and outcomes, diagnose marketing performance, enable organisational learning and support decision-making to improve performance (Jarvinen and Karjaluoto, 2015; Peters et al., 2013). When applied proactively, social media analytics and the range of metrics that it produces empower firms to understand their customers and competitors and make evidence-based decisions (Hoffman & Fodor, 2010; Mintz & Currim, 2013), offering them the insight they need to devise an effective social media programme (Mintz & Currim, 2013). Therefore, the relevant hypothesis is as follows.

Hypothesis 4: The use of social media analytics will lead to higher social media performance.

Firm performance

Firms implement social media to advance their strategic marketing goals, such as acquiring new customers and driving customer satisfaction. However, the interactivity and engagement attributes of social media mean that firms must first reach and engage with customers in order to attain their strategic marketing goals (Hanna et al., 2011). Generating favourable customer interactions on social media, such as a customer subscribing to a firm's social media page, engaging with its content or clicking on a link, is a critical prerequisite to achieving favourable, customer-based market outcomes. In essence, social media implementation produces two distinct customer-based outcomes, which we formalised into social media performance and marketing performance drawing on Katsikeas et al.'s (2016) comprehensive marketing outcome framework.

Social media performance captures customer-based social media outcomes that result from customers' favourable perceptions, feelings or actions towards firms' activities on social media and includes such outcomes as customer reach, customer engagement, follower base and web traffic. Marketing performance, on the other hand, captures customer-based market outcomes that result from customers' purchase and post-purchase behaviours that are facilitated by social media and includes such outcome as new customer acquisition, customer satisfaction, customer services, sales and customer loyalty.

Mapping these two outcome measures on Katsikeas et al.'s (2016) marketing outcome framework, social media performance matches what the authors called 'realised marketing outcomes', which capture consumers' 'pre-purchase behaviour interest indicators (e.g. website visits, signing up to receive catalogs or email offers)'. On the other hand, marketing performance matches customer mind set outcomes, which capture 'customer purchase and post-purchase behaviours (e.g. repurchase, word of mouth)' (p. 3). Just as realised marketing outcomes drive customer mind-set outcomes, customer-based social media outcomes are expected to drive customer-based market outcomes. Accordingly, the following hypothesis is proposed:

Hypothesis 5: Higher social media performance will lead to higher marketing performance.

Methodology

Sample and data collection

We gathered data from two sources. Our primary source was the 2017 version of Kapittal 500, an annually updated list of the largest 500 firms in Norway. The first step in the sampling process was to determine how many firms in the list maintain a social media presence. Inspection of the firms' corporate websites indicated that 460 firms have an active social media presence.

The second step in the sampling process involved identifying appropriate respondents from each firm. We defined appropriate respondents as senior executives who are close to the firms' social media and marketing operations. We began our online search for appropriate respondents with those closest to the social media marketing operation, such as social media marketing managers and digital marketing managers. When these positions were unavailable, we searched for senior managers who were closest to the marketing operation, such as marketing managers, brand managers and commercial managers. When both of these were unavailable, we turned to communication and information directors. Using this approach, we compiled the name, position and e-mail address of 420 respondents. Despite numerous efforts, we could not obtain the e-mail addresses of respondents from the remaining 40 firms.

Subsequently, we emailed the questionnaire to the identified respondents. The original e-mail was followed up by two rounds of reminders, each sent 10 days apart. At the end of the three rounds, we obtained 113 fully completed responses (27% response rate). We augmented this data set with new data gathered from a Facebook group in Norway. At the time of data collection, the group's membership stood at about 20,000 digital marketing professionals and enthusiasts. After securing the permission of the group's moderators, we shared the questionnaire on the group's timeline, which generated 28 fully completed responses. Since we were only allowed to share the questionnaire once, we had no way of increasing the response rate.

The final sample was, therefore, composed of 141 responses. We compared the responses from the e-mail list (three rounds) with the responses from the Facebook group based on the primary constructs of the study (i.e. social media implementation, social media performance and marketing performance) and found no significant differences. As such, non-response bias was not an issue in our study.

The final sample is broadly representative. Retail (12%), bank and finance (11%), media and communication (9%), food products (8%), manufacturing (7%), transportation and logistics (7%), oil and gas (7%), construction (6%) and technology (6%) were among the major industry categories surveyed. In terms of size, firms with less than 500 employees accounted for 51% of the sample, firms between 500 and 1000 employees accounted for 12% and firms with over 1000 employees accounted for the remaining 37%. We also asked respondents to indicate their firms' experience with social media and how many social media platforms they actively operate. The results indicate that the average social media experience is 5 years ($M = 4.99$, $SD = 2.62$), suggesting that the firms are fairly well experienced with social media. Likewise, on average, the firms actively operate close to five social media platforms ($M = 4.6$, $SD = 2.61$), indicating a robust and multiplatform social media presence.

Measure development

Social media implementation

In developing the measures, we significantly relied on the conceptual domain of social media implementation. Because social media implementation has not been operationalised in prior literature, the opportunity to draw on extant measures was minimal. Consequently, we followed a deductive process whereby we reviewed relevant literature from marketing, information systems and practitioner sources to define the conceptual domain of social media implementation.

The next step involved generating measurement items guided by the conceptual domain. Consistent with established scale development procedures (Churchill, 1979; Spector, 1992), we developed several items for each dimension of social media implementation (24 in total). Following the full specification of the items, we carefully examined the whole set to detect redundant items. We performed this task collaboratively and over several rounds to allow sufficient space for a substantive feedback loop. Through this exercise, we refined the items and reduced the total number to 19. Up to this point, the items were written in English. Since respondents were Norwegians, however, the items were translated to Norwegian. The Norwegian version was then back translated into English, and the correspondence between the original and the translated versions was checked.

The third step was to test the face validity of the items. For this purpose, we asked a handful of social media marketing managers and an experienced marketing professor to scrutinise and comment on the measurement items. Based on the resultant feedback, we rewrote some items and deleted others, leaving 15 items for the next stage.

In the final step, the items were tested on a sample of conveniently assembled social media managers. However, the resulting responses were not large enough to enable standardised statistical tests. Instead, we studied the response patterns to further refine the items and adjust the ordering and layout of the final questionnaire. Following these adjustments, we incorporated the final 15 items into the questionnaire.

Firm performance

Our procedure to generate, refine and validate the measurement items for firm performance partitioned into social media performance (four items) and marketing performance (five items) is identical to the one we employed to develop the measurement items for social media implementation. In order to develop the measures for social media performance, we drew on relevant academic and practitioner discussions to identify key customer-based social media metrics such as customer reach, follower-base and customer engagement (Jarvinen and Karjaluo, 2015; Peters et al., 2013) and converted them into standardised measurement items. Likewise, the development of the measurement items for marketing performance was inspired by core academic texts on the topic (Katsikeas et al., 2016; Mintz & Currim, 2013). The items cover key aspects of customer-based market outcomes, such as customer acquisition, customer satisfaction, customer services and sales.

We employed a reflective measurement approach and a 5-point Likert rating scale for all the items (1 = completely disagree, 5 = completely agree). Table 1 summarises the items and their respective factor loadings. All the items loaded on their intended dimensions/constructs with factor loadings greater than .75.

Table 1. Measurement items and factor loadings.

Dimensions/Constructs	Factor loadings	t-Values
Social media strategy		
Our social media strategy clarifies key performance goals	.90	46.59
Our social media strategy outlines directions for executing our social media programme	.84	23.72
Our social media strategy is closely aligned with our marketing strategy	.80	17.33
Our social media strategy offers a clear definition of our target audience	.79	14.93
Active presence		
We have a regular posting schedule	.87	29.00
We post frequently on our primary social media account	.83	23.18
We produce sufficient content for our social media needs	.82	21.61
Customer engagement initiatives		
We encourage customers to interact with us in social media	.83	26.60
We create interesting and engaging content to stimulate customer engagement	.83	24.04
We respond actively to customer comments and questions	.83	23.37
We acknowledge and reward customers who engage with us	.75	14.20
Social media analytics		
We use social media analytics to plan and execute our social media effort	.90	50.62
We use social media analytics to learn about our customers	.90	44.86
We use social media analytics to measure our effectiveness	.89	42.08
We track and monitor relevant social media metrics	.87	32.31
Social media performance		
We reach more customers through social media	.82	28.81
Our follower base in social media is growing	.79	22.76
Web traffic from social media to our corporate/brand/product website is growing	.76	16.72
Our key customer engagement metrics are improving (e.g. likes, shares, comments, and link clicks)	.75	16.60
Marketing performance		
We have improved customer satisfaction with the help of social media	.89	36.37
We have acquired more new customers with the help of social media	.83	23.20
We have improved customer services with the help of social media	.83	21.62
We have increased sales with the help of social media	.82	20.19
We have improved customer loyalty with the help of social media	.78	19.09

Note: All t-values are significant at $p < .001$.

Measure validation

Having established the adequacy of the factor loadings, we turned to testing the reliability and validity of the proposed dimensions/constructs. Convergent validity was assessed using composite reliability and Cronbach's alpha values. For all the dimensions/constructs, the composite reliability values substantially exceeded the .60 cut-off recommended by Bagozzi and Yi (2012), and the Cronbach's alpha values substantially exceeded the .70 cut-off recommended by Nunnally (1978), thereby providing evidence of convergent validity. Discriminant validity was assessed by comparing the average variance extracted (AVE) for a given dimension/construct with its squared correlation with all other dimensions/constructs in the model. In no case was the AVE lower than the squared correlations, thereby offering evidence of discriminant validity (Fornell & Larcker, 1981). Results of these tests are summarised in Table 2.

Hypothesis testing

For two reasons, we employed partial least squares structural equation modelling (PLS-SEM) to test the structural model. First, PLS-SEM relies on ordinary least squares estimation to solve the models, thus relaxing the assumption of multivariate normality

Table 2. Descriptive statistics, reliabilities and correlations.

Dimensions/Constructs	Mean	St. Dev	CA	CR	1	2	3	4	5	6
Social media strategy	3.74	.83	.85	.90	.69	.14	.09	.13	.14	.11
Active presence	3.81	.90	.79	.88	.37	.70	.29	.32	.19	.09
Customer engagement initiatives	3.71	.86	.82	.88	.30	.54	.65	.35	.32	.38
Social media analytics	3.51	1.03	.91	.94	.36	.57	.59	.79	.27	.22
Social media performance	3.97	.63	.78	.86	.38	.44	.57	.52	.61	.31
Marketing performance	3.56	.81	.89	.92	.33	.30	.62	.47	.56	.69

Notes: CA: Cronbach's alpha; CR: composite reliability; AVEs are reported in the diagonal in bold. Correlations are reported below the diagonal; squared correlations are reported above the diagonal. All correlations are significant at $p < .01$.

underlying traditional covariance-based maximum likelihood procedures (Hair, Hult, Ringle, & Sarstedt, 2017). This attribute makes PLS-SEM an ideal choice for our study, which is based on a relatively small sample. Second, PLS-SEM is the preferred method when the researcher is focused on optimised prediction of latent response variables, as we are in this study. PLS-SEM seeks to maximise the relationship between specified latent predictors and response variables (Hair et al., 2017).

PLS-SEM is conducted in two stages. In the first stage, the researcher tests for the reliability and validity of the constructs. After the adequacy of the measurement model has been established, as we reported for this study earlier, the researcher proceeds to estimate the structural model. The structural model is primarily assessed using R^2 and Stone-Geisser's Q^2 . While R^2 measures predictive accuracy, Q^2 measures the out-of-sample predictive power (predictive relevance) of the structural model (Hair et al., 2017). According to Hair et al. (2017), Q^2 values greater than zero suggest strong predictive relevance. In our model, both of these values are significant. For social media performance, $R^2 = .44$ and $Q^2 = .24$; for marketing performance, $R^2 = .32$ and $Q^2 = .21$.

The hypotheses were tested using standardised path coefficients (Hair et al., 2017). We employed PLS-SEM's bootstrapping procedure with 5000 subsamples to generate t -values and confidence intervals. The results indicate that social media strategy has a significant positive effect on social media performance ($\beta = .18$, $p < .05$), which supports Hypothesis 1. On the other hand, active presence lacks a significant effect on social media performance ($\beta = .06$), which fails to support Hypothesis 2. Customer engagement initiatives have a strong positive effect on social media performance ($\beta = .41$, $p < .001$), which supports Hypothesis 3. Likewise, social media analytics has a significant positive effect on social media performance ($\beta = .18$, $p < .05$), which supports Hypothesis 4. Finally, social media performance is positively related to marketing performance ($\beta = .57$, $p < .001$), which supports Hypothesis 5. Figure 1 visualises the standardised path coefficients, t -values and significance levels.

Robustness checks

To check the robustness of the PLS-SEM estimates, we estimated the structural model using OLS regression. As a further test of robustness, we added the number of actively operated social media platforms as a control variable. The regression model is significant

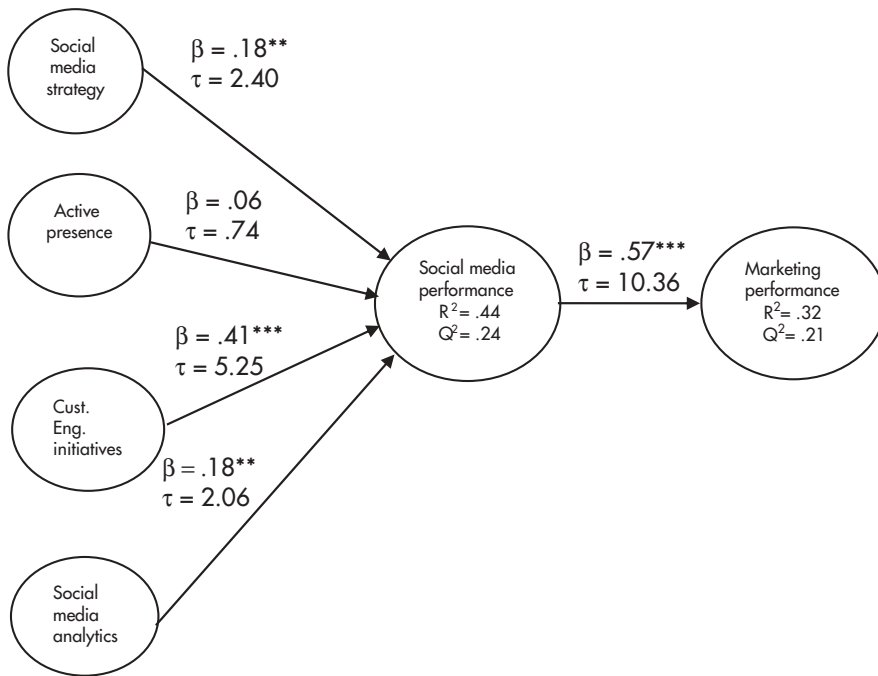


Figure 1. Structural path model.

Note: $**p < .05$; $***p < .01$.

($F = 17.55$, $p < .01$), with $R^2 = .41$. The regression coefficients are consistent with the PLS-SEM path coefficients. Social media strategy ($\beta = .17$, $p < .05$), customer engagement initiatives ($\beta = .31$, $p < .01$) and social media analytics ($\beta = .19$, $p < .05$) are all significant, while active presence is not ($\beta = .08$, $p = .39$). Finally, social media performance, after controlling for self-reported marketing budget relative to industry average, market share position and firm size, has a significant effect on marketing performance ($\beta = .62$, $p < .01$). Hence, the results of the PLS-SEM structural model are robust and stable.

Discussion

This study sought to gain a deeper understanding of the social media implementation phenomenon. To this end, it conceptualised social media implementation, operationalised it as a multidimensional construct and empirically assessed its effect on firm performance. The results indicate that all except the active presence dimension of social media implementation positively contribute to social media performance. Further, social media performance is strongly associated with marketing performance.

The positive effect of social media strategy on social media performance is consistent with Hypothesis 1 and demonstrates the critical importance of a well-developed strategy for social media success. Social media strategy is essential to aligning social media with firms' strategic marketing goals (Effing & Spil, 2016). It also plays an important role in reinforcing goal commitment and facilitating optimal resource allocation decisions (Felix et al., 2017). Finally, social media strategy is crucial to coordinating firms' social media

effort by defining a coherent structure and line of communication (Mergel & Bretschneider, 2013).

Contrary to Hypothesis 2, active presence fails to contribute to social media performance. This result suggests that active presence by itself may be incapable of driving social media performance. First, for a brand, being overly active on social media might be off-putting for its customers who often experience time pressure on social media. Second, social media algorithms prioritise and serve content to users based primarily on engagement considerations. If a brand's content cannot garner some initial level of engagement, its chances of reaching a wider audience organically will be limited. As such, producing content actively with little concern for engagement can hardly lead to success.

Customer engagement initiatives have a strong positive effect on social media performance, demonstrating their value for social media success. Social media represents deeply engaging platforms in which human connection and social relationships take centre stage (Hanna et al., 2011; Kaplan & Haenlein, 2010). It is therefore essential that firms infuse their social media effort with engagement orientation (Pansari & Kumar, 2017). Research shows that engagement tactics such as interacting with customers at a personal level or facilitating transformational experiences trigger favourable affective responses (Harmeling et al., 2017; Tafesse, 2016) which in turn readily translate into concrete behavioural outcomes (Harrigan et al., 2015). Our results validate these findings from an organisational perspective.

Social media analytics is an integral part of social media marketing that involves the compilation, analysis and interpretation of behavioural customer data to inform marketing decisions (Wedel & Kanna, 2016). Most social media platforms offer some form of in-built analytics that allow marketers to set up, monitor and analyse a range of performance metrics (Peters et al., 2013). When performed proactively, social media analytics fosters a culture of data-driven decision-making, thus enabling marketers to prioritise their actions and allocate resources efficiently. Our results substantiate conceptual arguments in the literature that analytics represent a crucial source of social media competency and success (Peters et al., 2013).

Finally, social media performance is positively related to marketing performance, which is consistent with Hypothesis 5. Social media performance represents customer-based social media outcomes that arise from customers' favourable perceptions, feelings or actions towards firms' activities on social media, while marketing performance represents customer-based market outcomes that arise from customers' purchase and post-purchase behaviour facilitated by social media. The strong positive association between these two performance measures signifies the transferability of favourable social media responses to market-based behavioural responses.

Theoretical contributions

Taken together, the study makes a threefold contribution to the literature. First, it posits social media implementation as a synchronous organisational process by which firms leverage social media to drive strategic marketing actions. This approach departs from stages-of-growth models, which aim to develop a social media growth model based on sequential stages (Chung et al., 2017; Effing & Spil, 2016). Our conceptualisation draws on a set of clearly defined

and operationalised social media processes that are essential for social media success. While the stages-of-growth models accentuate social media maturity, our conceptualisation accentuates social media effectiveness, whereby social media strategy and analytics serve as instruments of strategic (business) alignment and learning.

Second, although marketing research has begun to address the effects of social media on firm performance (e.g. De Vries et al., 2017; Srinivasan et al., 2016), these works are largely confined to using social media spending as a measure of firms' social media effort. Important social media processes that shape firms' social media effort beyond spending, such as social media strategy, customer engagement initiatives and social media analytics, are overlooked (Lamberton & Stephen, 2016; Valos et al., 2017). The second contribution of this study is to document the effects of these core social media processes on firm performance. Our results offer novel insights into how core social media processes contribute to marketing performance through enhancing social media performance.

A final contribution of the study lies in the development of a reliable and valid measurement scale for social media implementation. To our knowledge, no prior measurement scale for social media implementation has appeared in the literature. The measurement scale developed in this study meets all the requirements of a reliable and valid scale (Churchill, 1979). With a total reliability score of .84, the proposed scale can be readily employed in future research to measure social media implementation and examine its organisational antecedents and outcomes.

Managerial implications

Our results hold valuable implications for managerial action. First, based on the result that social media strategy positively contributes to social media performance, we encourage firms to develop a formal strategy that defines their goals for social media and formulates a clear execution plan in terms of target audience, channel choices, policies and structure. A well-developed strategy should align with and drive strategic marketing actions. Managers can find detailed guidance on the social media strategy development process from such authoritative sources as Sproutsocial.com and Hootsuite.com.

Second, although the result that active presence makes no significant contribution to social media performance should encourage firms to pay greater attention to the quality of their social media content, decisions regarding active presence should best be considered on a platform-by-platform basis. For instance, on Twitter, where daily updates from brands are commonplace, active presence can be valuable, while on Facebook, a level of presence on par with Twitter is uncommon and might even be counterproductive. As such, firms should decide their level of presence according to the characteristic and dynamics of each social media platform.

Third, we encourage firms to cultivate initiatives that stimulate customer engagement in social media. Customer engagement comprises a diverse set of favourable customer actions with a firm focus, such as giving referrals, producing positive WOM and providing constructive feedback (Harrigan et al., 2015). Firms can apply a range of tactics to motivate such behaviour, such as producing content that is emotionally and experientially resonant, listening and responding to customer concerns and feedback in a timely manner and motivating and rewarding customers to regularly interact with the firm.

Finally, we encourage firms to become analytics oriented in their social media efforts. Social media analytics empowers marketers to quantify customer responses to specific marketing action and allocate resources more efficiently. It enables them to concentrate their efforts where they can achieve the greatest impact. To this end, firms should develop a relevant metrics system that provides a clear picture of the effectiveness of and improvement in their social media effort (Peters et al., 2013). The metrics that firms track need to be closely aligned with their strategic marketing goals.

Limitation and future research

The present study is among the first attempts at conceptualising and operationalising social media implementation as a multidimensional construct. As such, the proposed framework opens up several avenues for future research. First, future research can examine the antecedents of social media implementation. This study was focused on the performance consequences of social media implementation, and given the contribution of social media implementation to firm performance, it is worthwhile to identify the organisational factors that foster (or hinder) it, such as resources. Second, it is plausible that social media implementation may vary by industry, firm size and customer type (e.g. B2C vs. B2B). Certain dimensions of social media implementation could be more impactful within certain industry and firm-level contexts. Future research might examine such industry- and market-specific effects. The small data set we employed precluded us from performing this sort of granular level analyses. Third, future research might explore factors that moderate the relationship between social media performance and marketing performance, such as firms' e-commerce capability. Such works can provide a better understanding of the circumstances under which social media performance contributes to marketing performance.

The limitations recounted in prior paragraphs notwithstanding, the present study offers a valuable initial framework to understand social media implementation. It can be refined and extended in the future to reflect different organisational realities as well as changing social media habits and practices.

Disclosure statement

No potential conflict of interest was reported by the authors.

Notes on contributors

Wondwesen Tafesse is a post-doctoral researcher at the School of Business and Economics, UiT–The Arctic University of Norway. His research interests include social media marketing, branding and consumer experiences. His works have been published in *Industrial Marketing Management*, *European Journal of Marketing* and *Journal of Product & Brand Management*, among others. He has teaching responsibilities and supervises graduate students.

Anders Wien is an associate professor of marketing at the School of Business and Economics, UiT–The Arctic University of Norway. His research interests include word of mouth, consumer behavior and social media marketing. His works have been published in journals such as *Psychology & Marketing* and *European Journal of Marketing*. He has teaching responsibilities and supervises graduate and MBA students

References

- Ashley, K., & Tuten, T. (2015). Creative strategies in social media marketing: An exploratory study of branded social content and consumer engagement. *Psychology and Marketing, 32*(1), 15–27.
- Bagozzi, R., & Yi, Y. (2012). Specification, evaluation, and interpretation of structural equation models. *Journal of the Academy of Marketing Science, 40*, 8–34.
- Berthon, P. R., Pitt, L. F., Plangger, K., & Shapiro, D. (2012). Marketing meets web 2.0, social media, and creative consumers: Implications for international marketing strategy. *Business Horizons, 55*(3), 261–271.
- Brodie, R. J., Ilic, A., Juric, B., & Hollebeek, L. (2013). Consumer engagement in a virtual brand community: An exploratory study. *Journal of Business Research, 66*(1), 105–114.
- Choudhury, M. M., & Harrigan, P. (2014). CRM to social CRM: The integration of new technologies into customer relationship management. *Journal of Strategic Marketing, 22*(2), 149–176.
- Chung, A. Q. H., Andreev, P., Benyoucef, M., & Duane, A. (2017). Managing an organization's social media presence: An empirical stages of growth model. *International Journal of Information Management, 37*, 1405–1417.
- Churchill, G. A., Jr. (1979). A paradigm for developing better measures of marketing constructs. *Journal of Marketing Research, 16*, 64–73.
- De Vries, L., Gensler, S., & Leeflang, P. S. H. (2017). Effects of traditional advertising and social messages on brand-building metrics and customer acquisition. *Journal of Marketing, 81*(5), 1–15.
- Dessart, L., Veloutsou, C., & Morgan-Thomas, A. (2016). Capturing consumer engagement: Duality, dimensionality and measurement. *Journal of Marketing Management, 33*(5–6), 399–426.
- Effing, R., & Spil, A. A. M. (2016). The social strategy cone: Towards a framework for evaluating social media strategies. *International Journal of Information Management, 36*(1), 1–8.
- Felix, R., Rauschnabel, P. A., & Hinsch, C. (2017). Elements of a strategic social media marketing: A holistic perspective. *Journal of Business Research, 70*, 118–126.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research, 18*, 39–50.
- Gensler, S., Volckner, F., Liu-Thompkins, Y., & Wiertz, C. (2013). Managing brands in social media environment. *Journal of Interactive Marketing, 27*(4), 242–256.
- Habibi, F., Hamilton, C. A., Valos, M. J., & Callaghan, M. (2015). E-marketing orientation and social media implementation in B2B marketing. *European Business Review, 27*(6), 638–655.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). *A primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)* (2nd ed.). Thousand Oaks, CA: Sage Publications.
- Hanna, R., Rohm, A., & Crittenden, V. (2011). We're all connected: The power of the social media ecosystem. *Business Horizons, 54*, 265–273.
- Harmeling, C. M., Moffett, J. W., Arnold, M. J., & Carlson, B. D. (2017). Toward a theory of customer engagement marketing. *Journal of the Academy of Marketing Science, 45*(3), 312–335.
- Harrigan, P., Soutar, G., Choudhury, M. M., & Lowe, M. (2015). Modelling CRM in a social media age. *Australasian Journal of Marketing, 23*, 27–37.
- Hewett, K., Rand, W., Rust, R. T., & Heerde, H. J. V. (2016). Brand buss in the echoverse. *Journal of Marketing, 80*(3), 1–24.
- Hoffman, D. L., & Fodor, M. (2010). Can you measure the RO of your social media marketing. *MIT Sloan Management Review, 52*(1), 41–49.
- Hootsuite (2016). How to create a social media marketing plan in six steps. January, 2017. Retrieved from: <https://blog.hootsuite.com/how-to-create-a-social-media-marketing-plan/>
- Jaakkola, E., & Alexander, M. (2014). The role of customer engagement behavior in value co-creation: A service system perspective. *Journal of Service Research, 17*(3), 247–261.
- Jarvinen, J., & Karjaluoto, H. (2015). The use of web analytics for digital marketing performance measurement. *Industrial Marketing Management, 50*, 117–127.
- Kaplan, A. M., & Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of social media. *Business Horizons, 53*, 59–68.
- Katsikeas, C. S., Morgan, N. A., Leonidas, L. C., & Hult, G. T. M. (2016). Assessing performance outcomes in marketing. *Journal of Marketing, 80*, 1–20.

- Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social media? Get serious! Understanding the functional blocks of social media. *Business Horizons*, 54, 241–251.
- Lamberton, C., & Stephen, A. T. (2016). A thematic exploration of digital, social media, and mobile marketing: research evolution from 2000 to 2015 and an agenda for future inquiry. *Journal of Marketing*, 80, 146–172.
- Malthouse, E. C., Haenlein, M., Skiera, B., Wege, E., & Zhang, M. (2013). Managing customer relationships in the social media era: Introducing the social CRM house. *Journal of Interactive Marketing*, 27, 270–280.
- Mangold, W.G., & Faulds, D.J. (2009). Social media: the new hybrid element of the promotion mix. *Business Horizons*, 52(4), 357–365.
- McCann, M., & Barlow, A. (2015). Use and measurement of social media for SMEs. *Journal of Small Business and Enterprise Development*, 22(2), 273–287.
- Mergel, I., & Bretschneider, S. I. (2013). A three stage adoption process for social media use in government. *Public Administration Review*, 73(3), 390–400.
- Mintz, O., & Currim, I. S. (2013). What drives managerial use of marketing and financial metrics and does metrics use affect performance of marketing-mix activities. *Journal of Marketing*, 77(2), 17–40.
- Nunnally, J. C. (1978). *Psychometric theory* (2nd ed.). New York: McGraw-Hill.
- Pansari, A., & Kumar, V. (2017). Customer engagement: The construct, antecedents and consequences. *Journal of the Academy of Marketing Science*, 45, 294–311.
- Parven, F., Jaafar, N. I., & Ainin, S. (2015). Social media usage and organizational performance: Reflections of Malaysian social media managers. *Telematics and Informatics*, 32(67–78). doi:10.1016/j.tele.2014.03.001
- Peters, K., Chen, Y., Kaplan, A. M., Ognibeni, B., & Pauwels, K. (2013). Social media metrics – A framework and guidelines for managing social media. *Journal of Interactive Marketing*, 27, 281–298.
- Smallwood, B. (2016). Resisting the siren call of popular digital media measures. *Journal of Advertising Research*, 56(2), 126–131.
- Solli-Sæther, H., & Gottschalk, P. (2010). The modeling process for stage models. *Journal Of Organizational Computing and Electronics Commerce*, 20(3), 279–293.
- Specter, P. E. (1992). *Summated rating scale construction: An introduction*. Newbury Park, CA: Sage.
- Srinivasan, S., Rutz, O. J., & Pauwels, K. (2016). Paths to and off purchase: Quantifying the impact of traditional marketing and online consumer activity. *Journal of the Academy of Marketing Science*, 44, 440–453.
- Stephen, A., & Brat, Y. (2015). *Social media marketing: principles and strategies*. Idaho Falls, ID: Stukent.
- Tafesse, W. (2015). Content strategies and audience response on facebook brand pages. *Marketing Intelligence & Planning*, 33(6), 927–943.
- Tafesse, W. (2016). An experiential model of consumer engagement in social media. *Journal of Product and Brand Management*, 25(5), 424–434.
- Tafesse, W., & Wien, A. (2017). Using message strategy to drive consumer behavioral engagement on social media. *Journal of Consumer Marketing*. doi: 10.2139/ssrn.3025392
- Trainor, K. J., Andzulis, J. M., Rapp, A., & Agnihotri, R. (2014). Social media technology usage and customer relationship performance: A capabilities-based examination of social CRM. *Journal of Business Research*, 1201–1208. doi:10.1016/j.jbusres.2013.05.002
- Tuten, T., & Solomon, M. R. (2015). *Social media marketing*. London: Sage.
- Valos, M., Mapelstone, V. L., & Polonsky, M. J. (2017). Integrating social media within an integrated marketing communication decision-making framework. *Journal of Marketing Management*, 33 (17–18), 1522–1558.
- Van Droon, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010). Customer engagement behavior: Theoretical foundations and research directions. *Journal of Service Research*, 13(3), 253–266.
- Wedel, M., & Kanna, P. K. (2016). Marketing analytics for data-rich environments. *Journal of Marketing*, 80, 97–121.