

# The Impact of Information Technology and Social Networks in the Integrated Marketing Communication Process for Products and Services

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**Abstract.** As the internet-based social media spread rapidly in the past few years and the number of users of facebook, twitter and youtube have grown and as this has made it possible for one person to communicate with hundreds or even thousands of other people about products and the companies that provide them, which greatly magnified the impact of consumer to consumer communication; marketers sensed the opportunity and try their best to grasp it. The traditional IMC for any company has to be altered to fit in the new world of rapid changing technology and social media. Marketers can look at this as an opportunity to increase market share or as a threat that may destroy their products or services. This paper argues that the traditional IMC has to be altered to fit in the new marketing techniques depending on the consumers as an important element of the integrated marketing communication paradigm.

**Keywords:** social media, consumer communication, marketers, integrated marketing communication.

## 1 INTRODUCTION

With a computer and internet connection one can easily communicate to the world. This has been made much easier and quicker by the social networks, such as Facebook, Twitter, MySpace and even Google. Marketing is no longer between the brand and the consumer; it is now between the brand, the consumer, and hundreds or thousands of the consumers' friends and followers, all with a few keystrokes and a click of the mouse.

Seeing the successes of these online applications, enterprises and small businesses have joined the bandwagon, by building relationships with their customers online and marketing their brands to a new demographic. Since Facebook and Twitter allow for free participation, social media marketing has emerged as the quickest and easiest way for companies to market their product or service. The Internet has become the second most important distribution channel (after high street retailing) and a major source of customer information and empowerment (Urban 2003, 2005; Constantinides/Fountain 2008). The web, and particularly what is known as Social Media or Web 2.0, have given consumers much more control, information and power over the market process, leaving retailers with a number of important dilemmas and challenges.

What most people would agree though is that fundamental element of Web 2.0 is what is widely known as Customer-Generated Content (CGC); besides extracting value, users also add value to Web 2.0 applications and processes by generating, reviewing, editing and disseminating content. Direct customer involvement and CGC result in powerful network effects and users' communities (O'Reilly 2005). Web 2.0 or Social Media, the terms are often used interchangeably. The term Web 2.0 was officially coined in 2005 by Tim O'Reilly (O'Reilly 2005) who described it as a new form of collaborative Web, a "platform harnessing collective intelligence".

According to the World Bank data bank, Egypt has a very reasonable ratio of internet penetration (estimated at 27% in 2010). In a report produced by Ministry of Communications and Information Technology in Egypt (Ministry of Communications and Information Technology 2012), the number of users is growing in a faster pace in the last two years (2011-2012). The monthly growth rate is estimated at 1.27% (Ministry of Communications and Information Technology 2012).

Older generations started to believe in the importance of using technology in their daily communication. They also started to believe social media more than other media sources like public TV and radio. Internet penetration is estimated at 38% in June 2012 (Ministry of Communications and Information Technology 2012).

The number of Facebook users in Egypt is estimated at 14% of the population and 67% of the online population in Egypt. Egypt is ranked number 21 (in Facebook penetration) based on these percentages (Egypt Facebook statistics. 2012). Table-1 displays the age distribution of Facebook users in Egypt (Egypt Facebook statistics. 2012). It can be noticed that the majority of users is in the range of 18-35.

Table1. Facebook users age distribution.

Age group	Percentage
18-24	39%
25-34	26%
16-17	11%
13-15	10%
35-44	9%
45-54	3%

With its average of 110 billion tweets sent every day (Social Media Statistics: By-the- Numbers. 2011), tweets spread faster than Facebook pages. They are very short and can carry keywords as well. Those keywords are added with hash tags before them. They are added as part of the messages. The rise of the internet and social media took place in Egypt especially after the revolution and the role these two played on it. People understand its importance and start to put more trust on these tools more than before.

## 2 THE TRANSFORMATION OF INTEGRATED MARKETING COMMUNICATION

According to kotler; IMC is the concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear consistent and compelling message about the organization and its products.

It has long been acknowledged in marketing management circles that successful IMC strategies clearly reflect the values articulated in an organization's mission statement and contribute to the fulfillment of the organization's performance goals. To accomplish these objectives, the elements of the promotion mix are carefully coordinated so the information transmitted to the marketplace through these elements consistently communicates a unified message that broadly reflects the organization's fundamental values.

This is the process where the company or let's say the product or the service is communicated to the customers or the potential customers, and as any marketing activity the aim is for the company that the sales are done and for the customer that he/she is happy and satisfied with what they get. This may be a simple definition but this is actually why the efforts are done, to have a satisfied customer who will be repurchase the product again or ask for the same service again and this will lead for more sales and profits for the company.

IMC or promotional mix is consisted of five activities, or five major types:

- Advertising: Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- Personal selling: Personal presentation by the firm's sales force to make sales and build customer relationships.
- Sales promotion: Short-term incentives to encourage the purchase or sale of a product or service.
- Public relations: Building good relations with the company's publics by obtaining favorable publicity, building up a good "corporate image", and handling or heading off unfavorable rumors, stories, and events.
- Direct marketing: Direct communications with carefully targeted individual consumers to obtain an immediate response, the use of mail, telephone, fax, e-mail, and other non-personal tools to communicate directly with specific consumers or to solicit a direct response.

As marketers realize the great impact of social media and its effect on the consumers' perspectives and its effect not only on the current customers but also on the potential ones, efforts are made to engage the products and services on this mix. The mix we mean here is the social media and other channels that the company has to deal with and which the outcomes will affect the products or services either positively or negatively.

As social media or marketing is no longer a relation between the marketer and the customer but also with all of their friends and comments and likes either on facebook or the tweets on twitter or any other connection they have with a satisfied customer or dissatisfied one who both will get in the game or in the process of determining whether to purchase the product or the service or not.

Nowadays, social media and other internet revolutions can provide the same activities done by the IMC with addition of that the customer is no longer only the receiver of the information or the marketing activity that the company wants to communicate, the customer adds value to the process itself. The company can pay for the advertising on the social media or can simply as most of the companies do now create page or twitter account and start to communicate with the customers all over the world.

### **3 THE OTHER SIDE OF THE COIN**

The transformation of the IMC and the effect of the internet and social media on the marketing activities in general, indeed increase the reachability and the connection with more customers all over the globe, introduce new companies and help companies to represent itself in the way it likes. With a simple click on the like button on facebook the company can increase the fans of the products or brands it provide and with a simple follow from a customer the number of followers on twitter will increase which can attract potential customers from the friends or the other networks connected to that customer or their followers. But is it that simple?

As customers trust their friends and connections on the social media to make a like or positive comment on a product, they also trust them on the negative comments or previews.

The negative side of the social media and internet, as we see it, is that you are dealing with humans with unexpected reactions and with no clear criteria of what they could like or not. A comment or tweet could make you lose a customer. As we observe, in the last two years and especially in the Arab countries, social media and the internet played a major and very important role in their revolutions, people know how to organize themselves and how to communicate and use the social media and internet as their free zones to speak out and say what they want freely, people expressed themselves and trust the social media and the internet.

In the traditional communications paradigm, the elements of the promotional mix are coordinated to develop an IMC strategy, and the content, frequency, timing, and medium of communications are dictated by the organization in collaboration with its paid agents (advertising agencies, marketing research firms, and public relations consultants).

The flow of information outside the boundaries of the paradigm has generally been confined to face-to-face, word-of-mouth communications among individual consumers, which has had minimal impact on the dynamics of the marketplace due to its limited dissemination (Mayzlin, 2006).

The first role of social media is consistent with the use of traditional IMC tools. That is, companies can use social media to talk to their customers through such platforms as blogs, as well as Facebook groups and twitters community. These media may either be company- sponsored or sponsored by other individuals or organizations. The second promotion-related role of social media is unique: customers can use it to communicate with one another. In his book *The New Influencers*, Gillin (2007) points out that "Conventional marketing wisdom has long held that a dissatisfied customer tells ten people. But that is out of date. In the new age of social media, he or she has the tools to tell 10 million". Gillin illustrates this potential power by recounting the story of Vincent Ferrari, a blogger who posted an audio recording of his encounter with an AOL customer service representative. The representative's persistent attempts to convince Ferrari not to cancel his account offended listeners' sensibilities to the extent that approximately 300,000 of them requested to download the audio file. The story went "viral" as it was picked up by thousands of other bloggers and websites. It eventually drew the

attention of such mainstream media as The New York Post, The New York Times, and NBC. It can be presumed that AOL's management was embarrassed, to say the least.

In a sense, this second role of social media enabling customers to talk to one another is an extension of traditional word-of-mouth communication.

But as the Vincent Ferrari story illustrates, the uniqueness lies in the magnitude of the communication. Instead of telling a few friends, consumers now have the ability to tell hundreds or thousands of other people with a few keystrokes. The question for managers becomes "How can this power be harnessed for the benefit of the organization?" While companies cannot directly control consumer-to-consumer messages, they do have the ability to influence the conversations that consumers have with one another.

#### 4 CONCLUSIONS

The emergence of Internet-based social media has made it possible for one person to communicate with hundreds or even thousands of other people about products and the companies that provide them. Thus, the impact of consumer-to-consumer communications has been greatly magnified in the marketplace. Social media could be considered as an element of and at the same time a changing point for the promotion mix because in a traditional sense it enables companies to talk to their customers, while in a nontraditional sense it enables customers to talk directly to one another. The content, timing, and frequency of the social media-based conversations occurring between consumers are outside marketers' direct control. This stands in contrast to the traditional integrated marketing communications paradigm whereby a high degree of control is present. Therefore, managers must learn to shape consumer discussions or in another word trying to have some control on the message or the content the company wants to communicate in a manner that is consistent with the organization's mission and performance goals.

Consumers' ability to communicate with one another limit the amount of control companies have over the content and dissemination of information. Consumers are in control, they have greater access to information and greater command over media consumption than ever before, and they played a major role in the structure of the marketing activities and the response of the marketers toward their actions.

This shift in the information control needle is dramatically influencing the way consumers receive and react to market information (Ramsey, 2006; Singh, Veron-Jackson, & Cullinane, 2008).

The traditional communications mix, which relied on the classic promotional mix to craft IMC strategies, must give way to a new mix that includes all forms of social media as potential tools in designing and implementing IMC strategies. Contemporary marketers cannot ignore the phenomenon of social media because it has rapidly become a major source for consumers who are disseminating information on products and services.

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