

A framework for using social media channels in knowledge exchange with customers

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Abstract. Social media channels become more and more important for service providers in contacting customers. Given the variety of offers it is important to understand the contribution of social media channels to knowledge exchange with customers. We analyse the requirements of customer contact in service provision and develop a framework how different social media channels can be used for knowledge exchange. In particular, we show from the perspective of service providers how these organisations may apply different social media channels in different stages of service processes.

Keywords: Knowledge exchange, social media channels, framework

1 Introduction

Knowledge exchange between customers and providers occurs through interaction channels [1]. An interaction channel is described as medium or customer contact point through which a customer contact takes place. Such interaction channels can be traditional (e.g. store, personal contact or mail) or modern (e.g. email, websites or social media). Irrespective from the specific channels, multi-channel management is relevant before, during and after service delivery as there are contact points between provider and customer including suppliers [1].

Among these channels, social media channels are becoming more and more important as there has been a dramatic increase in using social media platforms for a variety of communication purposes [2]. The advancements in the area of social media applications have opened up a feeling of self-determination and co-determination of customers [3]. Given the fact that there is a variety of social media channels available [4] and activities are less controllable [5], which can lead to detrimental consequences

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(“online firestorms”) [6], the research question is how knowledge exchange in a multi-channel setting of different social media channels should take place. While for firms it is necessary to analyse how customers react to service offering in terms of adoption or satisfaction, the question how knowledge that may be critical for service innovation or other areas of business development is exchanged across several channels is not well understood so far [1]. The aim is to develop how knowledge exchange between customers and service providers may take place through social media channels.

2 Theoretical background

2.1 Service delivery

Irrespective from the context, a service delivery process consists of a start event followed by activities and an end event [7]. The start event is triggered by customers who make the decision to buy the service and the end event occurs when the service delivery has finished. The activities between are either performed by the provider (and eventually a supplier) or by the customer [8]. Service delivery processes can occur more than once for a specific customer and are performed for different customers. Thus, service delivery is characterised by customer integration which is heterogeneous, i.e. how this integration takes place can differ between customers and each time a service is executed for a customer [9].

Additionally, there can be processes before and after the service delivery that are connected to the service delivery process [10]. Processes before are typically information search, negotiation and contract conclusion [10] while within usage or enjoyment of the result afterwards [11] customer complaints might occur for example. The phases can be described as follows:

1. Information search: The first step towards a service delivery is to search for information. Customers have a certain need and look for information how to fulfil it.
2. Negotiation: If a customer is demanding a service or product then potentially negotiations can take place. This covers e.g. the price or characteristics of delivery.
3. Contract conclusion: If there is mutual agreement on the service offer, a contract between buyer and seller is the result.
4. Integration during delivery: Customers are integrated during the service delivery process. Knowledge is exchanged in terms of specific customer characteristics and details regarding the delivery.
5. Usage, enjoyment: Once a service is delivered/ produced it will be used by customers. In this phase knowledge exchange can occur through complaints by customers which have to be handled by service providers.

2.2 Knowledge exchange

Knowledge exchange incorporates the exchange of knowledge between customers, suppliers and provider as well as within supplier and provider companies involved [8]. Such knowledge can be directly related to a specific service delivery, general

knowledge about services offered or regarding customer experience. The communication and thus the exchange of knowledge with the customer happens through a number of different channels.

Thanks to the ICT advancements, it is easier than ever to find and share knowledge, detached from time and space, and most individuals do it; also in their leisure time. Some technologies can be considered as better drivers or facilitators of these activities than other ones [12], social media have shown their enormous potential. At the same time, boundaries between work related knowledge sharing and private knowledge sharing are increasingly blurred, since the different social media sites can easily be assessed and used through computers and mobile devices. Furthermore, an increasing number of organisations apply social media with different groups of stakeholders and thus expand their scope of knowledge sharing [13].

2.3 Social media channels

The communication and thus the exchange of knowledge with the customer can occur through different channels [1]. While traditional interaction channels such as branches, telephone or the own website are highly under control of service providers, this does not hold true for social media channels. Here, service providers have a user status of a third-party program in a similar way as their customers. Customers have more possibilities to interact and make their knowledge public the latter being rarely the case for traditional channels. To better cope with the variety of social media channels [4, pp. 8-12] grouped them into four zones:

1. Zone 1 Social community: Social communities refer to channels that focus on relationships and the gathering of people that share the same interest or identification. Examples are social networking sites (SNS), forums, and wikis.
2. Zone 2 Social Publishing: Social publishing sites support the dissemination of content to a target group. Examples are blogs and media sharing sites.
3. Zone 3 Social Entertainment: These channels aim at offering opportunities for play and enjoyment. Examples are social games and entertainment communities.
4. Zone 4 Social Commerce: Social commerce is about the usage of social media for online buying and selling of physical goods and services. The channels in this zone also cover review sites, deal sites, social shopping markets, and social storefronts.

3 Social media channel usage in service processes

In line with the research question, we develop a conceptual framework that is displayed in Table 1. The framework links knowledge exchange in the phases of service processes (Section 2.1) with the four social media zones. More precisely, our aim is to show how different forms of knowledge exchange (i.e. information search, negotiation, contract conclusion, integration during delivery and usage/enjoyment) can be realised by applying social media channels.

	Zone 1	Zone 2	Zone 3	Zone 4
Information search	X	X		X
Negotiation	X			X
Contract conclusion	X		X	X
Integration during delivery	X		X	X
Usage/Enjoyment	X	X	X	X

Table 1. Usage of social media channels for knowledge exchange in different phases of service processes

Table 1 clarifies that depending on the form of knowledge exchange taking place during service processes different social media zones are affected:

- Information search: Using social media channels, information in this phase can be obtained from other individuals active in social communities. Here, customers seek for information such as how to solve a possible problem, which service offers other people may know and which experiences others have been made with the services offered. Thus, individuals can look for information or offer information/experience to others. A provider can step in this phase and also provide information. Another way of knowledge exchange in this phase is via social publishing, i.e. an individual or company provides a special blog on a specific solution. Additionally, information can be distributed through websites which aim at social commerce. Social entertainment channels are not relevant here, as these are typically not used for information search by customers.
- Negotiation: Next to direct negotiations between a customer and a company, it can happen online as well, e.g. in the case of online auctions. Within such social commercial websites, information exchanges within bidding processes take place between a company and many bidders. Furthermore, offers can be negotiated through social communities, in that case using them as communication channel. Such a type of communication is not feasible for social publishing as feedback is not possible, and does not represent the aim of social entertainment channels.
- Contract conclusion: As this phase also requires communication between the parties, execution via social publishing channels is not suitable. Yet, in addition to social communities and social commerce channels, offers can also be accepted in social entertainment environments. Examples are social online games (e.g. World of Warcraft) in which digital items can be bought.
- Integration during delivery: As in the prior phase, social publishing channels are not suitable. If a personal contact between customers and service providers is not required during service delivery (e.g. hair cutting), knowledge can also be exchanged through the other social media channels. Customers can provide specific characteristics on their own or these are already stored in applications within the social channels. Additionally, information provided on social networks or observed behaviour can be extracted.
- Usage/enjoyment: After a service is delivered and experienced by the customers, they can share the experiences within every social media channel. Such knowledge dissemination can include the description of features, benefits, weaknesses, opinions or complaints. Service providers can be present with their own accounts and actively

seek and accept inputs from customers (i.e. social commerce channels). However, customers may also complain about or praise products with their social peers or visible to everyone (social publishing). Here, providers need to continuously monitor relevant social channels to pick up reactions to their services.

It should be emphasised that the separate description of channels does not implicate that knowledge exchanges regarding a specific service take place within one channel only. In fact, several social channels can be used stepwise, at the same time and in combination with other channels such as email, phone or a branch.

4 Influence on knowledge exchange

The usage of social media channels in the different phases of knowledge exchange will also have implications for the parties involved. Next, we highlight a number of implications, taking the perspective of a service provider.

The integration of customers in the service delivery process provides service providers the opportunity of getting access to outside knowledge and thereby expanding or updating their own knowledge base. Ideally, the combination of customers' knowledge and service provider's knowledge results in new or improved services. In order to do so, virtual reality labs may be considered as promising tools of service creation. Service providers and customers (e.g. lead users) can collaborate in real time and across geographical boundaries. They can pick up questions from and concerns of customers by answering via the same social media channel in a fast and detailed way.

Customers are searching for information on products and services using different social media channels, but are also using these channels to share information on their preferences and market trends [14]. In addition, they will also share their positive and negative experience with the service. Thus, customers act as boundary spanners between the firms and the market.

Provision of information and knowledge to potential customers about the attributes of products can take place where the customer is. Thus, a switch between channels is not necessary which reduces the risk of customers switching to other providers.

Information and (explicit) knowledge is not only shared through social media channels but can also easily be stored and then processed for later usage. This allows service providers to continuously develop their knowledge base. However, knowledge from different social channels is mainly stored with the provider of the social channel. A service provider has to export such knowledge to its own systems and combine knowledge on customers to enable internal reporting. Next to the direct communication with a customer, this can also be e.g. information on how well the last Facebook-campaign performed or how the number of followers develop. Furthermore, other customers can add their experience and knowhow to knowledge exchanges between customer and service providers that take place openly to the public. Such knowledge can also be accessed, stored, used to improve a service offer or to develop new ones.

5 Conclusions and Outlook

The challenge for service providers will lie in their capability of combining knowledge per customer over different channels. This is difficult as information is typically stored with other providers offering platforms for social media channels. Moreover, analytics often rely on the provider offerings and are not standardised across them. The present study provides practitioners' insights and ideas how best use could be made of different social media channels for information and knowledge exchange.

From a theoretical point of view, this study provides novel insights into the study of interactions between providers and customers as it draws particular attention to the contribution of social media channels in these interactions. These insights thus expand our body of knowledge regarding multi-channel management activities.

Future work should especially shed light on the following topics to strengthen our understanding of knowledge exchange within social media channels:

- Are there specific types of customers demanding specific combinations of social media channels which can be described in a standard knowledge exchange?
- Are there significant differences or similarities between industries regarding knowledge exchange via social media channels?
- How can service providers make use of knowledge which cannot be transferred to the own systems in order to develop a conjoint knowledge datasheet per customer?
- How should algorithms be designed to analyse customer knowledge if it is drawn from different social media channels with various formats?
- Does a company have to be present in at least four channels one for each zone to gather all possible feedback from potential and existing customers?

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