Running head: research

Media, Social Media

Running head: RESEARCH New Media Research Project Evi Kazamia Dr. Yi Luo Montclair State University Introduction The array of social networking sites such as Facebook, Twitter, and Youtube are embedded within the majority of today's organizations. These social media outlets are becoming a necessary tool for organizations because they are a huge source of exposure and have proven to help organizations deal with issues management, crisis responses, and most importantly reputation and profit. Starbucks coffee delineates the extent to which organizations participate in social media networking. This research aims to study the degree to which individuals seek out new media (Facebook, Twitter, and Youtube). Whether this is a " like" or " post" on a Facebook page, a " follow" or " re-tweet" on a Twitter page, or a subscription on a Youtube channel, these new media offer an unfiltered, up to date line of communication and information about Starbucks that cannot be found elsewhere. This research provides evidence from academic journals that connect to Starbucks and its adoption of social media outlets. It will correlate and contrast these studies and findings with current research performed through a three week long monitoring, and will examine new media's impact on the target organization. The three week long monitoring and analysis of Starbucks and its association with these three social media outlets will enrich our understanding of new media and how it is used by this organization. This analysis will go beyond the application of a few theoretical frameworks. It will compare and contrast the data collected through the monitoring process and the data presented by academics. A global company, Starbucks was founded in Seattle, Washington in 1971. With 20, 366 stores in 61 countries (13, 123 being in the United States alone), Starbucks has

become the largest coffeehouse company in the world. The company's mission statement is dedicated to the coffee it serves, its partners, its people, its customers, stores, and neighborhood: To inspire and nurture the human spirit-one person, one cup and one neighborhood at a time. Before beginning the monitoring process a directional hypothesis will be proposed. This hypothesis will help give structure to the research, offer explanation, and give proof that the background knowledge stated in the hypothesis is sufficient to make propositions and extend existing knowledge. Second, the research method will be defined and the major findings related to the development, adoption, and new media use among the organization, will be presented. Next will be the analysis of the new media monitoring. Last will be the analysis and critique of the monitoring and how these results connect to or challenge the major findings of the literature review. In order to discuss some of the major findings related to new media use and organizations, a research method is required. This research method will comprise a variety of online scholarly articles and the effects, advantages, disadvantages, and public responses of Starbucks on social media sites will be discussed. A group of articles concerning Starbucks and its effects on Facebook, Twitter, and Youtube will be collected and analyzed. Upon dissecting these articles and looking for major trends and ongoing themes, other factors affecting the organization and social media will also be considered. It is predicted that the use of social networking sites within an organization like Starbucks will help gain a better brand reputation, boost sales, and increase two-way communication - as long as the content on these pages is positive and this can only be done with superior customer satisfaction. Getting positive

feedback and positive results through the implementation of a social media sites is in the hands of the organization itself and it will strive if it advances with the right communication and business tactics. Literature Review The current use of social and new media has undeniably brought uncountable benefits to the organization. “ MyStarbucksIdeas" gives users the chance to interact, share, vote, discuss, and perceive Starbucks ideas (Palmer & Koenig-Lewis, 2009). By engaging in social media, an organization can improve its communication skills with its customers and find ways to improve itself as a company through customer feedback. From a more professional point of view, Starbucks CEO Howard Schultz along with other analysts has pointed out that the company has succeeded in its social media efforts because it has become a cost-effective way to engage with customers and decrease the cost of traditional advertising (Cook, 2012). Factors such as sales, ad clicks, and traffic may sometimes impose problems because social media is not always the solution nor is it the greatest scheme for profit maximization (Steven, 2008). When it comes to the social media audience a company’s greatest concern is how it will market its product and how Facebook, Twitter, and Youtube will help in the most effective way. Skill, time, and effort are some qualities to look for when hiring someone to control these social media pages, as well as having adequate knowledge about the company and its products (Sandilands). These are the obstacles a company like Starbucks faces when making poor hiring decisions. This unfortunately affects brand reputation and also the way to respond to customers in the most professional way possible. When customers spark controversy through a forum or thread, a social media expert should be able

to respond in a professional and business-like manner. This person should technically also be a senior representative of the company because he or she knows how to remedy most situations (Sandilands). It is necessary to mention this since Starbucks has experienced negative brand reputation through forums and such. This will be discussed later on in the literature review and analysis. Starbucks and Facebook According to a comparison study conducted by Social Bakers online (2010), it is an organization's Facebook attitude that encourages publics to be more responsive. The more frequent a company posts content on its page, the more connected the customer will feel. A graph shows statistics that recorded the number of daily posts by Starbucks and its main competitor Dunkin Donuts, in 2010 for one month. While Dunkin Donuts did not exceed 150 posts per day, Starbucks ranked as high as 500. Thus user participation and the public seem to be more intrigued by the content Starbucks is posting, which is one of the reasons this organization is gaining popularity on social media sites. According to a report published by Altimeter Group (2009) Starbucks was named the number one most engaged brand in social networking, due to its aggressive digital and social media strategy. The company has been incorporating and utilizing social media channels, most extensively on Facebook, and its adoptions have changed the company by helping boost its brand marketing plans (Wong, 2009). One of the ways the organization has succeeded in social media adoption is by making its customers number one priority and making them feel included. Although social media has benefited organizations around the world in many ways, they have also become the quickest method of distributing news, including good news and bad news.

Now that social media is the number one provider for this news, it travels much faster because users share information with each other. Conversations about organizations frequently take place without the organization's knowledge and sometimes not even its participation (Solis, 2008), and once a piece of news goes viral, the attempts to rectify the situation are next to impossible. Despite enhancing brand reputation, Starbucks, like many other big names, is a victim of such risks and limitations like brand negativity, through the adoption of these social media platforms. Social media creates ' bad customers' for the organization, through forum. As Partner/Chief Customer Experience Designer at Sensei Marketing Jeff Wilson (2012) states, it is because it builds a guilt-free, relatively anonymous environment with no accountability. Starbucks has similarly faced these obstacles through social media campaigns that have gone wrong. Starbucks and Twitter Twitter specifically has changed Starbucks as a company, by composing tweets and directing them at users, creating a better relationship between customer and employee. When customers see that a company providing a service to them is directing its attention towards them, it makes them feel included. A few of these tweets, such as remembering the victims of Hurricane Sandy, illustrate the customer's inclusiveness. The analysis of these tweets will be discussed later on. On the other hand, Facebook has helped develop these same customer-employee relationships as well because, according to experts, Starbucks has adopted the use of Facebook in order to prove that it puts its people before business, and it actively involves more customers while introducing new products and marketing them (Hitz, 2011). While Twitter and Facebook have proven to be the most successful social media platforms

in handling consumer issues and complaints, announcing news, and interacting directly with customers, Youtube has helped the organization in engaging in social media marketing. An inappropriate hashtag was used on Twitter by anti-Starbucks users, instead of the predetermined hashtags that were asked to be used by the organization, in order to promote a social media campaign Out of all the obstacles and challenges an organization faces through social media, brand negativity is undoubtedly the most difficult to resolve. Starbucks and Youtube By posting interesting material such as commercials, informational videos, and their charity involvement, the Starbucks Youtube channel gives the public a better idea of what the company has the potential to do and offer, and simultaneously help the public relate to the brand and product more (Hitz). The Starbucks Youtube channel is aimed at promoting its brand and providing useful “ How To" videos so consumers can brew their Starbucks coffee in the comfort of their own home. The video shared on Youtube “ How to Make a Starbucks Green Tea Latte" has gained nearly 75, 000 views. According to experts, this channel is mainly focused on providing a visual of the products and services Starbucks aims to promote (Wong, 2009). Having the potential and succeeding to adversely affect an organization’s online reputation, Youtube has become the second largest search engine in the world (Sorensen, 2012). Analysis Based on a three week monitoring, the findings recorded illustrate the use of social media platforms of Twitter, Youtube, and Facebook and how they affect Starbucks as a company. Where some areas of the findings overlap the monitoring and the results presented in scholarly journals and other articles, others contradict and conflict with the existing studies. As a

side note, it is important to mention that the period during the monitoring of weeks two and three, many users had limited to zero access to the internet, due to the Hurricane Sandy aftermath. With that said, online activity had differed from other times. The organization's social media team that was held responsible for Facebook posts, Twitter updates, and the Youtube channel has shown less activity. Likewise, comments, re-tweets, subscriptions, views, and following by users showed great stability during weeks two and three since a small number of people had access to these social networking sites. Main Purposes of Using New Media Outlets for the Target Organization Although Facebook gained the most activity from the three sites, the target publics had also showed activity on Twitter as well and this was apparent through re-tweets. As far as Youtube is concerned, every time a video was posted (like the one in week one, introducing the new coffee maker, Verismo), the target publics used this new media (Youtube) to watch the video. By clicking on the link, the user is directed to the Youtube page, which results to an increase number of views. This tactic helps increase exposure and create brand awareness (Hoffman & Fodor, 2010, Wong 2009). Taking a closer look at the article where Hoffman and Fodor state some key social media objectives, it is apparent that their relevant metrics for social media applications support the findings in the monitoring. Youtube creates brand awareness through the number of views of video and photo and their rating and boosts brand engagement through the number of replies, page views, comments, and subscribers. Each social media outlet has different functions and controls but in the end, all three channels share the same goals and objectives and those include presenting the organization

through content that will enhance its brand exposure, and create a positive brand image of its products and services among target customers. This pattern that runs through Facebook, Twitter, as well as Youtube helps gain the attention of customers and simultaneously welcome new ones. Through social event public invites and links to videos and photo sharing (such as new coffee flavors, the seasonal red cups, and the new coffee maker), the organization reaches its goal to connect the consumer with the company. Themes Observed Through the Monitoring of New Media Outlets The general and ongoing theme noticed in this study that relate to the development, adoption, and use of new media in this organization and similar organizations is social media applications to gain increased exposure and thus create brand awareness (Hoffman & Fodor 2010, Wong 2009). This is a theme that has been observed through a couple of articles and Hoffman & Fodor have integrated their analysis of brand development adoption into social media, by exemplifying how Youtube promoted a free coffee giveaway, and the frequency of tweets on Twittter (which is interpreted as a large increase in brand exposure). Having a successful online brand community generates a sense of belonging. The content posted on all three sites is the same, which is another general theme and pattern that was encountered. How Each New Media Has Engaged the Organization’s Strategic Publics The aftermath of Hurricane Sandy has encouraged Starbucks to actively engage its strategic publics and bring them together through social media. Those who were affected by the disaster regularly visited the interactive forums (Procopio & Procopio, 2007) and reported positive experiences with these online outlets, even thanking the

organization for opening its stores and providing hot coffee for those left without electricity and heat. The observations showed that the period during the hurricane, less content about marketing products was posted and the social media pages were used for advocating the particular issue. Directing its focus towards the victims — who were the public new media was aiming to penetrate at the time, Starbucks reached out to all those affected and what made its attempt salient was the announcement to donate to the Sandy Relief. This aimed to help survivors by making monetary donations to the American Red Cross, through iTunes. This is another tactic that Starbucks uses to demonstrate the importance of its customers and the people affected by the disaster. It is believed that every organization needs to show support, respect, and understanding of other factors apart from doing business, because that is what will keep bringing people back. The organization generates user participation once again by giving complementary wristbands throughout election week with any purchase, in order to encourage voting and increase the volume of its customers. Interestingly enough, Facebook collected 32, 734, 387 likes (as compared to 32, 457, 577 from the week before), Twitter gained 3, 057, 252 followers in total (as compared to 2, 989, 223 from the previous week), and Youtube received a sum of 15, 354 subscribers (as compared to 15, 012 from the previous week). In addition to, Facebook, Twitter, and Youtube have altered the way Starbucks does business. It does not take a lot of research to come to this conclusion because we as Starbucks customers and (many of us being) users of social media networks, witness these drastic changes through Facebook, Twitter, and Youtube. Creating online communities to

encourage interaction amongst customers and employees or representatives is the new way Starbucks and many other large names communicate with the public. These social media sites have particularly changed Starbucks as a company, through gaining a massive amount of customers online through likes, follows, and subscriptions. The company has changed in the sense that it has built more communication methods with its customers, which is the most crucial factor adopted because superior customer relationships is essential. Ethical Issues and Concerns Observed One of the most critical factors in adopting social media in organizations is brand negativity, and despite the bad reputation it could inflict on a company, it has been observed that Starbucks allows criticism in its open posts on Youtube, Facebook, as well as Twitter. The observations showed that many users were complaining about the same matter on Facebook, which was related to taxes and free coffee. The scholarly articles emphasize on the issue concerning brand negativity, because it is a factor that can deeply hurt an organization's profits. Despite this, having open posts can serve as a positive function because it enables organizations to understand their audiences through these conversations (Solis, 2008). Through the use of this new media, the organization has the ability to express its concerns for its customers and apologize where everyone can see, as well as permit two-way communication between customer and employee. Audience perception is a key factor in defining a company's identity and image and organizations are held responsible for their actions through public reaction. Through this Starbucks can help itself reinvent its image. Additionally, the posts that express concern and complaints help generate user participation. When

users realize how much the organization cares about customer satisfaction, the consumer provides feedback, which helps the company gain audience awareness. Therefore listening to the public's concerns and understanding the audience is vital. The statistics in the literature review illustrate the frequent posting of content on the pages where customers will be sure to see it and feel more connected. What sparks controversy here however is Starbucks' determination to open and do business during the most inappropriate times (both in a physical state and a mental state, like during Hurricane Sandy), which firstly puts people's lives in danger and secondly conflicts with the existing studies on what experts have to say about the organization's brand reputation, its employees, and their working hours. Recent studies show that overtime is one of the factors contributing to employee discontent (Vadillo, 2010). Posts made by users mentioning employee dissatisfaction is an example. Employee satisfaction is just as important as customer satisfaction, otherwise cooperation and performance decrease and so does the frequency of customers — employees are a fundamental part of the equation. Is the public actually aware of how many of those posts are made by users with real accounts? This is why it is important to take these aspects into consideration, because they can actually be illustrated by a current employee who is trying to blast the company and social media content can severely hurt the organization. Recommendations Despite the fact that Starbucks Coffee has been named the king of social media because of its campaigning strategy to decisively establish its presence online (smartsocialbranding. com, 2010), in order to more effectively use these new media to reach and engage in dialogues with

its target publics, Starbucks needs to search for what people say about the organization by reading blogs (Jarvis, 2005), and getting a better idea about what the public is talking about, regarding the organization. Additionally Starbucks should focus on the caption it posts with every video and use the brand name in the caption, because the caption is what users will read and click on the video. Youtube counts views as a ranking factor so the greater the views the higher the organization will rank in the Youtube search results (Sorensen, 2012). Similarly it is recommended that the organization changes its online behavior in comment threads on Facebook for example. Although it welcomes criticism in its open posts, it fails to respond to the consumer and his/her complaints. Zero response and avoiding the customer altogether creates a bad reputation for the company and its social media team because it is running away from complaints instead of attempting to communicate. This ethical concern can therefore be minimized by showing the public that it is not afraid to engage it (Jarvis, 2005), by increasing dialogue to encourage interaction through true and valid facts. This will minimize rumors and protect reputation (Veil, Buehner, & Palencar, 2011). Adopting social media outlets in organizations is necessary because these outlets are a major source of brand exposure, reputation, and profit. The results of this research have evidently outlined the extent to which Facebook, Twitter, and Youtube have succeeded in providing unfiltered, up to date news and information about the particular organization. Through evidence provided by academic journals and analysis discussed through observations, the function of these new media upon Starbucks were dissected in order to present the similarities and differences, the purposes of using these new media outlets, the

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