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An Investigation of the Mental Models of Social Media in the Minds of Managers

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Abstract

The paper empirically illustrates how managers' use of social media in business is constrained by socio-mental models (mindsets) of business-consumer interaction. As such, it counters the rationalist argument that the use of social media relies on an analysis of opportunities in the market and capabilities within the firm. Instead, a priori assumptions related to business-consumer interaction persist and affect new opportunities to interact with consumers that social media afford. Based on interviews with managers we identify four mental models of business-consumer interaction, which influence how managers implement social media within the service and retailing industries. The authors provide suggestions for how companies may help managers overcome cognitive biases to enable a more rational evaluation of social media use in B2C interactions.

Keywords: Cognition, Mental models, Management, Retailing, Social Media, Strategy, Communication, and Meta-cognition.

1. Introduction and positioning

The paper is positioned in the field of strategic marketing management as it focuses on managerial activities that deal with the strategic situation of a company and the manager's formulation and selection of customer and market-oriented strategies. The research demonstrates how particular mental models of business-consumer interactions confine managers' social media strategies. These socio-mental models create non-rational thinking that challenges the rationalist perspective on business decision-making. Social media serves as a case study that illuminates how managers may not adjust appropriately to ongoing changes in demands in the market. A study of more than 60 companies across industries that had adopted social media technologies (Piskorski 2011, p. 118) found that the poorly performing companies shared the same practice they had before social media arrived. That is, they relied on traditional strategies as they incorporated social media into their market approach. By being aware of how mental models impact managers' understanding of social media companies can better apply "the fundamental point[s] of marketing: adaptability, flexibility, and responsiveness" (Grönroos 1994, p. 6), and thereby explore relevant innovative business strategies that are consistent with users' expectations and behavior in social media.

2. Contribution

The threefold contributions of this study are inspired by socio-cognitive theories (e.g. Gentner and Stevens 1983; Weick, Sutcliffe, and Obstfeld 2005). First, we identify four dominant socio-mental models among retail managers and shows how each socio-mental model uniquely affects managers' orientation toward business-consumer interaction providing insights to why social media predominantly is used as a communicative toolset in spite of research that show how social media significantly enables changes in business-consumer interaction (Kiron et al. 2012). Second, we identify the socio-historical origins of these mental models providing additional support for their general distribution and influence among business managers. Third, we provide further substance to the understandings of how micro mechanisms of 'real-life' sensemaking in the minds of managers (i.e., socio-mental models) affect macro mechanisms in the form of particular social media practices.

3. Social media in business

Social media in retail business is particularly interesting for a socio-mental model study as retail managers are facing a market in significant transition where customer behavior is changing rapidly as the physical and virtual worlds collide (Deloitte 2011; Hinchliffe and Kim 2012). The connected consumers ask for integrated shopping and service experiences as well as new modes of interaction based on the latest technology (Wuyts et al. 2010). At the same time, consumers are adopting increasingly active roles in their involvement in brands (Hanna, Rohm, and Crittenden 2011) while simultaneously disengaging from traditional marketing methods as these now appear obstructive to such interaction (Fournier and Avery 2011). The belief is that social media will change communication in many ways and at different levels, as everyone will get a more active stake in the innovation, production and distribution of brands (Hennig-Thurau, Hofacker, and Bloching 2013; Labrecque et al 2013). Similarly, Kietzmann et al. (2011, p. 250) contend that 'social media introduces substantial and pervasive changes to communication between individuals, communities, and organizations'.

Attempts to recognize and respond to the changing consumer behavior described above put retailers under pressure in more than one sense. Social media is a new immediate approach by which managers and marketers intend to reach consumers, and at the same time innovate business practices. Yet, many of these marketers continue to apply their current marketing communication thinking to social media. According to Hanna, Rohm, and Crittenden (2011), “the challenge facing many companies is that although managers recognize the need to be active in social media, they do not truly understand how to do it effectively.” Similarly, Kiron et al. (2012) found that the biggest obstacle to adoption of social media is a lack of management understanding.

We posit that socio-mental models anchor current thinking of business-consumer interaction and prevent managers from incorporating social media in new ways if this involves a fundamental new way of looking at the market (Gorman 1997, pp. 586-587). This renders decisions about the use (e.g., as strategic versus tactical) of social media unchanged in spite of an opportunity for retail businesses to exploit customer desire for radical changes in the business-consumer interaction and for more social involvement (Piskorski 2011; Sousa 2012; Roberts 2012). Thus, managers’ default responses to social media can take the company in directions that actually lead to the opposite result of what is intended and thereby a potential loss of customers.

Despite espoused intentions from small and medium-sized retailer managers to develop and integrate social media into new business solutions, research reports (e.g., The Factbook 2012-2013; Deloitte 2011; IBM 2013) reveal that such intentions are not necessarily followed by action. These findings oppose the common logic that when managers become aware of changing market conditions they will assess what current practices are inadequate and initiate subsequent changes (Barnett, Greve, and Park 1994, p. 12; Noble, Sinha, and Kumar 2002, p. 35). We show how this reluctance in the marketplace is partly caused by deeply held socio-mental models that unconsciously frame managers’ interpretation of social media in practices and understandings, thus slowing, if not hindering an optimal strategic or tactical fit (i.e. the degree to which a company is matching its resources and capabilities with the opportunities in the external environment) from occurring. Next, we provide a brief overview of the theoretical platform, our empirical findings and discussion.

4. Theoretical framework

Mental model theory is applied to explain why managers may think they see a new world but, in fact, reinforce existing models. To substantiate theory, we present empirical investigations on the ways managers conceptualize (intellectually), visualize (intuitively), and perceive (sensuously) their interaction with consumers (and other stakeholders) through social media. Mental model theory (Craik 1943; Johnson-Laird 1983; Gentner and Stevens 1983) has been applied to strategic management (Mintzberg, Ahlstrand, and Lampel 2009), management cognition (Goffman 1974; Daft & Weick 1984; Senge 1990), decision-making (Carley and Palmquist 1992), and even human-technology interaction (Young 1981, 1983; Gentner & Stevens, 1983; Norman 1983; Payne 1991). Mental models can be defined as internal representations of an external reality that people use to interact with the world around them (Goffman 1974; Johnson-Laird 1983; Gentner and Stevens 1983; Daft and Weick 1984; Senge 1990). Such internal representations are based on the person’s unique life experience, perceptions, and understandings of the world (Johnson-Laird 1983). Mental models can therefore be characterized as representations as well as constructions of both social and physical realities. Some are context-dependant and may change according to the situation; others reflect deeper personal convictions. We conjecture the perception of social media to be anchored more deeply within well-learned mental models, which further complicates strategic

flexibility as it creates a set of myopic representations limiting people's ability to conceive complexity.

Socio-mental models organize and frame thoughts and actions and form the basis of both private and shared mental models. These models will, in turn, influence the strategy process through shaping how managers sense their environment and perceive and diagnose strategic issues (Porac and Thomas 2002). Mintzberg, Ahlstrand, and Lampel (2009, p. 169) mirror this focus as they state: "the way managers create mental maps is key to our understanding of strategy making." Thus, a prerequisite for understanding strategic cognition and practice is to unravel the influence of mental structures on organizing knowledge. As such, a mental model forms the underlying assumptions and can be used to explain how and why managers favor certain strategic initiatives (Hodgkinson 1994) and provide insights into ways in which social media is perceived, maintained, and applied by managers.

Ringberg and Reihlen's (2008) socio-cognitive framework, in which individual sensemaking of external inputs is explained through shared and private mental models, affords a useful framework for explaining both the creation, change, as well as persistence of mental models. In this perspective, sensemaking becomes anchored in socio-historically situated discourses (i.e., the foundation of shared mental models) and personal life experiences, which hamper new thinking from taking place. Learning only happens when existing mental models are overridden or adjusted, a process that is much more demanding than hitherto conceived of.

5. Method

To optimize the insights our selection was adjusted to reflect a high degree of variety in sociodemographics (professional status, sex, age, and education), perspectives and inputs. The purpose was not to establish a broad representation to validate empirical generalization. Instead, it was to bring the full breath of contemporary perspectives related to consumer interaction and social media to the surface. We purposively selected seventeen managers in the service and retail industries with medium to extensive experience with social media to ensure that social media use was not simply a reflection of lack of knowledge with the technical aspects of the media. This selective approach follows accepted qualitative interview criteria and a qualitative method of grounded theory building and (e.g. Corbin and Strauss 2008). The managers had different roles and responsibilities, such as owner, partner, director or functional manager. They represented a broad range of companies (e.g. size, structure, and products ranging from furniture, apparel, and consumption goods to rental- and consultancy services). The majority used social media as part of their job and ranged in age between 33 years and 56 years, and a close to even gender distribution. They came from both rural and urban areas. The commonality among them was that they all were strategic decision-makers.

Two of the authors conducted the interviews and the interview techniques were discussed on an ongoing basis. Each in-depth interview lasted 45-90 minutes and was conducted in two steps: In preparation for the semi-structured informants were asked to bring in pictures that represented their thoughts and feelings about consumer interaction. During the interview the interviewer relied on neutral probing techniques that explored informants' thoughts and feelings further (e.g., help me understand what you mean by X (just mentioned by informant)). Pauses were taken when needed for the informants to think carefully and search for descriptive words, metaphors and/or images. This format enabled the uncovering of both rational and emotive criteria. In the second part, we explored some of the areas further as well as asked informants about themselves and their businesses, (e.g., how they stayed updated with customer preferences). They were also asked about the ways they worked with their professional development, in particular in the digital areas, including social media. Saturation was reached at the 14th interview.

6. Analysis

The interviews were transcribed. To ensure rigor in analysis it followed a three-step process that first identified influential themes based on an identification of construct, meta-constructs (i.e., themes) and relationships/links between them (i.e., mental models) (see Johnson-Laird 1983; Zaltman and Coulter 1995). This approach also aligns with grounded theory; particularly the way Corbin and Strauss (2008) develop it, where a careful execution of these steps secures the identification of recurrent and influential themes. It should be mentioned that this was not a strict sequential process, but rather an iterative process.

Open coding (Corbin and Strauss 2008) was used to identify and describe themes related to consumer interaction. We got an overview of the informants' social media experiences, what social media they knew of and how they were applied in the organization. The analysis of this data also ensured that we were informed about the contextual and practice-related aspects.

Links between the different concepts involving social media and themes were identified. The analysis phase involved taking the different cases presented by the informants and comparing and contrasting discursive themes, including looking for commonalities, thereby revealing shared mental models. This gave us an opportunity to see what reasons and logic they used and how social media and consumer interaction made sense to them. It was clear that this was the most revealing part for informants as many of them had not previously articulated their thoughts and feelings around consumer interaction and social media. It was additional probing (e.g., help me understand what you meant by ...what was just stated) that emerged underlying motives, values and norms.

7. Findings

In all, four mental models (themes) were identified. The first one we dubbed the 'consumer sales mental model'. In this model managers look at consumers as receivers of information, and social media becomes used as an extended 'selling tool' or sales channel, used to create customer interest and sales of products/services. In these descriptions of social media it was also stated that there was no interest in having a dialogue with the customer; the focus was on using the new channel to disseminate information and advertisements.

The second main model is the 'consumer insights mental model'. Here, informants described company-consumer interaction as 'dialogical', and social media was used as a 'listening tool' and 'customer window', all with the aim at gathering insights into customers' world. The dialogic aspect was central in these descriptions and was used as a desirable way to establish insights and trust with the consumer.

The third main model was the 'innovation mental model' with key concepts being 'learning' and 'networking'. Here, informants talked about company-consumer interaction as a way to influence more fundamental business processes, such as aiding in product development. Social media is used as 'an enlightenment platform' for more fundamental knowledge-sharing, expertise sharing and idea development.

The last model is 'social business mental model'. This model reflects key concepts such as 'globalization' and 'empowerment' and was expressed through statements that dealt with 'Improving the world' and thru establishing common meaning, 'sharing the world in close collaboration', 'be open and flexible', and 'being transparent and sensitive to more general societal concerns. Social media serves a higher purpose enabling the consumer to become a world citizen influencing a social evolution and taking on the large global capitalist vis-à-vis sustainability issues such as climate, environment, ethics, and welfare. Each mental model was then investigated from a socio-historically perspective to gain additional insights

to its origin and prevalence, which further substantiated its influence among managers more generally.

8. Discussion

This study advances the marketing management field by showing how deeply held mental models of company-consumer interaction guide social media perception, which again, influence decision processes on how to use social media. We find that whenever the Consumer Sales or Consumer Insight mental model of social media is dominant, social media is treated as yet another communication tool. This perception of social media has negative implications for the strategic use of social media as it leads to reluctance in engaging social media as anything else than to improve functional and tactical initiatives. The desire is to control the line of communication and the interaction with customers.

Conversely, for managers dominated by the Innovation or Social Business mental model, social media is used to strategically rethink existing company-consumer interactions, with consumers and stakeholders being invited into the very heart of the business processes as potent co-players. This enables a strategic use of social media and come to serve as a game changer in how the business conducts its business. One may here think of Lego and how it was able to change its Sales and Consumer Insight mental models (where the company-consumer interaction was dominated by it wanting to control the communicative and product development process. Instead, it began to engage with end-users by encourage and incorporate their suggestions and enabling them to interact with one another (i.e., Innovation and Social mental models) on platforms facilitated, but not controlled by Lego (this change only came about thru significant debates internally to Lego).

Whereas other studies have shown how mental models impact consumer decision making and preferences during interaction with businesses and how this insight may affect subsequent strategic initiatives by companies (e.g., Ringberg et al 2007), our study provides empirical evidence that mental models also influence the underlying values that orient rational decision making among managers with direct effect on strategic use of social media. The role of mental models represents an underdeveloped aspect of the study of market orientation more generally (Atuahene-Gima 2005, p. 78). As such, we add not only to the understanding of the socio-cultural origin of managers' mental models of business, but also to how these still affect managers' strategic and tactical engagements with social media. The fact that social media is considered in such different ways by managers creates very different expectations within companies as to how to apply social media in the company-consumer interaction process and subvert rational decisions processes that would suggest market driven rather than manager mental model driven implementation of social media.

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Figure 1: Mental Model Investigation as a Frame for Reflective Thinking, authors' production based on Ringberg and Reihlen's (2008) Socio-Cognitive Approach.

