

The Benefits of Social Media Use Among Wine Resellers

A quantitative study on Dutch wine resellers' use of social media as marketing tools.

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Erasmus University Rotterdam
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ABSTRACT

Within the context of both academic and practitioner speculating on *if, how, why* businesses are adopting Web 2.0 applications to benefit their business operations, communications or marketing, this thesis uses the Dutch wine market to examine these questions. Dutch wine reselling businesses are often run and managed by the entrepreneur who began the business and employ few if any additional staff. With limited resources, they are challenged in marketing their products and themselves. These challenges align with the opportunities presented by Web 2.0 phenomena. This research examines to what extent these resellers are utilizing social networking sites to benefit their business. An exploratory, online survey was distributed nationally to owner/managers of on-trade businesses to gather demographic information about the owner/managers and their businesses as well as perceived benefits and frequency of using social networking sites for their businesses. The survey also explored barriers to social media use for business among non-users. Data collected from 99 respondents revealed that 76% of respondents are using social media to benefit their business to some extent. From this a profile of both user businesses and non-user businesses could be developed. Twitter was found to be the most popular network among business users across most activity types. Following that, perceptions of the benefits of using social media to conduct various business activities were calculated. Statistically significant relationships between age and perceived benefits as well as usage intensity and perceived benefits were found. Additionally, factors to non-use, or barriers to use, were ranked. It was found that time and not knowing where to begin are the two strongest barriers to using social media among non-user respondents. In summary, findings reveal that businesses *are* using social media to conduct various business-related activities and users cite various direct and indirect benefits to using the tools. Findings also suggest that non-users are open to using the tools they simply need guidance on where and how to begin.

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LIST OF ACRONYMS

B2B	business to business
B2C	business to consumer
CRM	customer relationship marketing
ESF	entrepreneurial small firm
eWOM	electronic word of mouth
Horeca	hotel, restaurant, cafe
ICT	information communication technologies
NU	non-users
NL	Netherlands
RM	relationship marketing
ROI	return on investment
SME	small to medium enterprises
SNS	social networking sites
SST	social shaping theory
U	users
WOM	word-of-mouth

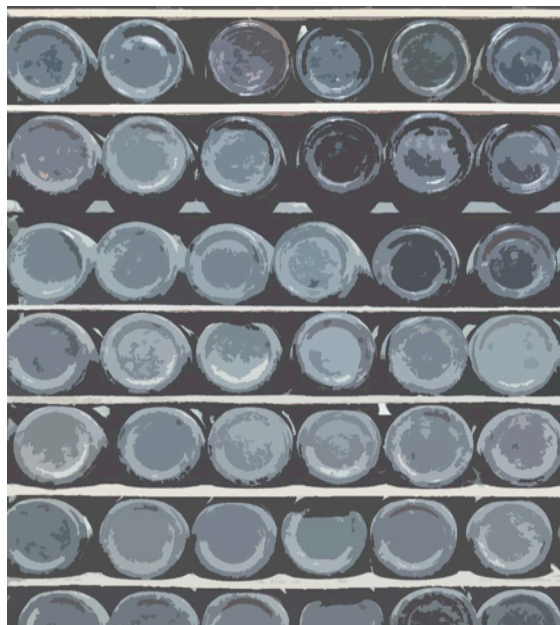
LIST OF KEY TERMS AND DEFINITIONS

The following key terms and definitions are used to guide this research. This list is meant to serve as a collection of abbreviated explanations to assist and ensure reader clarity. Please note that these are abbreviated definitions and many of these terms are embedded in academic theory and are presented more extensively in the body of this paper.

Key Terms and Definitions

<i>90-9-1 rule</i>	a theory presented by Jakob Nielsen in 2006 that states that online participation occurs unequally, with 90% of population observing and absorbing information, 9% participate occasionally, and 1% contributing heavily
<i>cash & carry</i>	a type of on-trade business; large stores that aim to compete with supermarkets sell to the Horeca industry or individuals with business-related membership
<i>Christmas specialty</i>	type of on-trade business; businesses that sell wine or gift baskets during holiday seasons throughout the year
<i>collective intelligence</i>	interactive exchange and collection of information from various nodes, or users, within a network
<i>electronic word of mouth</i>	statements made by existing or potential customers, about a product or service which is made available to other people via the internet
<i>entrepreneurial small firms</i>	small to medium enterprises with a strong orientation toward entrepreneurship, characterized by commitment to growth as strategic goal
<i>entrepreneur</i>	an individual who manages and owns the risk associated with a business or enterprise
<i>microenterprise</i>	a business that employs less than 10 people
<i>off-trade</i>	supermarkets and chain liquor stores owned by a large supermarket parent company
<i>on-trade</i>	businesses that purchase wine from a distributor or producer with the intent to resell to either Horeca businesses or end consumers
<i>relationship marketing</i>	a form of marketing by a company, product or service, that seeks to establish, maintain and enhance customer relationships in a mutually beneficial manner
<i>small to medium enterprise</i>	a business that employs less than fifty people

<i>social media</i>	an all-encompassing term used to describe internet-based applications designed to facilitate user interaction and to enable the collection and exchange user generated content
<i>social networking</i>	the act of establishing social and relational connections on and offline
<i>social networking sites</i>	websites and internet-based applications that facilitate the social networking online
<i>non-users</i>	respondents of the survey tool used in this study who indicated that they are not users of social media for their business
<i>users</i>	respondents of the survey tool used in this study who indicated that they are users of social media for their business
<i>Web 2.0</i>	part business revolution and part philosophy on Internet development, design structure and use. Often characterized by traits like collective intelligence, hackability and its evolutionary nature
<i>online/web shop</i>	type of on-trade business; includes all resellers who strictly sell their wines via e-commerce
<i>wholesaler</i>	type of on-trade business; range in size and type and may sell to consumers or Horeca businesses
<i>wine shop</i>	type of on-trade business; include businesses that sell wine with a physical-location store or shop, may include exclusive wine products, or be a liquor, cheese or gourmet shop
<i>word-of-mouth marketing</i>	unpaid marketing or promotion of products that results from discussions or conversations among consumers regarding a product or service



I. INTRODUCTION

*“A bottle of wine begs to be shared; I have never met a miserly wine lover”
-Clifton Paul Fadiman*

For wine producers a bottle of wine represents a careful balance of nature’s harvest, patience and passion. For wine drinkers, a bottle of wine may mean sharing in an experience, unwinding from a long day or complimenting a well-cooked meal. But before a carefully created, aged, distilled and bottled wine can make it into the glass of a consumer it is the responsibility of wine resellers to bridge the connection from the grape to the glass.

Wine resellers, or businesses in the on-trade market, are small, flexible and attune to their customers’ needs and tastes. They are run by owner/managers who juggle the various aspects of running and maintaining a business. They must strike a delicate balance between offering a wide variety of products at a reasonable price for their customers while maintaining profitable margins. Entrepreneurial owner/managers are tasked with the challenge of navigating turbulent market fluctuations and marketing their business in a way that proves profitable for their business. In today’s highly saturated market and challenging economic times it is becoming increasingly important for small to medium businesses in all industries to distinguish themselves among their competitors in order to gain or maintain market share—especially on-trade businesses in the Dutch wine market.

In a separate environment, seemingly inconsequential to the wine industry, there is a major evolution taking place online. A shift in which online platforms and applications are increasingly representative of a trend in service offerings, information sharing, user behavior and user data collection culminating in phenomena known as Web 2.0. This phenomenon is impacting the way individuals connect, interact, exchange information, and individuals are impacting the organic and ever-changing characteristics of the phenomena. The line between online and offline is becoming blurred and the professional sphere and the personal sphere are being merged. This phenomenon has many implications for businesses of all sizes and simultaneously offers great opportunity and great challenge, especially for SMEs. Individuals, customers, consumers and companies are using tools like social networking sites alike in countless ways that present opportunity for marketers and businesses to listen, engage, and respond with their target audiences. And it is here that we begin to see how the challenges facing a wine reselling business intersect with the opportunities and impacts of Web 2.0.

This paper seeks to explore this intersection point for further insight on practical business applications and use of social networking tools in a business environment. By researching the *if, how, why* and *why not* of social media use among Dutch wine resellers, or on-trade businesses this research looks to answer, *To what extent are Dutch on-trade wine businesses using social media for their business?* An exploratory, nationally distributed, online survey was conducted to gain further insight into this question.

The paper begins this exploration by first building a profile of Dutch on-trade wine businesses to identify the characteristics of the businesses, their product and their owner/managers. Then using this profile to demonstrate how these characteristics impact the marketing behavior of these small to medium businesses. Next, the paper places this profile in the context of Web 2.0 and an increasing trend in marketing and communications toward relationship and word-of-mouth marketing. This review of literature leads up to identifying the research questions guiding this study.

Next, the methodology used to answer these research questions is outlined and the results of the nationally distributed survey are presented. Finally, conclusions and implications are discussed as well as the shortcomings of the study and suggestions for further research.

II. PROFILING ON-TRADE WINE BUSINESSES

Introduction

With a central location in Europe, increasing wine consumption trends and a large importing role in the global wine industry, The Netherlands' complex wine market is unlike other heavy wine-producing countries. Understanding the distribution channel in the NL and the various businesses that move wine along the pipeline from producer to consumer will lay the groundwork for exploring one segment of businesses in the channel. This literature review relies on extensive bodies of research in the areas of wine marketing, and small to medium enterprise (SME) theories to build a profile of Dutch wine on-trade businesses. This will provide a framework through which to explore the marketing and communication approaches among them. The first section attempts to provide a structural understanding of the complex Dutch Wine market as it currently functions. Then it outlines the various subcategories of on-trade businesses, which are also small to medium and microenterprises. After outlining the on-trade businesses and the market, it draws from SME literature to explain the differentiating factors of SMEs from large firms and using these to illustrate how they impact the marketing practices of SMEs. Lastly, it uses e-business adoption models and competencies established in previous research to better understand the factors influencing e-marketing adoption among SMEs.

2.1 | The Dutch Wine Market

The size of the Netherlands (NL), its climate, and its proximity to old world wine hubs like France, Italy and Spain, are major factors contributing to its status as a major wine importing country. In 2008, the Netherlands held high ranks as the 6th largest wine import market in the world at 420m liters (O.I.V., 2010). In order to be considered an *industry*, the economic activity is often expected to involve the actual production or manufacturing of goods ("industry", Collins English Dictionary), and due to the lack of major production of wine in the NL, the economic activity surrounding wine products in the NL will be described throughout this research as a wine *market*. Dutch wine consumption increased 7.1 liters per head from 1990 to 2007 and is gradually increasing. It is clear that the Dutch affinity for wine is growing.

Unlike most wine-producing countries, and especially the US with a highly regulated wine and spirits distribution system, the NL wine market is fragmented and rather complex. In the US and in many other larger countries there is a three-tier

distribution system that is comprised of: producers, distributors and retailers. Typically in this arrangement, with the exception of small but growing percentage of direct wine sales, consumers purchase their wine from resellers who purchase wine from distributors. However, the wine distribution channel in the NL is a more complex in nature, and the market could be described at best as highly fragmented and oversaturated. In the NL for example, you find a handful of large distributors, dozens of agents who may sell on behalf of a producer or group of producers, and importers who specialize in a particular region or varietal. In other words, instead of a slightly cleaner three-tier distribution system like that of the US, there are dozens of ways a wine can make its way from the vine, into a Dutch consumer's glass. For example, a consumer can purchase their wine in the supermarket, which may have imported the wine itself or may have been supplied by a major distributor in the NL. Or, a consumer can visit a specialty wine store in their village and purchase a product that was purchased from a reseller who got it from a distributor. There are so many variations in how you may sell wine and to whom along the distribution channel, and businesses are not required to register all of their product offerings with the NL Chamber of Commerce, or *Kamer van Koophandle*, this makes it difficult to even quantify the number of businesses who sell wine at all levels of the channel. For some insight, Productschap Wijn, the wine-market department associated with the Dutch Chamber of Commerce, reports there are around 800 importers throughout the country (Productschap Wijn, 2011). This complexity and variation in distribution channels combined with the various opportunities for a consumer to purchase wine yields an oversaturated market and high levels of competition among businesses that sell wine. And, as with any highly saturated market, identifying sustainable competitive advantage for every company becomes increasingly important in maintaining or growing the business. This is especially true for businesses toward the end of the distribution pipeline that sell to consumers or to the hospitality, restaurant and cafes sector, which is generally referred to as *Horeca* (**hotel, restaurant and café**) establishments. This group represents a broad range of businesses that can be divided into subcategories.

It is important to differentiate how these businesses subdivided in the NL from how other countries may divide them. In the US for example, they are divided into two general groups: on-premise and off-premise (Thach, 2011). On-premise, or on-trade, are all businesses where the wine is consumed at the location in which it is sold. This includes bars, restaurants, clubs, hotels. Off-premise or off-trade is all retail stores or shops where wine is sold and then consumed off the premise. In the Netherlands however, large distributors group these categories differently. This

research regarding the Dutch wine market will rely on the categories as major distributors in the country divide them; this approach was chosen in order to be more comprehensive and consistent with industry structure and terms.

In the NL, off-trade retailers represent all supermarkets and some liquor stores that are owned by a larger, supermarket parent company. For example, in the Netherlands off-trade businesses include Albert Heijn and Gall & Gall, owned by Ahold; and C1000. On-trade businesses represent virtually anything that is *not* off-trade. This is a very broad group that can be further divided into the following subcategories: wholesalers, wine shops, cash & carry, online shops, Horeca and Christmas specialty. Typically, for large importers/distributors, on-trade customers are characterized by smaller shipments, which are sold with much higher margins. Whereas, off-trade customers yield large-quantity shipments on low margins; in other words, the profit from off-trade customers lies in the volume of wine sold.

These businesses that sell wine to consumers and the Horeca sector, as described above are summarized in Table 2.1.

Table 2.1: Dutch on and off-trade breakdown

Businesses That Sell Wine in NL	
<p>Off-Trade</p> <p>Supermarkets and chain liquor stores owned by large supermarket parent company</p> <p>High Volume/Low Margin</p>	<p>On-Trade</p> <p>All other businesses that purchase wine from a distributor with the intent to resell</p> <p>Low Volume/High Margin</p>

2.2 | On-Trade Businesses in NL

Wine resellers, or “on-trade” wine businesses, represent the largest number of individual (non-chain) businesses in the Dutch wine market, and together, they represent one of the largest opportunities for large wine distributors to drive profit from higher margins. Understanding the dynamics of these businesses and the factors affecting their decision-making is vital to sales and marketing efforts of the other firms along the distribution channel. In order to further explain the goals of this research, it is important to profile these on-trade subcategories in more detail. These categories are used to help group these business types. However, keeping in mind that these are not exclusive descriptions and there are on-trade businesses that may blur the lines between each category.

Wholesalers range in size and type and include individuals who have a storage space and sell to regional customers like small specialty shops or Horeca businesses. Decision makers in these businesses are also the ones directly selling this wine to their customers, and over half of their customers are in the Horeca industry.

Wine Shops include physical-location stores and shops sometimes with a small staff, but more likely operated by one or two owner/managers. These can range from a general liquor store or a specialty wine shop to a gourmet food shop with a selection of wines. Like wholesalers, retail decision makers are often the individuals directly selling to their customers, however in contrast; the majority of their business is directly to consumers with some Horeca customers.

Cash & Carry businesses are a unique group of stores that could almost be grouped with off-trade supermarkets. These are large stores that sell to the Horeca industry or to individuals with a business-related membership. Makro and Hanos are examples of a cash & carry in the Netherlands. The customer orientation depends on the chain but they have a heavy focus on the Horeca. Decision makers in this category are much like those in off-trade, they are buying managers who aim to compete in pricing with supermarkets. For this reason, this group of businesses will not be included in the discussion and results of this research.

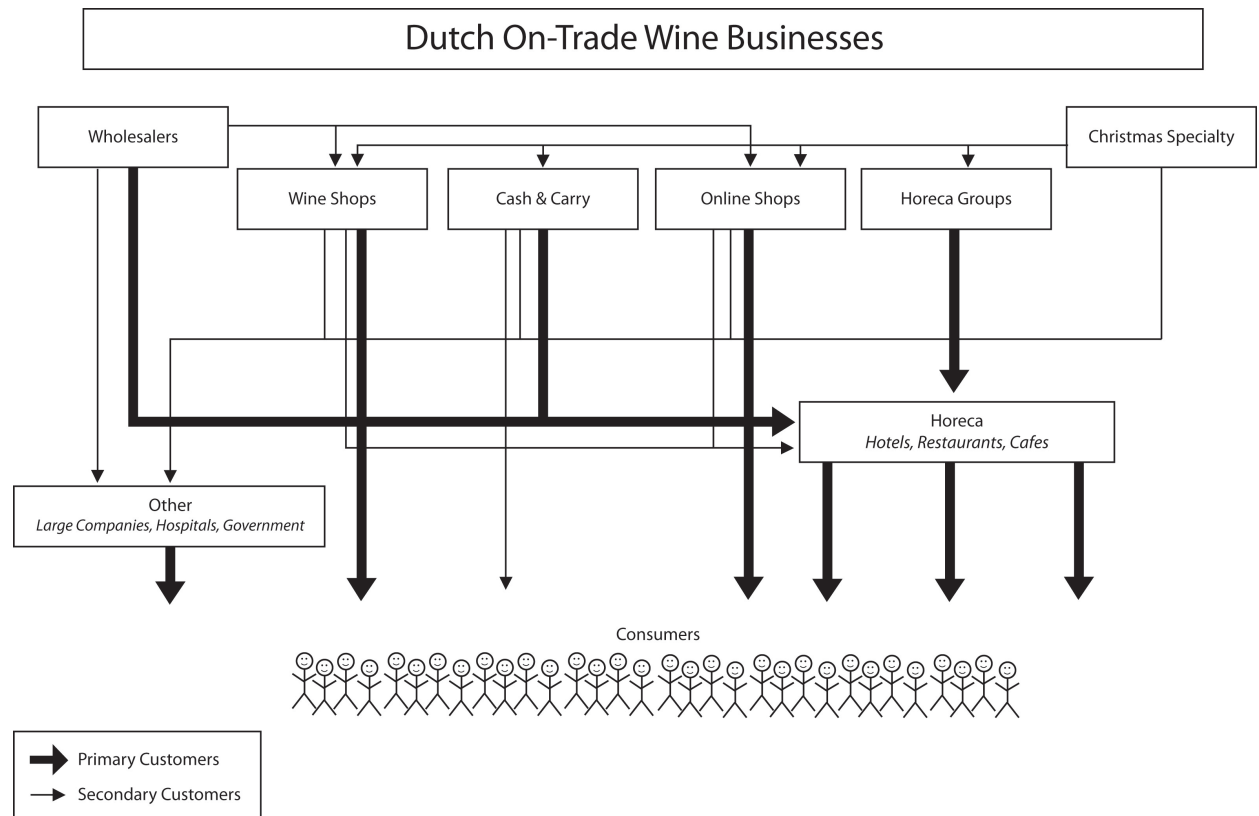
Web Shops include all resellers who strictly sell their wines via e-commerce, through a website or series of websites. This is a small but growing group of resellers in the Netherlands and they focus their efforts on selling directly to the consumer.

The *Horeca* groups are often not strongly connected to large importers or distributors in the Netherlands, however selling wines to some Horeca groups can yield strong margins and recent market conditions of higher logistical costs and economic downturns have impacted large importers' willingness to conduct business with this section of the industry. These groups are connected to a logistics partner that supplies Horeca establishments with food products in addition to wine. Decision makers in the Horeca groups that have relationships with large importers are usually a few individuals who work with a group of restaurants or hotels and may or may not own any Horeca business themselves.

Christmas Specialty businesses are a small group that sells wine or gift baskets including wine products during holiday seasons throughout the year. Their primary customers are other groups in the on-trade category and also corporations or companies purchasing holiday hampers for employees. Decision makers for these businesses are buyers who set price categories and seek wine products to fit within these packages.

Figure 2.1 displays the different subcategories of Dutch On-Trade wine businesses and their customer focus, as described above.

Figure 2.1: On-Trade Subcategories



Despite the variations in these on-trade businesses, the fundamentals of selling and consuming wine greatly impact the marketing and communicating approaches they take with their customers.

2.3 | Marketing and Selling Wine

Before getting into the unique characteristics of selling and marketing wine and wine brands, this discussion should begin with an understanding of marketing fundamentals. Marketing is “Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders,” (American Marketing Association, n.d.).

The Dutch wine industry is highly fragmented (Arno, 2002) and multidimensional, this presents various challenges to marketing practitioners and wine business owners alike. Wine is a complex product category with a myriad of

products with a large number of criteria used to evaluate each one (Vrontis, 2011). The dynamic set of cues for marketing wine includes extrinsic cues such as region, label, price and brand, and intrinsic cues, which are attributes of the product like aroma, alcohol content and taste (Cohen, 2009). In addition to these cues, there is an added dimension of differentiation in vintage dated wines, meaning to some consumers, a new year brings a new product. On top of these layers of complexity, wine is unlike other packaged goods, in that there is virtually no brand loyalty among consumers (Thach, Olsen & Wagner, 2011) making it even more challenging for marketers in all levels of the distribution channel. And, unlike a strong wine-producing country such as the US, France or Australia, the Netherlands is additionally unique because virtually all wine products are imported, in fact, there are over 41,500 different wines from around the world available to Dutch consumers (Productschap Wijn, 2011). Consider the challenge this presents to the average consumer, when choosing a wine in such a saturated market.

Referring back to the Dutch wine distribution channel, marketing wines means something different to each group in the pipeline. From the producer level, it is first and foremost their responsibility to develop and identify marketing strategies for their products. Not only is the producer responsible for developing and establishing this strategy, but also it must then be explicitly communicated down the distribution chain in order to be successful. This involves importers, distributors, suppliers, resellers and retailers. Ultimately, as Thach (2011) explains, it is the marketing strategy—developed at the producer level and consistently communicated at each stage of the channel that will result in the success of that brand. This leaves an interesting responsibility on the shoulders of the end stages of the distribution pipeline, the on-trade businesses that place the products in the hands of consumers or the Horeca.

Consider that each business in the on-trade category as previously described, has anywhere from a dozen to a few hundred wines on their shelf, in their menu or in their portfolio. In most cases, each of these wines comes with a marketing strategy unique to that brand, region, producer, varietal or vintage. Here, from the perspective of a reseller it is not only important for them to distinguish their portfolio of wines from others' but they must also distinguish their business from local or regional competitors. Put differently, marketing wine from the *producer* level is about distinguishing each product or brand from other products and brands in the market. Marketing at the *retailer* level is about selling wines to meet customer preferences and needs, meanwhile distinguishing their wine portfolio, their business or their wine buying experience from their competitors'. As a result, it is in their best interest to develop any value-added characteristics in the minds of consumers wherever or

however possible. This may take the form of business strategies that are: customer relationship-oriented, specialized in a particular wine category or region, or concept stores selling wines by occasion for example. Whatever the approach, this multi-dimensional need to distinguish ones business *and* products from competitors' serves as a breeding ground for innovative marketing and communication strategies.

Types of Wine Consumer

While the focus of this research is not on consumer behavior and motivations for wine buying, consumer segmentation is on the periphery of understanding the target audiences of on-trade businesses. Understanding the target audiences of these businesses provides insight to what drives their communication efforts.

Previous researchers have identified various ways to segment wine consumer groups. One-way of segmenting audiences, is by their level of involvement with the product (Lockshin & Spawton, 1997). As Thach (2011) illustrates in her discussion on market research, wine drinkers can be segmented according to their level of involvement into the following three groups: Connoisseurs who are highly involved with wine and enjoy learning about it; Aspirational Drinkers who feel that wine suits their self image; and Beverage Drinkers who see wine as a beverage and have little to no involvement with their product choices. Another way of segmenting wine drinkers is by their motivation to drink wine based on the occasion. Questar and Smart (1998) identified five categories based on motivations, which include: Social Wine Drinkers, Image-Oriented Wine Drinkers, Ritual-Oriented Wine Drinkers, Premium Wine Drinkers and Basic Weekend Wine Drinkers. Wine consumers have also been segmented into groups according to their shopping behaviors (Wines & Vines, 2008). Some groups included in this segmentation are: Enthusiasts, those who enjoy shopping for and researching wines; Savvy Shoppers who are those purchasing based on discounts or promotions; and Overwhelmed Shoppers who find it difficult to navigate the numbers of product offerings, and seek guidance from others. We see that these different approaches to segmenting wine consumers do contain some overlap. Additionally, these segmentations are general ways of segmenting wine consumers and are used as a point of reference for Dutch wine consumers' behavior.

Traditional Wine Marketing Tactics

There are various traditional approaches that on-trade establishments use to sell wines to their customers, whether they are end-consumers or businesses in the

Horeca industry. Some of the more traditional approaches include: discounts and promotions, store layout, point-of-sale (POS) and shelf-talkers, in-store tasting, private tasting parties, personal sommelier services and educational seminars.

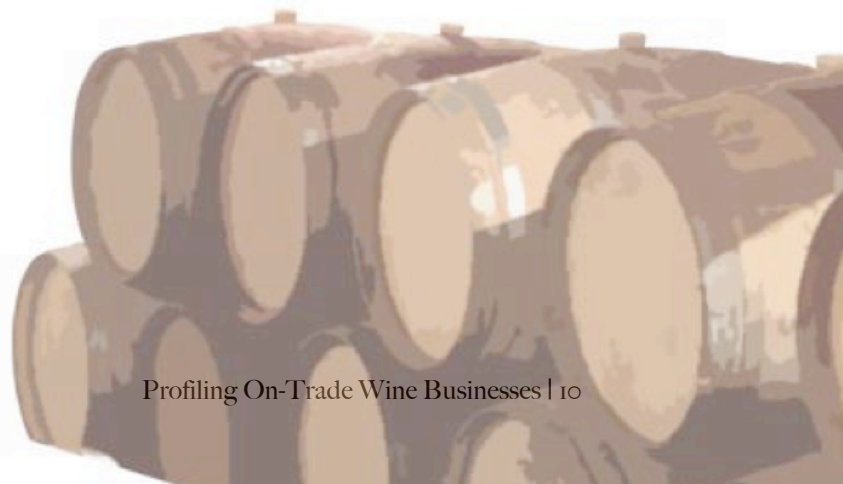
Discounts and promotions; or in the Netherlands, price-offs, are used by virtually all types of on-trade establishments. Simply put, they reduce the price of a product with the goal of selling more or reducing inventory. These come in various forms depending on the business but can range in a percentage-off discount or a “buy one get one free” deal.

Retailers with brick-and-mortar shops selling directly to the consumer often pay great attention to detail in their store layout. It is established in-store practice reflects that more wine is sold if it is placed on a separate stand or at the end of an aisle (Thach, 2011). Also, products placed at floor level do not get the same level of attention as those placed at eye-level. These details in the placement of wines are used as a way to feature products and to increase awareness among store’s foot traffic.

Point-of-sale (POS) also referred to as ‘shelf-talkers’, like neck hangers on wine bottles are more characteristic of off-trade businesses, but larger wine shops also use them to gain attention and distinguish one product from others on the shelf. The POS tactics are typically provided by the wine producer or distributor and are at the discretion of the shop-owner to use.

In-store tastings, private tasting parties and educational seminars are common tactics used by retailers targeting end-consumers. This approach generates interest in wine and allows the customer to get acquainted with the product before committing to the purchase. In addition to selling wine, these tastings can generate buzz around specific products, regions or varietals of wine. This approach is also used among on-trade businesses targeting the Horeca industry; though with a slightly different approach of bringing the wines to the prospective customer to pitch new products.

Finally, higher-end resellers may offer personal sommelier services to their customers. This tactic is employed when retailers have wine-collector customers, or those who are passionate about wines and adding new wines to their collection. Offering this type of service positions the on-trade establishment or sales person as a personal advisor, to their



customers further strengthening the trust and customer relationship. Furthermore, positioning the owner as a thought leader or well-respected wine advisor enables the business to develop additional marketing tactics from a “Owner’s Choice” or “Hand-picked by...” perspective.

Offering a personal sommelier service or similar offerings for customers of an on-trade business is perhaps one of the biggest areas of opportunity for adoption of social media and other online marketing tools. These tools enable on-trade owner/managers to communicate show their value to their immediate network and also peripheral network.

2.4 | On-Trade Firms as SMEs

Classifying a business as a “small” business or as a small to medium-sized enterprise (SME) varies depending various factors including the country and industry of the business. This research will rely on the European Union definition of a small business which is one that employs less than fifty people (Enterprise and Industry, 2003). The majority of these small businesses are actually companies that employ less than ten people; which are classed as a “micro” businesses (Enterprise and Industry, 2003) or microenterprises. It is important to mention that microenterprises dominate the population of small firms (Fillis, Johannson & Wagner, 2004), and typically, research focusing on these businesses has a high likelihood of larger proportion being microenterprise-focused (Storey, 1997; Gummesson, 2002). This is particularly true for wine selling, on-trade businesses, many of which employ less than ten people. Though, due to their vast numbers and various classifications, it is difficult to quantify what portion of Dutch wine on-trade businesses fall into which of these categories, as a result, the on-trade wine businesses which are the focus of this research will be more generally referred to as SMEs.

Traditional economists from the early 1990’s present skepticism of the overall economic value or impact of SMEs, even going so far as to disregard them in conventional economic studies (Julien, 1993). But Julien proposed that despite being overlooked by many economists, small firms would increasingly take on a more important economic role, breaching a new equilibrium between small and large firms. This is congruent with recent literature regarding innovation theories, which cites that due to their high flexibility, fluidity and efficient decision-making, small firms and project-based organizations are better equipped to navigate highly turbulent and rapidly changing environments that we see today (Küng, 2008). Considering that the vast majority of on-trade businesses in the Netherlands are SMEs, when combined,

they have an arguably, a stronger impact on the national industry than that of large firms.

Julien (1993) also argues that SMEs must be studied separately from big firms, citing that in comparison to larger firms SMEs have:

“...a strong concentration of management with typically relatively intuitive strategies giving them a quick and effective decision-making process; second, a low specialization of production factors; and third, less formalized internal (with no or few hierarchical levels) and external information systems (the external system being based on very direct consumer relations, with fast reactions to new or changing wishes).” (Julien, 1990 as cited in Julien, 1993).

Understanding these differences and how they impact the way SMEs conduct business is a necessary component to developing exploratory research on the adoption of social media among SMEs like Dutch wine on-trade business. Drawing a connection between the differentiating characteristics of SMEs, the importance and proximity of customer relationships reveals the area of opportunity for SMEs to adopt social media marketing practices.

Differentiators of SMEs

SMEs are distinguishable from large firms in many ways leading to a vast body of research unto their own. Literature from various fields of economic, management and marketing theories regarding SMEs has revealed various differentiating characteristics. These include differentiation from larger firms with regard to the nature of ownership-management and their entrepreneurial characteristics (Fillis, Johannson & Wagner, 2004; Thrassou & Vrontis 2006; Julien, 1993; Alvarez & Busenitz, 2001; Longenecker, Moore, & Petty, 2003), the availability of their resources (Carson, 1985; Weinrauch, Man, Robinson & Pharr, 1991) and their customers.

SMEs have varying levels of entrepreneurial nature, some affecting their business strategies and market orientation more than others. Some scholars (McGowan, Durkin, Allen, Dougan & Nixon, 2001) more narrowly describe SMEs with slight differentiation based on their orientation toward entrepreneurship, these are called entrepreneurial small firms (ESFs). ESFs and SMEs have much in common but have a distinguished difference in that ESFs are, “committed to growth as a fundamental strategic aim,” (McGowan et al., 2001, p. 127). Whatever the level of entrepreneurial, strategic orientation, SMEs are typically run by the entrepreneur who started the business. An entrepreneur is defined as “one who organizes, manages and assumes the risks of a business or enterprise,” (“entrepreneur”, Merriam-

Webster Dictionary). Thus, by their very nature, SMEs enter a market with ownership or management that possess an ability to bring new ideas or creating new opportunities within the market. In this way, the managerial characteristics of a microenterprise are such that the owner/manager of the establishment, often the entrepreneur, is the one who controls the business strategy and future direction of the business (Fillis et al.. 2004). With a limited number of staff, this individual is likely to hold various roles and responsibilities in addition to being the owner/manager. Unlike a large firm where an individual will hold a single role that is reflective of their specialized skills or expertise, the owner/manager and other personnel operating in a SME likely hold several roles across various aspects of the business. This requires the owner/manager to possess a more heterogeneous skill set, this is also characteristic of many entrepreneurs. In an on-trade setting this may mean the owner/manager has wine knowledge and has learned business administration skills and marketing skills through owning a business. Or, it could mean that an owner/manager is trained in business administration but is passionate about wine products.

In addition to limited human resources, small firms are also characterized by their limited financial resources. Small businesses tend to have geographic concentration of customers with whom they do business (Curran & Blackburn, 1990). This is characteristic of most on-trade wine businesses in the NL with the exception of those that operate an online shop, which enables customer access without geographical constraints. This geographical focus consequently ties these SME's revenue to the local economic fluctuations, and again, having limited resources to compensate in the case of a downturn (Storey, 1982). Being at the mercy of local economies is a major contributing factor to the high closure rates of small firms in comparison to large firms. Two-thirds of small firms close within ten years of opening, also due to dependence on a small customer base (Zotanos and Anderson, 2004). With these odds, it is vital that any SME wishing to survive in their market must maintain a strategic advantage wherever possible.

McGowan et al. (2001) propose that small businesses whose market-orientation is based on building and maintaining relationships are equipped with a strong strategic advantage. Furthermore, the relationship between an entrepreneur and their customer is invaluable to the firm's innovation activities (Ravald and Gronroos, 1996). A study on SME owner/manager by O'Donnell and Cummins (1999) found that informal socializing at trade events is where most networking between SMEs and their competitors occurs. In their research, SME owner/managers acknowledge and recognize the importance of developing personal

relationships, and that personal interaction and regular contact are key facilitators of these relationships. As a result, SMEs often rely on social interaction and personal networks to develop trust and credibility among their networks. This socializing and trust enables the owner/manager to maintain market awareness both via their close interaction with customers, and with their competitors.

This body of research demonstrates the difference in behavior and capabilities of small firms compared to those of large firms. These distinguishing characteristics of SMEs also have a culminating impact on their marketing and communication efforts.

Marketing for SMEs

It has been widely criticized that the marketing, or non-marketing practices of small firms greatly differs from those of larger firms. Coviello, Brodie and Munro (2000) found that the *types* of marketing practiced by both large and small firms (*e.g.* transactional, networking, database and interaction marketing) are fundamentally the same. Yet, despite the fundamentally similar marketing approaches, they maintain that managers should consider the relevance of marketing performance measures to their particular firm, rather than adopt formal, large firm tools and that marketing in small firms must be viewed with a more contemporary perspective.

If using the 4P's of marketing introduced by McCarthy in 1960: product, placement, pricing and promotion as a framework for measuring microenterprise marketing performance, it is no question why there is much criticism of SME marketing efforts. These 4P's draw upon resources that are limited to SMEs (Weinrauch et al., 1991) and these resource limitations put constraints on the marketing capabilities and activities of small firms. This invariably results in marketing efforts that are uniquely fitted to the small firm, its customers and its products. Vrontis (2011) affirms this by explaining that due to limited resources, SMEs require a marketing strategy, or marketing practices that are geared toward the capabilities of the firm rather than the other way around. And Carson, Cromie, McGowan and Hill (1995) described these constraints as leading to marketing practices that are reflective of the owner-managers experience and the firm's needs and evolve over time.

Zotanos and Anderson (2004) also explain how the 4P's; arguably archaic 4 even for large firms, are not applicable to small firms citing that the entrepreneurs who own-manage these small firms prefer interactive marketing approaches. They proceed to articulate the interconnectedness of relationship marketing and

entrepreneurial networking. Entrepreneurs specialize in, and have stronger preference toward personal interaction and customer contact rather than mass media marketing tactics (Day, Dean & Reynolds, 1998). Naturally then, they orient themselves toward customer relationships that involve contact and conversations, thus enabling them to respond to customer needs and wants accordingly (Carter & Jones-Evans, 2000). And given the high level of adaptability and responsiveness of relationship marketing, it can be seen as a vital aspect of entrepreneurship (Zotanos & Anderson, 2004). Due to the importance of relationships to SMEs it follows that SMEs would organically take on a relationship-marketing orientation. Relationship marketing is addressed in more detail in the following chapter.

SME Adoption of E-Business Strategies

The vast body of SME-focused research combined with the rapidly evolving technological environment over the last two decades has led to an additional series of studies exploring and developing conceptual models for the adoption of Internet business strategies among SMEs (McGowan et al., 2001; Fillis et al., 2004; Martin & Matlay, 2001; Broderick, Dhaliwal & Jutla, 2002; Jones, Hecker & Holland, 2003; Simpson & Docherty, 2004). Much of this literature is focused on the adoption of e-commerce models or e-business communication tools including websites, emails and intranets. However at the core, these studies explore the factors influencing a small firms' ability, likelihood, or attitude toward conducting some aspect of their business, *online*. Therefore literature surrounding the adoption of other internet-based business models or strategies, including e-commerce and e-marketing, offers some insight into the factors influencing the adoption of social media as a communication tool for small firms.

Some researchers have identified various core competencies affecting the adoption of e-business or Internet business strategies among SMEs (Poon & Swatman, 1999; Fillis et al., 2004; Martin & Matlay, 2003; McGowan et al., 2001 and Slater & Narver, 1995). One of the key competencies necessary for e-business and e-commerce adoption among SMEs as outlined by these scholars is knowledge of the medium. Rogers (1995) expands this competency to needing of a knowledge base of the medium that extends beyond a general awareness of the perceived benefits. Drawing from Jones et al.'s (2003) first stage of web-based commerce adoption, the general awareness of perceived benefits of a medium can stem from the buzz surrounding the medium.

This is particularly applicable to social media and Web 2.0 and their rapidly growing popularity in both the personal and professional spheres. Rogers (1995) also argues that general practical implementation “how to” and “principles” knowledge is required. This knowledge is also applicable to social media, especially social networking sites that are often independently adopted for personal use *before* the owner/manager uses the tools for their business. Therefore, one may assume; especially since the Netherlands is ranked number one in the world in penetration for Twitter and LinkedIn (ComScore Inc., 2010) that in most owner/managers of Dutch wine on-trade businesses are already equipped with this basic general knowledge that Rogers (1995) describes. But are they using their personal accounts to benefit their business?

Additionally, Jones et al. (2003) notes that this knowledge also may reduce the possibility of misuse in the professional sphere. In the case of social media, personal use and professional use present distinctly different approaches in some aspects, mostly regarding the use of these tools for marketing purposes. Put differently, these owner/managers may have basic knowledge of how to utilize Facebook to keep in touch with their friends and family, but they may not intuitively know how to use Facebook to stimulate customer interaction and influence purchasing behavior. When viewed this way, it could present a common misconception from an entrepreneur’s perspective, and therefore resulting in low long-term adoption rates, that they already possess this basic “how to” knowledge, when really they may lack the strategic, marketing-minded tools necessary to utilize social media to benefit their business.

An additional key competency influencing e-business adoption as listed by Fillis et al. (2004) is the ability of the business to envision the usefulness of the new medium. This is slightly intertwined with the buzz or hype surrounding the new medium and in the case of social media this arguably creates a dual-level of vision of usefulness. On one level, the buzz surrounding the new medium may be communicated through other entrepreneurs’ or owner/managers’ success and use of social media for their business, which may or may not have the same market orientation, or even be in the same industry. This presents another opportunity for disconnect in the mind of the owner/manager-adopter and result in a “bandwagon” effect, where everyone joins, but does not develop a strategy or have an established direction in mind. Without a vision for what success may look like, those owner/managers who adopt under these circumstances may lose enthusiasm or lack drive to integrate the tools into their business.

The second level of envisage of usefulness stems from the more inherent, psychological nature of entrepreneur in identifying an opportunity and adapting market orientation accordingly (Slater and Narver, 1995). This is a more complex layer which presents a stronger promise for successful adoption of new media because this vision of usefulness extends beyond the hype, to a direct perceived benefit and role within that entrepreneur's own business.

And lastly, the adoption of the Internet into a business strategy is often based on the interest and ideas of the entrepreneurial owner-manager (Martin & Matlay, 2003; Quinton & Harridge-March, 2006). In other words, an additional core competency important in the adoption of Internet business practices is sheer interest in the medium.

III. WEB 2.0 & MARKETING OPPORTUNITIES

Introduction

Scholars and professionals from various backgrounds and industries agree, the characteristics of websites, user behavior and internet platforms have shifted and are shifting (O'Reilly, 2005; Anderson & Wolff, 2010; Thach, 2009). A buzz term, used to describe everything from user behavior to website characteristics, Web 2.0 is a way to generally characterize the changing trends in online behavior, business models and platforms. Web 2.0 websites, platforms or online services are often characterized by their interactivity, their ability to “harness the collective intelligence”, and to collect and control rich pools of data about their users (O'Reilly, 2005). With these Web 2.0 changes have come a range of social and economic implications for individuals, businesses and developers and have had a major impact on how, when and to whom marketing communications are targeted.

This chapter takes a closer look at new media technologies and their social consequences as well as the characteristics of Web 2.0 and social networking sites. Then examines how these characteristics have impacted marketing and communications practices of all companies, while focusing on the areas of word-of-mouth and relationship marketing. Then leads to the research questions guiding this research.

3.1 | New Media Technologies

Early new media research often took the technological deterministic perspective that information communication technologies (ICTs) drive user behavior and social change (Lievrouw & Livingstone, 2006). However as ITCs have evolved, so have their characteristics, their features and their users. Considering that a key pinnacle of Web 2.0 as identified by O'Reilly (2005) is its hackability, or openness to user manipulations, improvements and adjustments; and its trust in users as co-developers, we have seen that the technologies themselves have become more open to being shaped and expanded by their users. In this way, so too have research perspectives on ICTs that now air more to the side of social shaping theories (SST) that the users continuously drive technological adaptations and changes (Lievrouw & Livingstone, 2006). Without getting into a cyclical discussion over which influences which and in what order, it is undeniable that these phenomena are becoming

increasingly interrelated and technologies are impacting individuals and businesses, who are in turn impacting the technologies.

Lievrouw and Livingstone (2006) discuss the various social consequences of new media technologies available today; for example, the level of interactivity available. In contrast to traditional mass media, new media offer a means to selectively seek, generate and share information and interact with others in a way that was not possible before.

Another characteristic of ICTs with a great social impact is their ubiquity. As Lievrouw and Livingstone explain, not all members of a society may use new media technologies, but they do impact everyone in the societies in which they are integrated. This is especially true for the Netherlands and social media, as 53% of the Dutch population in 2011 reported they had been active on a social network site in the previous three months (New Media Trend Watch, 2012). It is ranked first in the world for penetration of major networks Twitter and LinkedIn (ComScore, 2011). Also, in 2011 80% of internet users in the Netherlands purchased goods online (New Media Trend Watch, 2012). These statistics indicate that even if these users are not using these tools in connection with their wine purchases, there is a pool of wine consumers interacting online waiting to be tapped into.

Web 2.0

Tim O'Reilly who coined the term "Web 2.0" (2005) to encapsulate the evolution of the World Wide Web, described it as a core of characteristics reflective of this new wave of interactivity, accessibility and information-based Internet. Further defining Web 2.0 seems to be a bit of a challenge for academics and practitioners alike, there are many variations and perspectives on what it exactly encompasses. Despite the complexity and variety of Web 2.0 definitions, there were even scholars diving into a Web 3.0 definition as early as 2006 (Wahlster, Schwarzkopf, Sauermann, Roth-Berghofer, Pfalzgraf, Kiesel, Heckmann, et al., 2006). Nevertheless, Web 2.0 definitions have been more thoroughly explored in both academic and practitioner discourse, as a result this research relies more on the term Web 2.0.

As a testament to the complex and broad generalized use of the "Web 2.0" concept, O'Reilly made an effort to establish a compact definition of Web 2.0 in a blog post aptly titled "*Web 2.0 Compact Definition: Trying Again*"; it reads:

"Web 2.0 is the business revolution in the computer industry caused by the move to the Internet as platform and an attempt to understand the rules for success on that new platform. Chief among

those rules is this: Build applications that harness network effects to get better the more people use them. (this is what I've elsewhere called 'harnessing collective intelligence')," (O'Reilly, 2006).

O'Reilly (2005) explains that Web 2.0 companies/platforms/applications are characterized by their *interactivity*, their ability to "harness the *collective intelligence*", and to collect and control rich pools of data about their users. Mrkwicka, Kiessling and Kolbe (2009) lists interactivity and *integration* as pivotal functions of 2.0 technologies. Castelluccio (2008) and Beer and Burrows (2010) mention the dependence on user created content and *user participation* and *collaboration* as defining characteristics. Segaran (2007) explains that, "building new conclusions from independent contributors" (p. 2) is the core concept of collective intelligence, and of Web 2.0. And Alexander and Levine (2008) discuss the *findability* of information across platforms and applications as a key characteristic. This further contributes to the concept of collective intelligence and networked information by enabling the collection of many elements of microcontent related to a single subject, issue, product or user to yield insight.

These definitions attempt to pin down or identify key characteristics of a concept that is evolutionary and organic, making Web 2.0 by nature—difficult to create a fixed definition. In an effort to provide a more tangible and concrete definition, Högg, Meckel, Stanoevska, Slabeva & Martignoni (2006) conducted case studies on 40 different Web 2.0 applications to find commonalities and components among them. In aggregating their findings, they ultimately define Web 2.0 as, "the philosophy of mutually maximizing collective intelligence and added value for each participant by formalized and dynamic information sharing and creation," (p. 12), and further describe it as a philosophy on information management. They also define collective intelligence as, "the interactive exchange of information and the continuous development and maintenance of a group opinion," (p. 13) which can result in the formation of generally accepted content or group opinions.

While there are many singing the praises of this new wave of collaboration, co-creation and interactivity, some scholars take a more critical perspective on Web 2.0 phenomena and characteristics. As Van Dijk and Nieborg (2009) demonstrate, the hype and buzzwords associated with Web 2.0 are increasingly reminiscent of revolutionary or counter-culture language, they describe this as manifesto rhetoric. Ultimately they unravel these buzz words and the assumptions associated with Web 2.0 and call for practitioners and academics alike to be more critical of manifesto rhetoric and dig for a deeper more evaluative understanding of the implications of

Web 2.0 in business, personal and economic spheres. One assumption they identify is that of “co-creation” and user participation, they illustrate that in fact, not all users are participating equally. This is congruent with an earlier theory called the “participation inequality rule” or the “90-9-1” rule (Nielsen, 2006). The theory states that online participation follows a rule that 90% of online users are *lurkers* or users who observe and absorb online content but do not contribute, 9% are *intermittent contributors* who participate and contribute occasionally and only 1% are *heavy contributors* to online content generation and account for most contributions. Due to the highly turbulent online environment and widely available portable devices like smart phones and tablets, this percentage distribution may be a bit strong, out dated and reflective of the ubiquity and accessibility of Web 2.0 applications in 2006. However recent research reflects, less slanted but similar distribution. Forrester research on American consumers created six levels of user participation on a scale from ‘inactives’ to ‘actual creators’ (Li, 2007). Here the distribution is more of a 50-30-13 distribution where 52% are inactive, 33% are passive and 13 percent actually create content. While at the time of conducting this research, the author is unable to find any data reflective of 2011-2012 distribution of participation, this gradual, but distinctly more evenly-distributed level of participation in comparison to research from 2006 suggests movement toward a more equal and collaborative Web 2.0 environment. This also would not be surprising due to the increasingly low entry barriers to platforms, applications and devices that enable access to participatory applications and user generated content-driven sites.

Much of the discourse surrounding Web 2.0 phenomena is viewed, researched or discussed from the perspective of the user, user participation or from the implications on users, however more recent studies exploring the impact of these technologies on business models. Lim, Trimi and Lee (2010) list improved decision cycle times, innovation and organizational effectiveness as reasons why companies are deploying social networking and other Web 2.0 technologies. They articulate that these technologies allow a consumer to simultaneously also be a producer, and for this reason the historical perceptions on clearly defined roles between producers and consumers can no longer be used to analyze value chains.

In their study on the implications of Web 2.0 on business model types, Wirtz, Schilke and Ullrich (2010) call attention to the lack of literature that includes a systematic analysis of Web 2.0 characteristics and trends for business use, despite the high value this could offer to Internet-oriented businesses. As a result, they take a different approach to defining Web 2.0 by proposing four broad, fundamental factors of the Web 2.0 phenomenon. These factors are social networking; interaction

orientation; personalization/customization and user-added value. They then further define these factors by describing key sub-factors. Not all of these are relevant to this research however, their description of social networking and interaction orientation offer some further insight to the Web 2.0 phenomena from a business' perspective. Their study found that social networking was the most important Web 2.0 factor to managers of Internet companies, with managers mentioning that social networking is no longer a "fun tool" but rather an instrument for business networking. Their exploratory study calls our attention to the characteristics, growing popularity and increasing ubiquity of social networking sites.

Social Networking Sites

Social networking sites like Facebook, Twitter and LinkedIn exemplify the Web 2.0 principles as previously described in many ways including their seemingly exponential room for adaptation and development, collection of massive pools of user data, and open-source features. Before going further, it is important to define and distinguish the difference between the terms *social media*, *social networking*, and *social networking sites*, as it is easy to use these interchangeably and may result in lack of clarity.

Social Media is an all-encompassing term that describes, "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" (Kaplan & Haenlein, 2010). *Social networking* is the act of establishing social and relational connections both online and offline. And *social networking sites (SNS)*¹ are websites, applications or platforms that facilitate the act of *social networking* online. The characteristics and ubiquity of social media have major implications in both the personal sphere and professional sphere. In the personal sphere, they enable people to reach out to old friends, connect with colleagues, share their wedding pictures, or find the best café in town. In the professional sphere, social media enable the expansion of recruitment horizons; and facilitate customer relationship nurturing and gathering consumer behavior information. Online communities connected across social networking platforms, serve as forums for exchanging ideas and thoughts (Hennig-Tharau et al., 2009). Continued mainstream acceptance and adoption in

¹ boyd and Ellison (2007) articulate a difference between social network sites and social networking sites, in that they are used primarily to display one's social network, not to initiate new relationships. For the purposes of this study, these sites will be referred to social networking sites because in the context of business use, they are being used for both initiating new relationships and displaying social connections.

both personal and professional sphere has led social networking sites to the spotlight of both practitioner and academic research.

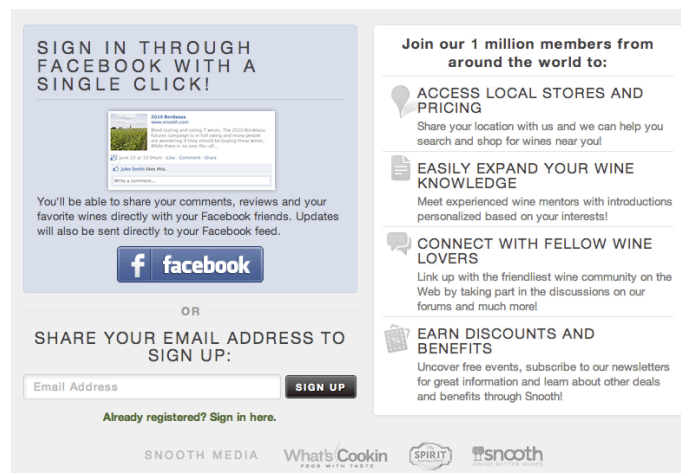
In their previously mentioned study on Web 2.0 and business model types, Wirtz et al. (2010) describe social networking as structures of human online interactions with services, which aim at connecting friends, or assessing products and services. The sub-factors they identify are four trends associated with social networking, which are: social identity, social trust, virtual word-of-mouth (also known as electronic word-of-mouth, discussed later in this chapter) and increased consumer power. The concept of interaction orientation, derived from prior study by Rayport, Jaworski and Kyung (2005) is related to the ability of a firm to effectively manage increased customer demands for dialogue between customer and firm. The four sub-factors of interaction orientation they identify are: customer centricity, interaction configuration, customer response and cooperative value generation. In interviewing managers of Internet companies, one interviewee stated:

“Social networks have become crucial tools to stay in touch on the Web 2.0. Using those social networks, Internet users connect to other people in fundamentally different and more intensive ways,” (p. 281).

One way of illustrating these “fundamentally different and more intensive ways” is by examining how SNS are increasingly moving in a direction in which they are the portal to connecting with various other applications. What this means, is if a user wants to get involved in a new social network, they were often given the option to build that network on top of an existing network, typically from Facebook. For example, if a user wants to join the CouchSurfing network (couchsurfing.com), a network of travelers, or “surfers”, and hosts offering their spare beds and couches to fellow travelers, the user must first create an account. When the user visits couchsurfing.com, they are given the option to either register with their existing Facebook account or to create a new account independently. The former option automatically extends their network of social relationships on one platform, Facebook, to a new platform, CouchSurfing. This is generally more appealing to the user because it enables them to build a network on existing relationships rather than starting from scratch, it also saves time for the user.

This screenshot from major wine-specific social network, Snooth (snooth.com) illustrates how easy it is for a user to build their wine social network, on top of their existing Facebook social network. In this way, social networks are increasingly becoming intertwined and expansive across users’ interests, whether

those be in meeting others while traveling abroad, or sharing their thoughts on the wines they taste.



3.2 | Marketing in a Web 2.0 environment

Social networking sites are increasingly serving dual purposes of platforms for social facilitation on one hand and tools geared for marketers to reach narrowly defined target audiences thus generating revenue for the platform. The mainstream adoption of social networking sites have had a major impact on the way consumers interact, evaluate and understand the brands, products and services in their daily lives. Social networking sites like Facebook and Twitter enable businesses to connect with individuals and groups of customers on an individualized level. Another way of describing their marketing value is that they display consumer intentions (Casteleyn, Mottart and Rutten, 2009). They also provide marketers insight into consumers' preferences, allegiances, recommendations and conversations surrounding products and services (Cuddeford-Jones, 2009). On the one hand, these characteristics position social networking sites as a new tool for a marketer's toolbox. On the other hand, at an areal view, an undeterminable number of nodes in an online network and various communities and information pools associated with *just one brand* is almost as overwhelming as the classic pondering-question "*How big is outer space?*". And one major challenge facing marketers in this data-rich environment, is how to extract meaningful insights into consumer behavior from activities and communications generated in online communities (Henning-Thurau et al., 2010).

This has major implications on the marketing practices of companies and organizations in any industry or market. The important role of social media tools

available to marketers and consumers calls for marketers to reconsider how, when, what and where to communicate with their target audiences (Wakolbinger, Denk & Obrecker, 2009). The transformation in marketing communications has, and will continue to result in, a vastly different approach to connecting and communicating with consumers and brands (Mulhern, 2009). A pool of scholars and professionals agree that with the technological developments and distinct changes in user behavior online, personal, long-term business-to-consumer (B2C) relationships are key to marketing online and in a Web 2.0 era (Eastlick, Lotz & Warrington, 2006). Building an online professional community upon a preexisting offline community enables a business to expand its reach through relationships (Andersen, 2005). Similarly, Daugherty, Eastin and Bright (2008) stated that the key to marketing in a Web 2.0 environment is to use social experiences and interactions to develop brand relationships. These communities and development of these relationships is important in both business-to-business (B2B) (Andersen, 2005) and B2C (Eastlick et al, 2006) interactions. With the wide variety of social media, particularly social networking sites available, wine consumers locally, nationally and internationally are sharing their thoughts and opinions on the wines they love and hate, but who is engaged? And more importantly, who is engaging?

Web 2.0 Marketing Adoption

There is somewhat conflicting research on to what extent companies are utilizing social networking sites as marketing tools. Some research has found social networking sites have become so conducive to connecting brands and organizations with their consumers that they have begun to attract *more* traffic than a brand's website. Neff (2010) cites that it is by marketing design that companies with strong fan followings on Facebook have seen a decrease in traffic to their website. Contrastingly, in a content analysis of Fortune 50 corporations' Facebook pages, McCorkindale (2010) found that only few companies were utilizing the two-way communication, relationship-centered capabilities available on Facebook pages. One explanation is the result of the previously mentioned divide in perceived benefits. Meaning that if a business perceives benefits of social networking sites for their company because of all the hype among other businesses and industries, they may want to test out the tools but not really invest too heavily in developing strategies for them or allocating too many resources to them. Another explanation for large and small firms who are not utilizing the engagement capabilities of SNS could be related to the strength of the brand personality. If the product or service is less 'branded'

then their online practices will be different; this is especially reflective of B2B environments.

Relationship Marketing

In its more traditional role, marketing responsibilities were assigned to specialized individuals in a department of a firm; the rest of the firm responsible for their area of expertise with little to no marketing training or responsibilities. Ironically, managing operations, customer contacts and externally facing communications are the responsibility of non-marketing departments. Gronroos (1990) aptly observes that service encounters occurring in various departments of an organization are a driving force behind future customer behavior, including word-of-mouth, and thus should be considered marketing activities. Gummesson (1987) views the marketing function as that which permeates the organization and where customers play a latent but active role in the production process in that buyer-seller and service interactions have a large impact on customer behavior and WOM, and should be considered resources for marketing insights. Berry (1983) observed the increasing importance and value of a service firms' customer base as the key contrast to that of transaction marketing. These observations, and the body of scholarly research stemming from them, represent the early development of relationship-based approach to marketing, now known as relationship marketing (RM). Gronroos (1990) offers the following definition of relationship marketing:

“Marketing is to establish, maintain, enhance and commercialize customer relationships (often but not necessarily long term relationships) so that the objectives of the parties involved are met. This is done by mutual exchange and fulfillment of promises” (p. 5).

In the early 1990's Morgan and Hunt (1994) suggested RM would be the next dominating marketing paradigm. In light of ICT developments that have led to a more information-driven and arguably, consumer-driven market, this may have been an understatement. Today, academics and practitioners alike have grown to recognize the increasing importance of customer relationships. In the early stages of RM theory development, one of the major pitfalls was the time and space constraint on businesses and brands interacting with their customers and consumers. Not only have ICTs jettisoned the time and space that were once barriers (Henning-Thurau et al., 2010), in today's environment, consumers are encouraged, empowered and enabled to overcome them.

Connecting these empirical observations with those related to the characteristics of SMEs and of Web 2.0; McGowan, Durkin, Allen, Dougan and Nixon (2001) observe that the “evident personal and social bias in small firm business activity” which historically was dependant upon face-to-face interactions, can now occur in remote contexts like those characteristic of the Internet. In their study on the implications of Web 2.0 on customer relationships, Henning-Thurau, Gwinner, Walsh, and Gremler (2004) demonstrate how managing customer relationships in a Web 2.0 environment is much like playing pinball in the sense that marketers serve a marketing message or brand, a pinball, and it accelerates through a “cacophonous environment” of extensive information on products and brands and can multiply and bounce from new media “bumper” or information source to the next. This makes it difficult for marketers to control a brand image or relationship outcomes.

Word-of-Mouth Marketing

Word-of-mouth (WOM) marketing is unpaid marketing or promotion of products and services derived from the discussions or conversations among consumers regarding a specific product or service. Also described as electronic word-of-mouth (eWOM) in online context, eWOM is defined by Henning-Thurau et al. (2004) as “any positive or negative statement made by potential, actual, or former customers about a product or company which is made available to a multitude of the people and institutes via the internet,” (p.29) It is common to see viral marketing and eWOM used interchangeably, for example Leskovec, Adamic and Huberman (2007) describe viral marketing as, “a diffusion of information about a product and its adoption over the network,” (p. 4). This sounds similar to eWOM in concept but viral marketing differs slightly. As Ferguson (2008) puts it viral marketing is the *cause* and eWOM is the *effect*. A video that grabs attention or an image or scene that is ‘buzzworthy’ can serve as the cause of eWOM spreading throughout online communities.

In the business and economic sphere, especially online, one of the most common forms eWOM marketing is that of user generated reviews or critiques of products. And congruent with the growing forms of interactivity in ICTs and Web 2.0, many websites offer some form of feedback related interactivity on their site or via their pages/profiles on social networking sites. Meaning, Web 2.0, companies facilitate and enable consumers/customers/users to get involved in the discussion and follow the discussions involving their products or services.

One recent example of how turbulent viral content online can be is a recent campaign, “Stop Kony” more widely known as Kony2012. Kony2012 is a video



released by San Diego-based non-profit, Invisible Children, Inc. as part of their campaign to raise awareness of Joseph Kony, a Ugandan war lord criminal. The video was posted to Vimeo, a video sharing network, on March 5, 2012 and shortly made its way to YouTube. In the final thirty seconds of the 30-minute video, Invisible Children urges viewers to help in their mission by identifying three clear calls to action, and stating, “Above all, share this movie online, it’s free.” (*Kony 2012*, 2012). In the first week the video reached a record-breaking 112 million views, making it the most successful viral video ever created (Carbone, 2012). In the three days after the story made it to Twitter, there were an average of 1,380,900 statements per day about Kony 2012 (Pew Research Center, 2012 as cited in Kanczula, 2012).

Research conducted by the Pew Research Center also indicates that WOM was a noteworthy source for those under the age of 65, as 9% of young adults and 7% of adults aged 30-60 heard about it during a conversation (Rainie, Hitlin, Jurkowitz, Dimock & Neidorf, 2012). This video is a testament not only to the potential for rapid spread of online content but, also to how online content can supplement offline conversations and awareness through WOM.

It is widely accepted that WOM marketing is invaluable to any brand or company and researchers have studied why it is so powerful and even the level of effectiveness. In one study for example, Walther, Van Der Heide, Hamel and Shulman (2009) used the warranting principle (Walther & Parks, 2002) to explore the perceived level of credence self-generated versus friend-generated statements in social networks. According to Walther and Parks the warranting principle states that observers perceive information generated by others with regard to one subject, carries greater credence than that which is generated by the subject. Put more simply, when an independent third party creates content it is perceived as more credible than if the subject created it about themselves. This principle provides insight into why word-of-mouth communications prove to be among the most powerful marketing tools. This is further reflected in the belief that consumers do not have a vested interest in recommending or reviewing a product or service and this independence leads to higher credibility than that of marketers (Bickart & Schindler, 2001; Ha, 2002). In essence, eWOM broadens customers’ options for gathering information about products and services from other customers (Jeong & Jang, 2011).

Other powerful aspects of eWOM that impact products and services include generation of feelings of empowerment for consumers (Cova & Pace, 2006) and the

affinity and bond creation among brand communities with a shared interest (De Vlack, Van Bruggen & Wierenga, 2009). Researchers have also observed the significance of eWOM among virtual brand communities due to zero hard cost to the brand/company and the ability to spread rapidly within and beyond that brand community (De Vlack et al. 2009). Additionally, referrals in online communities can result in increased customer acquisition (Trusov, Bucklin & Pauwels, 2009). Leskovec et al. (2007) found that recommendations among small, special interest communities result in purchases more often. Some researchers have gone down a path of exploring what makes a good consumer review, a main type of eWOM. Findings suggest the perceived usefulness of a review can be a strong predictor of consumers' intent to comply with the review (Cheung, Lee, & Rabojohn, 2008). Drawing from this school of research, Willemsen, Neijens, Bronner and Ridder (2011) explored what makes a review a *useful* source of information and found that the content of a review is more related to the perceived usefulness of a review than a star rating system, the characteristics of a reviewer or the price of the product.

Two studies have even brought their focus to the effects of WOM on wine purchasing behavior. In a study on purchasing behavior offline, in Northern Ireland, Keown and Casey (1995) found that WOM is most likely to influence customers' choice in the type of wine they purchase. Thompson and Vourachis (1993) use a few principles from the theory of reasoned action to understand the intention to drink wine. The theory states that intention is determined by two components: attitude and subjective norm. Subjective norm is related to WOM in that it measures other people's influence over an individual's intention to behave. In this study, they concluded that using the influence of *other people* could be an effective approach to influencing wine drinking and purchase behavior. A study in Norway found that wine sales are significantly influenced by published wine reviews from critics (Horverak, 2009). This small but growing body of research supports the value that lies within WOM regarding wine purchase behavior. There distinct commonalities between the characteristics of eWOM and relationship marketing that overlap with the characteristics of social media that distinctly facilitate these phenomena. This begs the question, are entrepreneurial owner/managers of wine businesses harnessing the power of social media for their business?

3.3 | The Research Question

The characteristics of Web 2.0, particularly of social media offer great opportunity for growth in the areas of RM and eWOM especially among SMEs. Align this opportunity

with the limited resources, high value of customer relationships and basic-knowledge of social networking sites expected among SME owner/managers, and we begin to see an even larger area of opportunity for these small firms. But, scholars have shown that the wine industry; including producers, distributors and resellers, has not been as quick to capitalize on the opportunity to utilize the social media resources available to them.

Web 2.0, particularly social networking sites are perfectly positioned to offer SMEs like on-trade businesses in the wine market an opportunity to connect with consumers, producers and distributors and ultimately to focus their marketing efforts. But are Dutch wine resellers already utilizing these tools? If so, are they seeing direct benefits to their businesses? If they are not using these tools, it is important to understand the concerns or barriers preventing them from incorporating these tools into their business models.

These are the areas that this research seeks to explore. In order to do so, the guiding research questions for this project are as follows:

RQ: To what extent are Dutch wine resellers using social media for their business?

Sub RQ A: How and why are resellers using social media for their business?

Sub RQ B: If they are not, what are the perceived threats, barriers or consequences?

IV. METHODOLOGY

Introduction

The purpose of this quantitative research is to conduct a cross-sectional survey of owner/managers and decision makers for on-trade wine businesses in the Netherlands. The survey will gather data on the respondent and the business the respondent owns/manages or works for, and will pose a series of branched questions oriented toward the respondent's current use or non-use of social media for their business.

Due to the exploratory nature of this research and the specificity to the Dutch wine market, there were virtually no pre-existing studies to draw many of these questions from. Additionally, this research targets owner/managers of a small to medium enterprise, which as discussed in chapter 1 means these individuals fill many roles in running their own business and often have little spare time. This methodological framework, will describe these challenges and barriers, and how they were addressed based on wine industry professionals' input. Then, it will demonstrate how addressing these challenges resulted in carefully thought-out survey development process that began with unstructured interviews.

4.1 | Unstructured Interviews

These interviews involved the owner/managers of four different types of on-trade businesses with varying levels of social media involvement. The goal of these interviews was to gain insights into the perceptions and attitudes toward social media use for wine businesses from both users and non-users of various on-trade business types. Then to use these insights to guide the statements included in the final survey tool.

Of the four owner/managers interviewed, one interviewee was a non-believer and non-user of social media, two were somewhat active in engaging and generating content but looking for further direction in their communication efforts, and one was very active in generating content but less actively engaging their audiences.

Lasting anywhere from 1-2.5 hours, the interviews provided meaningful information to guide the development of this research. In most cases, information gathered during the interviews aligned with previous research on e-business adoption indicators and field experience reflected in the perceived benefits of use. The interviews also offered greater insight into possible barriers to using social media.

The questionnaire is reflective of a compilation of insights gained from the feedback and observations collected during these interviews, past research findings and field experience. The survey was then pre-tested with 15 wine industry colleagues and academic supervisors. These pre-tests resulted in minor revisions to language to ensure clarity, and ordering of questions to ensure logical progression of questioning. A closer examination of some of these revisions is elaborated on below.

4.2 | Survey Development

There were several aspects that required special attention during the development and testing of this survey. First and foremost, careful consideration in the wording of the questions and answers was necessary due to the Dutch-English language barrier. While the Netherlands ranks second world wide on the English proficiency index (“Multilingual Population”, 2012), the respondents are not native English speakers and complexly worded questions may result in a higher drop out rate or invalid response entry and therefore needed to be treated with great sensitivity. Due to the limited time and resources, translating the survey into Dutch was not possible. As a measure to address this concern, all 15 pre-test respondents were Dutch-natives with varying levels of non-native English language proficiency. Additionally, the researcher sat alongside the respondents in the first 5 pre-tests to observe any hesitations or delays related to the wording of a question. These observations were noted, and once the respondent was finished with the survey, the researcher discussed each instance, and adjusted the wording to ensure clarity and ease of understanding for any problem areas. This process ensured clarity of language and smooth progression of question development.

This research aims to explore if and how businesses in the Dutch wine industry are communicating using social media tools. The findings of this research could likely have industry implications relevant not only to the on-trade businesses that are the focus of this research, but also on journalists, producers and distributors. It was vital to ensure that the demographic data collected on the businesses is reflective of the indicators used in business valuations and will be of value to industry professionals. As a result, 10 of the 15 pre-tests were run with respondents from a wine industry including general manager, on-trade sales manager and representatives, and inside sales representatives of a major Dutch wine distributor.

One area of discussion that arose in these pre-tests was the *size* of a business. When considering the *size* of an on-trade business, in any industry this could mean number of employees, estimated sales in years past, or size of physical location for example. But in the case of wine and these on-trade businesses it was decided to define *size* and *performance measures* in three different ways. First by the number of employees, next by the estimated sales from the previous year (2011) and lastly by the estimated volume of bottles sold the previous year. While it was recognized that sharing the estimated sales of a business might be a sensitive matter, respondents were not forced to answer. But also when considering the estimated volume of bottles sold the previous year, that from an industry perspective, to understand the value of a business this could be even further classified into the value of the wine inventory. In other words, it is insightful to know the volume a business sells in a year, but is that volume representative of entry-level wines or high-end wines? In an effort to maintain a short and manageable response time, it was decided not to incorporate this additional level of segmentation.

4.3 | Survey Design

General Characteristics

The electronic survey was designed using Qualtrics, an online high quality survey software tool² (Qualtrics.com). The survey was made up of three branches and a total of 52 questions. The questionnaire used a “screen-by-screen” design (Fan & Yan, 2009) in which there were 3 questions within one screen and the respondent clicked a “next” button to proceed. Respondents were given the option of going “back” to adjust any of their answers at any point. And all questions with categorical statement answers were set with randomized answers to prevent order biases. All questions were forced response with the exception of the estimated sales and the open response questions.

Every respondent was presented with a series of 12 demographic questions 3 questions on their personal use of social media and one qualifying question. Then, respondents were routed down a series of questions based on their answer to the qualifying question.

The demographic questions were designed to collect thorough information about the respondent (e.g. age, sex and role within the business) and the business they work for. The questions selected to collect information about the business were chosen with wine industry interests in mind. Initial questions include categorizing business activity, or type of business (e.g. wholesaler, specialty store, horeca supplier). These groups reflect each of the types of on-trade businesses discussed in chapter 1. Each categorical question included an *other* option that included an area for open response that were later grouped and coded accordingly.

The question on the respondent’s primary role within the business focused on the target respondents for this survey as established earlier in this research, the goal is to understand the activity, perceptions and attitudes of decision-making individuals in a SME. This is likely the owner/manager, sometimes a buying manager or a sales representative of the business, as a result, these were the categories chosen.

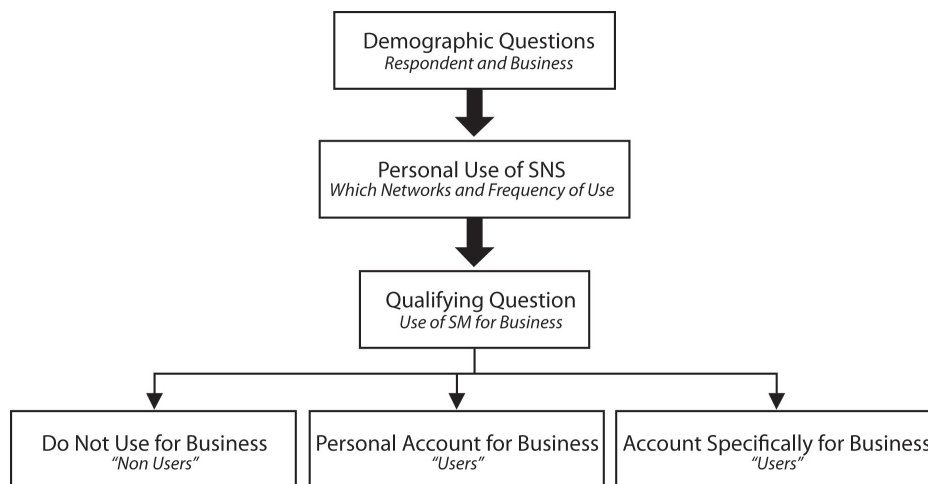
The qualifying questions serves as the determinant of which branch of the survey the respondent will be taken through. The question is, “Which of the following best describes your use of social media for your business” with the optional answers:

- I do not use social media for my business
- I have at least one account specifically for my business on a social networking site
- I sometimes use my personal social networking accounts for business purposes

This structure of the survey flow as described above is illustrated in Figure 4.1.

² Subscription paid for by Erasmus University Rotterdam

Figure 4.1: Structure of Survey Branching



Non-User Branch

Stemming from the 5 unstructured interviews conducted prior to the development of the survey, the commonly established barriers to e-business adoption and practitioner experience in the field, the non-user (NU) branch was designed to explore why these businesses are not using social media for their business, and what perceptions they have of the benefits of doing so. The first point of interest is whether or not the respondent has ever even considered using social networking sites for their business. This allows the researcher to connect their openness to using SNS for their business with their perceived benefits, to see if they differ greatly from those who have not considered it for example. Next, non-users were presented with a series of 3 groupings of questions asking what their perceived benefit of using SNS to conduct a particular activity.

Drawing from past research by Poon and Strom (1997) and Poon and Swatman, (1999) and a proposed model for e-commerce adoption drivers (Jones et al., 2003) it was decided to measure the perceptions of benefits of using social media for one's business to explore the extent to which they are using the tools, and to gauge market perceptions of these media. Fifteen activities related to social media use for an on-trade business were identified. These fifteen activities were further grouped into 3 groups consisting of 5 items (or activities) each, related running and maintaining an on-trade business. These five items were assumed on theoretical grounds to measure the underlying constructs for perceived benefits of social media use related these areas of running and maintaining an on-trade business. The three groups benefit groups are: business operations, customers, and wine market. Benefits related to business operations include activities related to general business

operations like purchasing, selling, and business happenings. Benefits related to customers include activities directly targeting or interacting with existing and prospective customers of the business. And benefits related to wine market are derived from B2B activities related to general market information, information about competitors, and interactions with other industry professionals. These benefits by activity are listed in Table 4.1 below.

Table 4.1: Perceived benefits by grouping and activity

Group	Activity
Business Operations	<ul style="list-style-type: none"> Gather information about existing products Get deals on products from suppliers Build brand awareness for your products Find new products Communicate information about your business (example: events, products, business hours)
Customers	<ul style="list-style-type: none"> Maintain relationships with customers Hear what consumers are saying Find and connect with new customers Build name recognition for your business Communicate deals and promotions to your customers
Knowledge of the wine market	<ul style="list-style-type: none"> Maintain relationships with partners in the wine industry Learn what promotions competitors are offering Learn how competitors are interacting with their customers Hear what consumers are saying about products Gather market information

For response, users were presented with a 3-point Likert scale with verbal labels of *Not at all*, *Somewhat*, and *Very*. These labels were used to clarify the meaning of the points on the scale, which has been found to significantly improve reliability and validity (Krosnik & Berentm, 1993). A 3-point scale was chosen to minimize the level of complexity for the respondent in effort to maintain attention. Reliability of both the user and non-user benefits perceptions and the non-user barrier 3-point scales was calculated using Chronbach’s alpha. Cronbach’s alpha coefficient reported .944 for user benefit perception scale and .961 for non-user

benefit perception scale. Both alpha scores indicate a strong internal consistency ($\alpha \geq .70$), for each of the scales used to measure perceptions of benefits (Pallant, 2005).

Next, using a similar structure, non-users were asked to indicate how strongly a series of factor, or barriers, influenced why they do not currently use SNS for their business. This question operationalizes the perceived barriers preventing these business owner/managers and the degree of strength that factor is influencing them. These seven factors were drawn from the insights gained in the preliminary interviews and included factors such as *I haven't had time*, *I don't think my customers are using it*, and *I have concerns about how to maintain it*. Responses were ranked on a scale of *Not at all (1)*, *Somewhat (2)* and *Strongly (3)*. This scale was also tested for reliability and found to have a strong internal consistency with a .725 alpha coefficient.

Lastly, in the form of an open response question, respondents were given the opportunity to add any additional factors that may have not been included, that influence why they do not use SNS for their business.

User Branch

First users were asked which accounts they use for their business, or which personal accounts they sometimes use for their business. It was important to separate these two types of users for initial questions in the U branch as the users who have specifically set up business accounts are likely to use these tools differently than those who use their personal accounts for professional communications at times.

Next, much like the general, personal use question every respondent was asked, users were asked which networks and how frequently they log-in to their accounts. Then, users were asked general information about their use of social networking sites. These questions included, how long the business has been using social media, how much time each week the business spends on social media and which networks they use to engage in certain activities. This question enable a deeper understanding of which networks are used for six different key activities like *connecting with existing customers*, and *sending information about products and events*. The four networks chosen for this research are Facebook, Twitter, LinkedIn, and Foursquare. Facebook, Twitter and LinkedIn were included because they are among the top five most used social networks in the Netherlands (New Media Trend Watch, 2012). Foursquare was selected because there is an increasing trend in the US of businesses utilizing this SNS to offer discounts and to collect reviews and

feedback on their products and services, it is curious to explore if this trend is also occurring in the NL.

After completing general information questions, respondents on the U branch of the survey were presented with a series of three side-by-side, 3-point Likert scale questions with 5 statements pertaining to their frequency of use and perceived benefits of using social media for that purpose. So, one “side”, or column of the table containing the 5 activity statements, of the Likert scale set, users were asked how strong they feel the benefit of using social media is for that activity (*See Appendix 1 for survey questions and side-by-side layout*). This side is identical to the series described previously for the NU branch of the survey. The other side of the Likert attitudinal scale set asked users how often they engage in that same activity (*not at all, sometimes and regularly*). These questions were presented as coupled set question, one per webpage.

Finally, users were presented with an open response question asking them to list any clear examples of direct results they have seen from their use of social networking sites. Respondents were encouraged to write in Dutch.

4.4 | Data Collection

Phase I

The data collection process took place in two phases. The initial phase was the distribution of the questionnaire to an existing email database to 438 customers of a major wine distributor in the Netherlands. This phase of the data collection included individualized links with unique identifiers embedded into each URL that corresponded to each of the email addresses in the database. This enabled the researcher to send follow-up reminder or thank-you emails to respondents at later times. It also ensured that the survey remained closed to any un-targeted respondents. The email was sent out with a personal letter of support, written in Dutch, from the general manager of a major Dutch wine distributor, to customers of his company encouraging them to participate in the research. The letter included two explicit calls to action, a clearly stated expected length of time to take the survey (8 minutes) and that it was anonymous. The letter also offered a white paper on “Social Media in the Dutch Wine Industry” derived from the research, in exchange for completing the survey. This email was sent at 11:15 am on Monday, April 16 2011. One week later, a reminder email was sent to those who had not taken or completed the survey, and the following Thursday, the researcher sent personal emails to the

top 50 customers of the distribution company, asking once again for their participation in the survey.

It was decided not to send a prenotification with this survey for three reasons. First, related to the aforementioned concern and increasing issue with inboxes is that of junk mail and spam. Second, sending an email asking for someone's time and participation without providing the link to act upon that request could be seen as a waste of someone's time rather than a courtesy notification. And third, a more recent study on prenotification in email surveys found virtually no statistical difference in response rates from respondents who were prenotified and those who were not (Hart, Brennan, Sym & Larson, 2009).

Phase II

After leaving the survey open to these respondents for two weeks, it became apparent that response rate of 9.5% was rather low and in order to collect sufficient data, it was necessary to consider alternative approaches to collecting the data.

As a result, the researcher began requesting the support of well-connected thought-leaders in the wine industry who were strongly positioned to reach on-trade businesses and influence their participation. This included wine business owners, leading journalist and distributors who were active on social networks Twitter and Facebook. This phase of the data collection was done using an anonymous survey link and a series of tweets on Twitter, posts on Facebook, personal emails from sales representatives and a widely distributed email to 1500 wine professionals in a database from the Wijn Instituut in the Netherlands.

Because this approach allowed anyone who sees the link to participate, three cautionary steps were taken to maintain quality of the responses. First, in each request, post, tweet or email, it was asked that the sender ensure that the survey was specifically for those who work in the Dutch wine market. This was to eliminate or prevent consumers participating. Next, it was asked that any message with the survey link should clearly state the amount of time it would take to complete the survey and that it was anonymous. Finally, slight adjustments were made to the survey that routed irrelevant respondents, or those who identified their primary role in the wine business as "*other*" to the end of the survey after answering the first few basic demographic questions.

Because of this two-phase, closed and open distribution approach, it is difficult to provide a firm response rate for the overall distribution. That being said, Eysenbach (2004) suggests that *view rate*, *participation rate*, and *completion rate* are better metrics for reporting web surveys than response rate. For this survey, it is

impossible to identify the number of people who actually received the invitation, or the *view rate*, of the survey because there were no tracking methods in place to determine if someone opened an email or viewed a tweet. However, the *participation rate*, or the percentage of people who began the survey, or clicked on the link provided is 6.3% based solely on the email distribution total of 1,938 email addresses. And there were a total of 85 completed surveys, yielding a *completion rate*, or the percentage of completed surveys, of 69.1%.

While this total number of responses moderately low in comparison to the number who may have received it, it can be said that the fully completed surveys are those of high value, the majority of these responses are reflective of the target respondents of owner-managers of SME on-trade businesses. Additionally, despite prevailing perceptions toward low response rates on survey research, it is not sensible to assume a low response rate results in low representativeness of a population (Krosnik, 1999).

V. RESULTS

Introduction

The primary research question guiding this study is:

RQ: To what extent are Dutch on-trade wine businesses using social media for their business?

And the sub-questions derived from this question are two-fold:

Sub RQ A: How and why are resellers using social media for their business?

Sub RQ B: If they are not, what are the perceived threats, barriers or consequences?

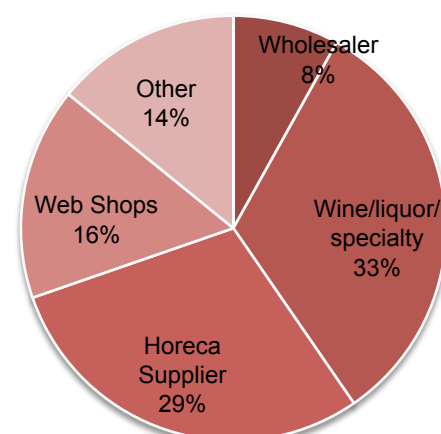
Essentially, these sub-questions sought to explore the *how*, the *why* and the *why not* of social media use for these Dutch, SME, on-trade wine businesses. The following two chapters report the results of this survey in order to address these questions. First, Chapter 5 describes the general characteristics of the sample to begin to illustrate *to what extent* social media is being used. Then, Chapter 6 addresses the sub-questions.

Data reported in these chapters was analyzed using both Qualtrics and SPSS statistical analysis software. Qualtrics, the online survey tool used to build and distribute the survey, also includes a comprehensive reporting tool that provided descriptive statistics reports. All additional analyses were completed using SPSS. Due to some non-response items and survey branching characteristics, the sample size (*N*) available for data-analysis fluctuates and may vary from analysis to analysis.

5.1 | The Sample

There were a total of (*N*) 99 respondents, 85 male and 14 female. Respondents ranged in age from 23 to 73 with a mean of 47.12 and standard deviation of 11.45 indicating a wide range in the age of respondents. These respondents represent a wide range of types of on-trade businesses (see Figure 5.1). Wholesalers represent 8% of the sample, 32% are

Figure 5.1: Type of business representation



wine, liquor, cheese or specialty stores, 29% are horeca suppliers, 16% are online/webshops and 14% classified themselves as other. According to open responses to those who selected 'other', this category includes importers, journalists and companies that fall into multiple categories listed.

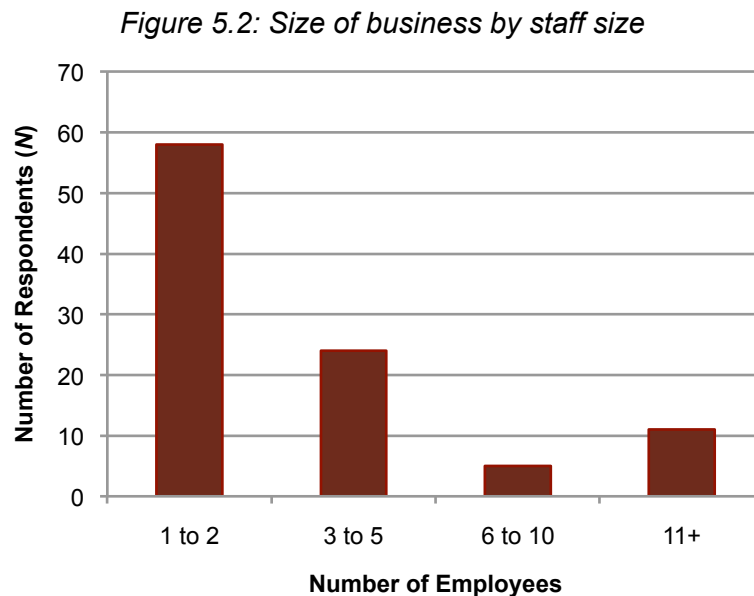
The geographic distribution of respondents can be of importance to sales representatives of distributors and producers. It is worth noting that each of the twelve provinces are represented in the sample with at least one respondent from each. The highest frequency of respondents' businesses are located in Noord Holland ($N=22$) and Noord Brabant ($N=17$). The least represented province among respondents is Groningen ($N=1$).

It was imperative to target owner managers and decision makers for these on-trade businesses for the survey in order to understand their communication practices for their business. With 86% of respondents identifying themselves as *owner/manager* we can assume that the findings of this research are from those who make decisions for their businesses. Also, as Fillis et al. (2004) highlighted the entrepreneurial nature of owner/managers of their own businesses, we can also assume that the findings of this research reflect, to some degree, entrepreneurial oriented respondents. An additional 12% of respondents identify themselves as holding *Sales* or *Marketing* roles, also relevant to decision making with regards to communication activities for a business. The remaining two percent identified themselves as journalists, buying managers or other. As the number of respondents in this area was small and the sample size is already limited, it was decided to still include these groups in the analysis. Only individuals who identified themselves as having an *other* role that was not a decision maker role for the business (ex. *intern*) were excluded for analysis.

The businesses represented in the sample range in size. There were three criteria used to measure size; one primary, number of employees, and two secondary criteria that can also be indicators of size, these are total estimated sales in the previous year, and estimated volume of bottles sold in the previous year. Sales and volume sold also indicate the performance of the business overall, as a result they are considered to be indicators of both performance *and* size for the purpose of this research.

As described in the discussion of SMEs, most SMEs included in research are in fact microenterprises with less than 10 employees. These assumptions are congruent with the representation in this sample size. Over 82% of the respondents work for businesses with 5 or less employees, and over half of the total sample (59%) have 1-2 employees. These businesses are also surprisingly mature, with

almost half (49.5%) indicating that they have been open for 11+ years, and 15% indicating they have been open for less than 2 years. The distribution of size by employees is demonstrated in Figure 5.2.



When examining the estimated 2011 sales of the participating on-trade businesses, most (40.2%) report less than €100.000. The second highest percentage (16.3%) reported estimated sales figures of €500.000-1 million, and following closely behind this (15.2%) reported €251.000-500.000.

Lastly in considering the performance of the business, respondents were asked the estimated volume of bottles sold in 2011. Most businesses (36.6%) reported 0-10.000 bottles; (23.7%) reported 50.000-100.000 bottles, (22.6%) reported 10.000-50.000 bottles and lastly (17.2%) reported more than 100.000 bottles sold in 2011.

Respondents were also asked the average growth rate of their business. Almost half (42.2%) of businesses indicate an average growth rate of 5% or more. This is relatively surprising considering the economic circumstances have had a large impact on the growth of the wine market both nationally and internationally.

In summary, the majority of this sample population of on-trade businesses can be described as: *microenterprises, employing 1-2 people that have been open for 11+ years that sold an estimated 0-10.000 bottles and earned less than €100.000 in 2011.*

Size and Business Performance

It is commercially interesting to examine any potential relationships between the number of employees and the performance of the business in 2011, or the estimated sales and volume of bottles sold in 2011.

The relationship between the number of employees and estimated sales from 2011 was explored using a Spearman Rank Order Correlation. There was a strong, positive correlation between the two variables [$\rho=.55$, $n=92$] with larger staff (number of employees) associated with higher estimated sales from 2011. Table 5.1 illustrates the positive correlation between each of the variables indicating the age and size of the business with the performance of the business. This shows that there are medium to strong, positive relationships between the age and number of employees has, and their performance in 2011.

Table 5.1: Spearman rank order correlation between age and size of business and business performance in 2011

	Years in Operation	Estimated Sales	Number of Employees	Estimated Volume
Years in Operation	1.00			
Estimated Sales	.624 ^a	1.00		
Number of Employees	.362	.548 ^a	1.00	
Estimated Volume	.479	.891 ^a	.425	1.00

^a Indicates a strong relationship

Communications

Social media as a communication tool for a business is only one of many ways a business may prefer to interact with their customers. Understanding the preferred ways of conducting business for these owner/managers is an important component to the broader goal of building a profile for users and non-users of social media for business. To address this, respondents were asked to rank the ways in which they interact with their customers in order of preference. The most preferred way of communicating with customers across the survey sample was face-to-face inside the shop or office of the respondent. The second most preferred was face-to-face outside the office, closely behind face-to-face communications ranked email followed by phone, then social media, then other means of communication.

When splitting the sample by users and non-users of social media, and examining preferred communication activities we see a slight difference in the order of preferred ways of communicating with customers. Table 5.2 was constructed using

mean scores on rankings of each category and comparing user and non-user groups. Here we can see that on average, non-users preferred phone over face-to-face *outside* the office, whereas users preferred them in the opposite order. And for non-users, *other* means of communication like mail and website ranked 5th over social media in 6th.

Table 5.2: Comparing users' and non-users' preferences in communicating with customers

	1 (Most Preferred)	2	3	4	5	6 (Least Preferred)
Users	Face-to-face in Office (M=4.40)	Email (M=4.26)	Face-to-face outside office (M=4.11)	Phone (M=3.80)	Social Media (M=3.45)	Other (M=2.05)
Non-Users	Face-to-face in Office (M=5.00)	Email (M=4.48)	Phone (M=4.41)	Face-to-face outside office (M=4.29)	Other (M=2.42)	Social Media (M=2.36)

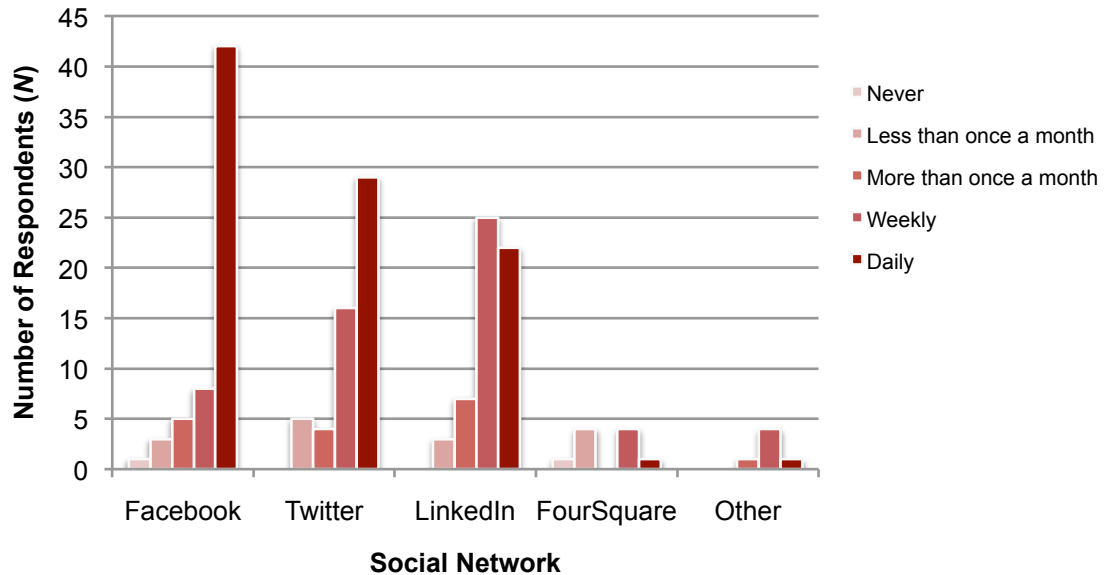
While this is only a slight difference in rank ordered preference among the groups, it could be a subtle indication in the customer-orientation of a business and how the owner/managers prefer to conduct business. As social media, are in fact *social*; they enable businesses and individuals to communicate, logic would follow that businesses which prefer more direct forms of communication like face-to-face, would be more likely to adopt the use of social media for their business.

Personal Social Media Use

Respondents were asked to report if they have a personal account on a social networking site, and if so, with which network/s and how frequently do they log in. 76% of respondents (N=69) reported that they have *at least* one personal account on a social networking site. The most popular network for personal use among respondents was Facebook, followed by LinkedIn and Twitter. 8.4% of personal SNS users have an account with Foursquare and an additional 7.6% have an account on an *other* site, Pinterest and Dutch social network, Hyves were the most frequently cited *other* networks. Additionally, 75% of people who have an account with a SNS indicated they login to at least one of these accounts *daily*. Assuming that frequency of logins is a reflection of frequency of use, this reveals those who use social media

in the personal sphere are quite heavy and frequent users. Figure 5.3 displays the frequency of use on each network.

Figure 5.3: Personal account frequency of use



Recalling the business competencies that affect the adoption of e-business strategies among SMEs, the general “how to” knowledge of a medium is required in order to perceive benefits or to adopt a new medium for conducting business. It follows that personal use of social media would equip owner/managers with this basic knowledge of the general characteristics of social networking sites. But is there a correlation between personal use and business use?

To explore this relationship, a split-group frequency descriptive analysis was run to examine personal SNS use between users and non-users (for business). Of the respondents who have a *personal* account on a SNS, 66% also use SNS for their *business* in some way. On the other hand, only 10% of those who have a personal account on a SNS indicated they *do not* use SNS for their business. Congruent with theories (Jones et al., 2003) suggesting that personal use is an indicator of business adoption in the area of e-commerce, these findings suggest that it is also an indicator of social media adoption for business purposes.

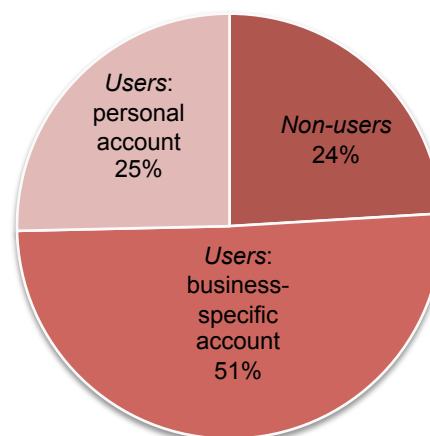
5.2 | User Characteristics

Of the total sample, 69 respondents use social media for their business in some way, and 22 respondents do not.

Respondents were divided, into two general groups, users and non-users based upon their use of social media for their business.

Users were further divided into those who have accounts specifically for their business, and those who use their personal accounts for their business. These proportions are displayed in Figure 5.4.

Figure 5.4: Social media use/non-use for business



These two groups will be generally referred to *users* and *non-users* throughout these chapters. The following sections take a closer look at profiles of users and non-users.

Users

As mentioned, 76% of respondents indicated they use social media for their business. Of these respondents, 67% ($N=46$) have at least one social networking account specifically for their business. This is a large portion of social media for business-users who are using social media to the extent that they have invested the time to establish a profile uniquely for their business and distinguish this from their social networking in the personal sphere. While the remaining 33% ($N=23$) of users indicate that they sometimes use their *personal* social networking account for *business* purposes. In this group we see owner/managers of SMEs using SNS as a communication tool for both personal *and* professional purposes. If an owner/manager is using their personal account for their business at times, this could suggest a limited perception of the benefits of establishing a separate business-only account. It could also reflect characteristics of the owner/managers of 1 to 2-man businesses where their work and their personal relationships overlap a great deal.

There is a relationship between age and social media use as well. In fact, almost all (95.5%) respondents under the age of 40 use social media for their

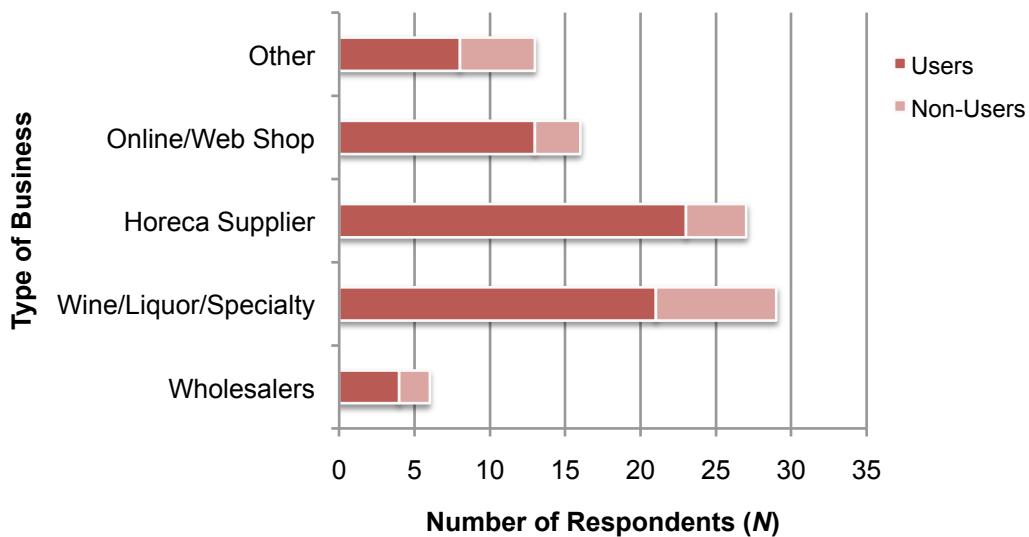
business. This supports assumptions that younger owner/managers are more likely to use social media for their business than those who are older.

Looking at the use of social media the number of years a business has been in operation, 47.8% of users represent businesses that have been open for 11+ years. Perhaps most interestingly, *all* businesses that have opened in the past three years ($N=14$) use social media for their business to some extent.

Use and Business Characteristics

Respondents were asked to indicate which type of on-trade business they work for (*i.e.* wholesaler, horeca supplier, online shop etc.). If we divide these business types into their market orientation, either B2B (business to business) or B2C (), we see that 49.5% of B2C-oriented businesses are users of social media for their business, while 39% of B2B-oriented businesses (wholesalers and horeca suppliers) use social media for their business. This can be further broken down by business type and into the use and non groups as illustrated in Figure 5.5. By type of business, 72% wine/liquor/cheese/specialty stores (B2C), 81% of online webshops (B2C) and 85% of horeca suppliers (B2B) use social media to benefit their business. However, a chi-square analysis indicated that there were no statistically significant differences between social media usage and business orientation (B2B vs B2C).

Figure 5.5: Use/non-use by type of business



Last but not least, let's examine the size and performance of businesses who use social media. Looking to the staff size as it relates to social media use for on-trade businesses, 60% of users employ 1 to 2 people, 25% of users employ 3 to 5,

only 6% of users employ 6 to 10 and 10.1% employ 11+ people. While a chi-square analysis indicated that there is no statistically significant relationship between the staff size and social media use for a business, it is worth noting that *only* 3 of the 14 businesses that employ 6 or more people *do not* use social media. This is suggestive of an underlying relationship that reveals that with business that have a larger staff, the amount of time needed to invest in developing social media is not as much of a barrier.

Now turning to sales figures and volume, 93% of businesses that did €500.000-€1million in sales in 2011 use social media for their business. There was no statistically significant difference found between usage of social media and sales, or in volume of bottles sold in 2011.

5.3 | Non-User Characteristics

A brief discussion of the characteristics of the non-users group ($N=22$) will highlight any notable differences between users and nonusers. First, we see 47.4% of non-users are over 55 years old and only 1 respondent under 40 is not using social media for their business. This is again congruent with assumptions that age impacts use of social media for one's business. Considering that exposure and widespread use of Internet largely impacted younger generations, logic would follow that this could be due in large part to familiarity with the medium. And while research suggests that older generations are using internet for personal activities like sending email, gathering health information and visiting government websites ("Generations Online", 2010) they may not be as comfortable incorporating these activities into their business models.

Most (68.2%) non-users, or businesses that do not use SM, employ only 1-2 people. Again, congruent with assumptions from SME theories that limited resources largely impacts the marketing activities and e-business adoption among SMEs. And looking at the trends in use among types of businesses, most non-users (71.8%) are either B2B wholesalers or "other". And finally, when exploring non-use and sales performance, 41% of non-users estimated less than 100.000 in sales in 2011, and only 24% of non-users reported over 50.000 bottles sold in 2011.

In summary, non-users tend to be B2B oriented businesses that employ only 1 or 2 people, likely doing less than 50.000 bottles in sales and run by an owner/manager who is over 40 years old.

6 | The *How*, *Why*, and *Why Not* of Social Media Use

At the core of this study are the questions regarding *who*, *why*, and *why not* to social media use among on-trade businesses. First, to address *how*, users were asked to identify which SNS they are using to conduct certain activities, and later they were asked to indicate how often they are conducting more specific types of activities in the three benefit areas. Then both users and non-user were presented with the items related to the three benefit constructs in order to address the *why* resellers are using social media and in a peripheral way, they also inversely address the perceived threats and/or consequences to use by non-users. And lastly, factors influencing non-use help us understand the *why not*. This section covers the insights gained from these areas of the questionnaire.

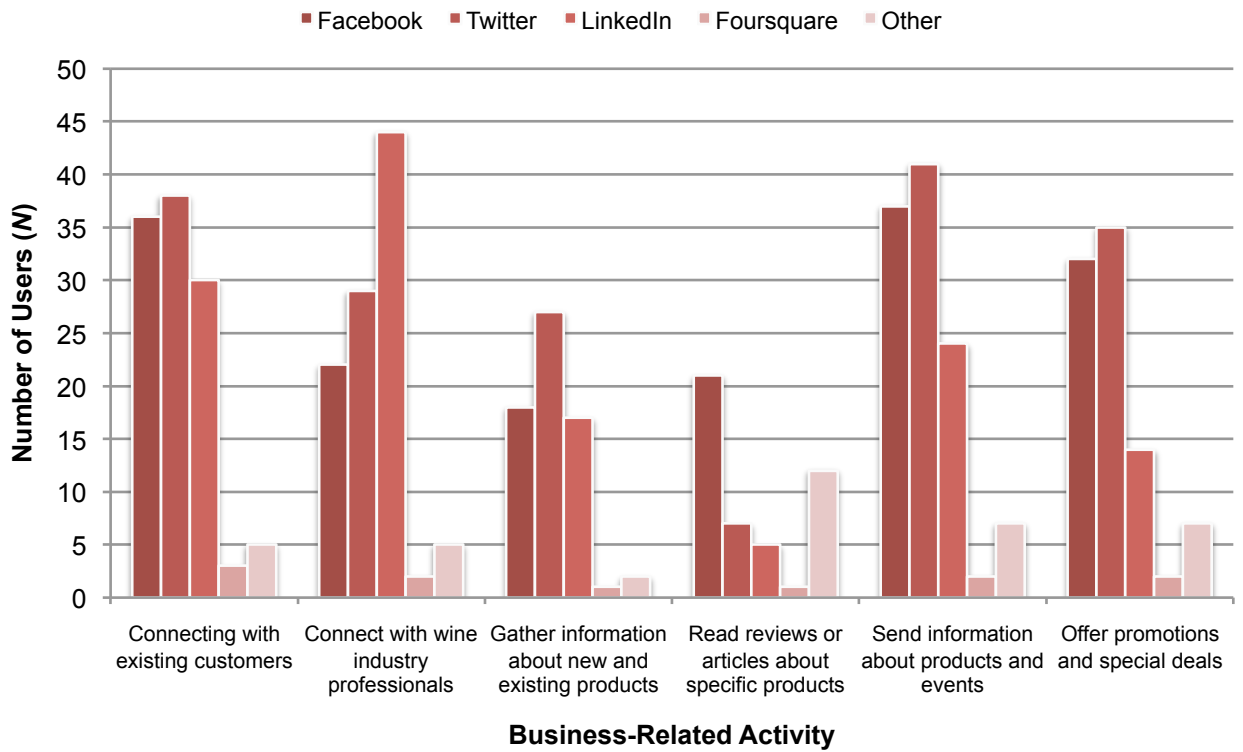
6.1 | How?

Network Specific

User-respondents were asked to identify which SNS they used to conduct six general types of activities. These activities are among the more common ways to use social media and are put in more general terms of business use. The results of this question reveal which networks are being utilized more or less to perform certain business-related activities. As Figure 6.1 illustrates, there is much information to be gleaned from this data but for the purposes of keeping this discussion to a manageable length, only some more notable observations are mentioned.

To begin, it is apparent at first glance that some networks are clearly preferred over others to perform certain tasks. One of the most notable observations is that Twitter is used the most for all activities except for *connecting with professionals in the wine industry* and *reading reviews and articles on specific products*.

Figure 6.1: How businesses use social media by SNS



Activity Specific

As described in the Methodology portion of this paper, here users were asked to indicate how often they use social media to conduct an activity, and then rate their perceived benefit of using social media for this activity. There were fifteen activities divided into three benefit groups and a closer examination of the “how often” scale included in the three benefit areas, business operations, customers and wine market, yields interesting insights. Tables 6.1-6.3 show frequencies generated for each activity grouped by benefit area.

Table 6.1: Frequency of use for business operation-related activities

	N Valid	Missing	Mean	Std. Deviation
<i>Gather information about existing products</i>	62	7	1.90	.694
<i>Get deals on products from suppliers</i>	62	7	1.44	.692
<i>Build brand awareness for your products</i>	62	7	2.23 ^a	.818
<i>Find new products</i>	62	7	1.71	.710
<i>Communicate information about your business (example: events, products, business hours)</i>	62	7	2.35 ^a	.749

^aIndicates the 2 activities with the highest mean across benefit group.

First, examining the benefits of using social media for activities related to business operations, we see that this group had higher means than the other two benefit groups on average. It also contained two of the highest means across all activity statements included in the survey. Additionally, this benefit group is the only group in which “*Regularly*” (or 3 on the rating scale) was the most frequently recorded value, or the mode. This indicates that two of the activities for which social media are most regularly used by on-trade businesses participating in this research are to *build brand awareness for their products* ($M=2.23$) and to *communicate information about their business* ($M=2.35$).

Table 6.2: Frequency of use for customer-related activities

	N Valid	Missing	Mean	Std. Deviation
<i>Maintain relationships with customers</i>	62	7	2.15 ^a	.698
<i>Hear what consumers are saying</i>	62	7	2.15 ^a	.698
<i>Find and connect with new customers</i>	62	7	2.03	.724
<i>Build name recognition for your business</i>	62	7	2.31 ^a	.667
<i>Communicate deals on promotions to your customers</i>	62	7	2.13	.713

^a Indicates the 2 activities with the highest mean across benefit group.

Now looking to the activities related to customers, we see the second highest mean frequency rating across all activities in each benefit area is for *build name recognition for your business* ($M=2.31$). This means that like building brand awareness for products and communicating information about businesses, social media are also regularly used to build name recognition for these on-trade businesses.

Table 6.3: Frequency of use for wine market-related activities

	N Valid	Missing	Mean	Std. Deviation
<i>Maintain relationships with partners in the wine industry</i>	62	7	1.90	.718
<i>Learn what promotions competitors are offering</i>	62	7	1.97	.701
<i>Learn how competitors are interacting with their customers</i>	62	7	1.98 ^a	.665
<i>Hear what consumers are saying about products</i>	62	7	2.03 ^a	.701
<i>Gather market information</i>	62	7	1.97	.724

^a Indicates the 2 activities with the highest mean across benefit group

Lastly, a closer look at the reported frequencies of using social media for wine market related activities. Here we see that these activities show on average, lower means than the other two benefit categories with the highest being *hearing what consumers are saying about products* ($M=2.03$). Interestingly, the activity in this benefit area with second highest mean frequency of use is *learn how competitors are interacting with their customers*. This is an interesting dynamic when considering facets of economic competition.

6.2 | Why?

Relying on previous research indicating that perception of the benefits of usage, or the ability to envision the usefulness, of a new medium are among the strongest indicators of adoption of that medium (Fillis et al., 2004), we look to the level of perceived benefits in three business areas. Since each of the benefit areas was made up of five activities each with 3-point scales, the compute variable feature of SPSS was used to calculate the total scores in each benefit area. Three new variables of *total benefit perception scores* in each benefit area was calculated by adding the scores for the 5 activities in each benefit area, and dividing by the number of activities. Again, we can assume based on the high alpha levels that these grouped activities reliably reflect a single underlying benefit construct in each group. For the purposes of keeping these results at a digestible length, only the *total benefit perception scores* in each of the three benefit areas will be discussed.

Table 6.4: Total benefit scores by use/non-use

			Total Benefit		
			Business Operations	Customers	Wine Market
Users	N	Valid	62	62	62
		Missing	7	7	7
	Mean		1.82	2.02	1.88
	Std. Deviation		.510	.573	.582
Non-users	N	Valid	22	21	21
		Missing	0	1	1
	Mean		1.57	1.75	1.63
	Std. Deviation		.553	.764	.708

Table 6.4 contains the descriptive information on the total benefit scores in each benefit group. The strongest benefit area for both users and non-users is the customer benefit group (users: $M=2.02$; non-users: $M=1.75$). The second strongest benefit group is wine market and the lowest rated benefit group is the business operations group.

Looking at the differences in benefit perceptions between those who use social media for their business and those who do not, there seems to be generally *lower* perception rankings for non-users than there is for users. However, an independent-samples t-test was conducted to compare the benefit perceptions for users and non-users and found no significant difference in scores between the two groups, across any of the three benefits. It is possible that there is a relationship here, however with the strict nature of parametric tests combined with the relatively small sample size and the 3-point scale, it is not statistically significant among this sample.

If use and non-use is not a strong indicator of benefit perceptions, are there any factors that may influence perceptions? To explore this, one-way between-groups analysis of variance (ANOVA) tests were conducted to see whether or not the factors of usage intensity and age impact how respondents perceive benefits of using social media for their businesses.

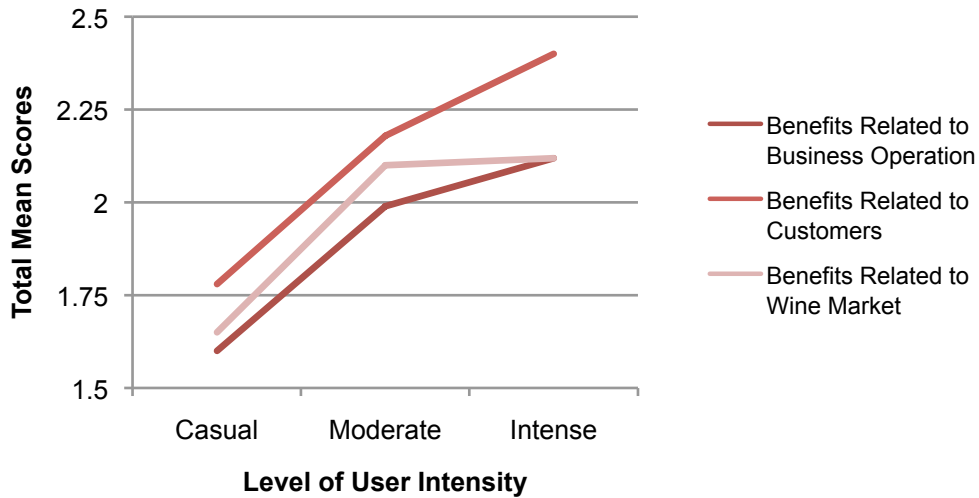
Usage and Perceived Benefits

It is likely that the amount of time a user is investing in social media for their business would impact the benefits they gain from using the tools. Therefore, it was decided to explore this relationship further using a one-way between-groups ANOVA. Users were divided into three groups, *casual*, *moderate* and *intensive*, according to their indicated amount of time spent on social media per week (*casual*: less than 2 hours per week; *moderate*: 2-5 hours per week; *intensive*: more than 6 hours per week). There was a statistically significant difference at the $p < .05$ level in all three benefit scores for the levels of user intensity [Business Operations: $F(2, 59) = 6.9, p = .002$; Customers: $F(2, 59) = 6.8, p = .002$; Wine Market: $F(2, 59) = 5.5, p = .006$]. Despite the small differences between mean scores due to the 3-point scales, the effect size calculated using eta squared, in each case was larger than .14 reflecting a large effect (Cohen, 1988). Tukey HSD tests were run for post-hoc comparisons on each of the three benefits areas in order to identify where these significant differences occurred.

For perceived benefits related to business operations, results indicated significant differences in mean scores of *casual* users ($M = 1.6, SD = .462$), and those of *moderate* ($M = 1.99, SD = .332$) and *intensive* ($M = 2.12, SD = .688$) users. For perceived benefits related to customers, results indicated that the mean score for *casual* users ($M = 1.78, SD = .552$) was significantly different from both *moderate* ($M = 2.18, SD = .513$) and *intensive* ($M = 2.4, SD = .452$) users. The negative mean differences for business operations and customer benefits suggests that both *moderate* and *intensive* users have stronger perception of benefits of using social media for their business when it comes to their business operations and their customers than *casual* users.

For perceived benefits related to the general wine market, the significant difference occurred between the mean scores for *casual* users ($M = 1.65, SD = .501$) and *moderate* users ($M = 2.1, SD = .557$). The negative difference in mean scores indicates that *moderate* users have stronger perception of benefits of using social media for their business when it comes to their customers than *casual* users. These correlations are illustrated in Figure 6.2 below.

Figure 6.2: Differences in mean scores across use intensity



This supports a logical assumption that the more one uses a tool, the more acquainted they become with the features, and the more able they are to see potential benefits of using the tool. So there is a significantly positive relationship between user intensity and benefit perceptions, but does age impact the perceived benefits of using social media for ones wine business?

Age and Perceived Benefit

Recalling that there were early indicators of an underlying relationship between age and social media use, as most respondents under 40 are users, while non-users tended to be over 40, it was decided to further explore this relationship as well.

Also using an ANOVA test for this exploration, subjects were divided into three groups according to their age (Group 1: 39 or younger; Group 2: 40-56; Group 3: 57 and older). As can be derived from the post-hoc test results displayed in Figure 6.5, there was a statistically significant difference at the $p < .05$ level for each of the benefit categories, across the three age groups [Business Operations: $F(2, 79) = 7.0$; Customers: $F(2, 79) = 9.3$; Wine Market: $F(2, 79) = 8.2$]. The small difference in mean scores between the groups is reflective of the 3-point scale. The effect size for each benefit was calculated using eta squared and according to Cohen's (1988) terms, resulted in a large effect size ($\eta^2 \geq .14$) for each benefit [Business Operations: $\eta^2 = .15$; Customers: $\eta^2 = .20$; Wine Market: $\eta^2 = .17$]. Tukey HSD post-hoc comparisons test indicates that the mean score for Group 1 [Business Operations: $M = 2.05$, $SD = .473$; Customers: $M = 2.28$, $SD = .5$; Wine Market: $M = 2.0$, $SD = .562$] was significantly different from Group 3 (Business Operations: $M = 1.44$, $SD = .542$, Customers: $M = 1.46$, $SD = .615$, Wine Market: $M = 1.34$, $SD = .462$) on all three benefits. The Tukey HST post-hoc test also indicated a statistically significant difference between Group 2 ($M = 1.97$, $SD = .604$) and Group 3 ($M = 1.46$, $SD = .615$) on the Customers benefit perception.

Table 6.5: Results from Tukey HST post-hoc test exploring impact of age on benefit perceptions

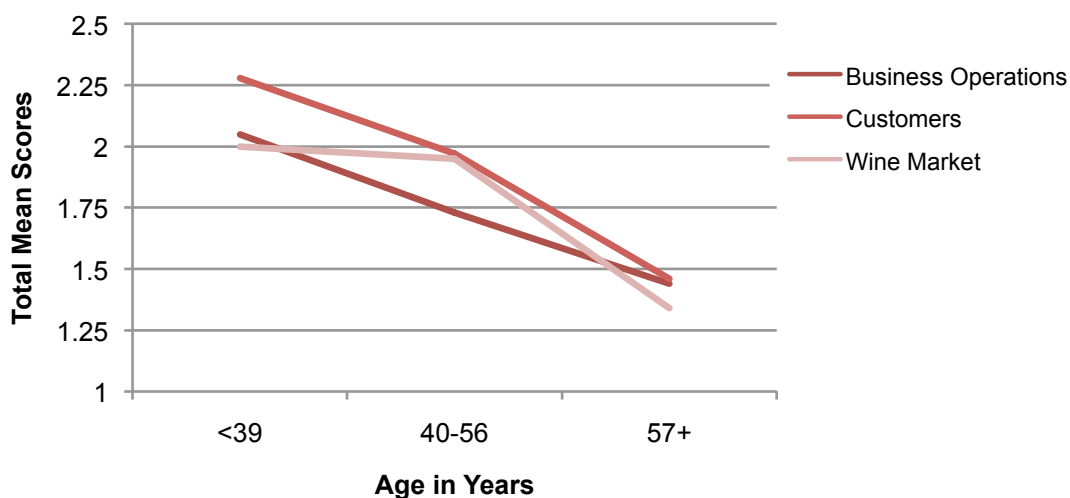
	Age In Years (I)	Age In Years (J)	Mean Difference	Sig.
Benefits Related to Business Operations	<= 39	40-56	.314	.058
		57+	.612*	.001*
	40-56	<= 39	-.314	.058
		57+	.298	.107
Benefits Related to Customers	<= 39	40-56	.310	.121
		57+	.817*	.000*
	40-56	<= 39	-.310	.121
		57+	.508*	.009*
Benefits Related to the Wine Market	<= 39	40-56	.048	.948
		57+	.659*	.002*
	40-56	<= 39	-.048	.948
		57+	.611*	.001*

*Indicates a significant relationship at the $p \leq .05$ level.

Thus, there is consistently a statistically significant difference in all three perceived benefits of using social media for one's business, between those who are younger than 40, and those who are 57 and older. In other words, respondents under 40 years old perceive social media as more beneficial to their business in the areas of business operations, customers and the wine market, than those who are over 57 years old. Additionally, there is also a statistically significant difference across each of the three age groups in the perceived benefit of using social media as it relates to a business' customers.

Figure 6.3 visually displays the negative relationship between age and perceived benefits. Here we can see that the older the respondent, the lower their average perceived benefits of social media use for business. Recalling the frequencies of age among users and non-users, this test has offered further insight into an underlying relationship between use and age. While users tend to be younger, younger respondents also have higher perception of the benefits of using social media for business. And the corollary of this is that older respondents have lower perception of the benefits of using social media for business purposes.

Figure 6.3: Age and perceived benefits



Direct Results

Lastly, respondents were given an opportunity to share any direct results they have seen from using social media for their business. Many respondents shared compelling examples, in different benefit areas. Some users reported direct results impacting their events and in store visitors, for example, one said *“10% more participants at wine tasting events,”* and another shared, *“50% of visitors are linked to social media”*. Some say social media use directly impacts sales, like one respondent who explained *“Customers who are very content with a particular wine Facebook and Twitter about it. This results sometimes in other customers ordering the same wine,”*-52, owner/manager of an online store. And a 38-year-old owner/manager of an online shop shared more PR related benefit related to an event, they explained their *“...BSOCIAL campaign where we gave three minutes of working for Voedselbank, a Dutch charity for every Facebook like.”*

So we’ve seen that users *do* see direct and indirect benefits of using social media for their business, but there are still businesses who *do not* use it. This begs the question, why not? In addressing this part of the research questions guiding this research, we look to the reports on non-user barriers.

6.3 | Why Not?

First, to gauge openness to social media, non-users ($N=22$) were asked if they have even *considered* using social media for their business. This would give some indication of how closed or open SME decision makers are to adopting these media for their business. Of non-users, 59% ($N=13$) indicated that yes they have considered it. This, combined with the high percentage of respondents who are users, is indicative of the current relevance of this subject to the industry. In a sense, if on-trade businesses aren’t using social media yet, they are likely considering it. So what’s stopping owner/managers from getting on the bandwagon?

To address barriers to use non-users were asked how strongly a series of potential barriers impact why they do not use social media. Seven barrier statements were tested on a scale of *Not at all* (1), *Somewhat* (2) and *Strongly* (3). Table 6.6 displays the results.

Table 6.6: Non-user barrier frequencies

	N Valid	Missing	Mean	Std. Deviation
<i>I don't know where to begin</i>	21	1	2.10 ^a	.889
<i>I haven't had time</i>	21	1	2.00 ^a	.775
<i>I'm not sure how it will benefit my business</i>	21	1	1.90 ^a	.831
<i>I have heard negative opinions about it</i>	21	1	1.71	.644
<i>I don't think my customers are using it</i>	21	1	1.57	.598
<i>I have concerns about how to maintain it</i>	21	1	1.86	.293
<i>I am not interested in changing how I do business</i>	21	1	1.57	.676

^a Indicates three highest mean frequencies.

Most non-users (66.7%) indicated to some extent that not having enough time is a barrier to social media use. Other barrier statements that were among the strongest reported by non-users include *I don't know where to begin* ($M=2.10$) and *I'm not sure how it will benefit my business* ($M=1.90$). As noted in the table, the barrier with the most frequently reported a "strongly" impacting their reason for not using do not know where to begin.

It is also interesting to note the two *lowest* reported barriers to social media use for owner/managers, these are *I don't think my customers are using it* and *I'm not interested in changing how I do business*. Here we see that these reasons do not strongly impact why owner/managers are not using social media for their SME.

Additional Barriers

Non-user respondents were given the opportunity to share any additional factors that influence why they do not currently use SNS for their business. Like the user open response question, this question also yielded some interesting and additionally insightful information. Some more general reasons non-users gave include, "*We are not working on the private*

market” an expansion of customer related concerns as tested in the barrier-scale questions. A 65-year-old owner/manager of an “other” type of business elaborated on the time barrier by explaining “*I have to do everything by myself and to find time for all the new systems is a big problem for me*”. Another 55-year-old owner/manager of an online/web shop simply said “*Cost (in time)*”.

Others describe concerns like “*There is not enough privacy*”-44, owner/manager of wine/specialty store; and “*Exclusivity within wine business makes it difficult for me to communicate via social media*”-42, sales director of “other” business type. One perhaps more wine and media traditionalist, reaction from a 57-year-old owner/manager of a wine/specialty store was “*too much bla bla, negative reactions from those who know not much or nothing about the product.*” This brushes upon a very common trend particular to the wine industry in that, it is an industry deeply rooted in complex knowledge and familiarity with the product, in which years of experience or education leads knowledge or understanding the product. This particular non-user highlights a possible annoyance with the wine-consumer noise online.

On the other hand, some respondents are more open to social media use for their business and say, “*I just have to take the step!*”- 40, owner/manager of wine/specialty store, or seem open but overwhelmed “*I don’t know how to start*”-56, owner/manager of wine/specialty store.

VI. CONCLUSIONS & DISCUSSION

Introduction

The purpose of this thesis was to explore how small to medium wine enterprises are using social media tools for their business. This research relied on theories and practices from the areas of small to medium enterprises (SMEs), e-business adoption competencies, wine marketing and Web 2.0 to develop an exploratory survey. The online survey targeted on-trade wine businesses in the Netherlands, asking owner/managers and other decision makers about various aspects of their business and their personal and professional use of social media as it relates to their business. In this conclusion and discussion of the findings, results will be put into context in order to answer the research questions guiding this research. Then relevance and implications and limitations of this study will be discussed. And finally, suggestions for further research will be made.

7.1 | Overview of Conclusions

Beginning with a solid framework for understanding the nature of the Dutch wine market and the complexity of the wine product category this research sought to explore the marketing and communication efforts of on-trade businesses in the Netherlands. By drawing a connection between the challenges and characteristics unique to SMEs and their entrepreneurial owner/managers and the ongoing developments and increased impact and participation of Web 2.0, we begin to have a context within which to align social media tools with the needs of SMEs.

As demonstrated, past research has explored the areas of e-business adoption competencies, SME theories explain the unique characteristics of owner/managers of SMEs and the challenges they are faced with. These challenges for SMEs also have an impact on their marketing and communications efforts. Combining bodies of research in these areas to place these challenges within the context of Web 2.0 we begin to see alignment with the increased shift toward word-of-mouth marketing and customers relationship marketing, and the capabilities and characteristics of Web 2.0. When viewed this way, it would be expected that SMEs especially, would move toward these types of marketing efforts and be inclined to adopt easily accessible tools with low entry barriers and minimal hard costs.

Ultimately, this research drew from a segment of the wine industry and targeted SMEs Dutch wine market to explore if and how SMEs in this market are adapting to these changes.

To what extent are Dutch on-trade wine businesses using social media for their business?

The results of this survey, containing 99 individual cases predominantly reflect owner/managers of wholesale, horeca supply and wine, liquor, cheese and specialty businesses. Overall, the findings of this research suggest that if on-trade businesses are not yet using social media for their business, they are considering it. Taken further, the findings suggest that not only are most on-trade businesses already using social media to some extent, but most are using it *somewhat* or *regularly* to perform various activities related to running a business. And those who are using it intensively (6+ hours per week) see much stronger benefits of using these tools than those who use it casually (less than 2 hours per week).

Also, the demographic questions related to the businesses and the respondents have provided a general profile for both users and non-users of social media for Dutch on-trade wine businesses. By using the largest percentage representations in each business area, on-trade businesses that use social media for their business can be summarized as: microenterprises that have been open for 11+ years, that employ 1 or 2 people and sold under 10.000 bottles last year and earned less than €100.000 in 2011. Those businesses that do not use social media for their business can be described as: B2B-oriented businesses that employ only 1 or 2 people, sold less than 50.000 bottles last year and have an owner/manager or primary decision maker who is over 40 years old.

The results also indicated that some SNS are being used more to conduct activities than other networks. Generally, Twitter is the most used network across most of the activities with the exception of professional networking and reading reviews on products. In these areas, it is logical that LinkedIn, a network for professional networking, would be preferred over Twitter for connecting with other industry professionals. Considering that Twitter is a microblogging site with a maximum 140-character length on each post, it is also logical that users would not be reading extended reviews or articles on products using this SNS. It is surprising however, that Twitter surpassed Facebook on all other activities. This would indicate that Twitter is generally, the most preferred network among on-trade businesses participating in this survey.

Recalling that an increasing shift toward word of mouth (WOM) and customer relationship marketing (CRM) among businesses is complimentary and in a marketing and communications context, parallel with the characteristics of Web 2.0 phenomena, we expected to see on-trade SMEs utilizing social media tools to facilitate these activities. Results from the frequency of use reports on the 15 types of activities, provide some early insights in this area. In the areas of building brand awareness for products and name recognition for the business as well as hearing what customers are saying results indicate higher frequencies of use. In marketing terms, these are all aspects of WOM, therefore we

can deduce that SMEs are using the Web 2.0 characteristics exemplified by SNS in an effort to influence word-of-mouth surrounding their business and products.

That being said, in the area of CRM, the activity tested frequency of use to find and connect with new customers and yielded a moderate average. While this is still among the higher mean scores across all activities it is not as strong as the WOM-related activities. This is a surprising indication and is certainly worth further exploration.

Another point for discussion stems from the results regarding the benefits of using social media for activities related to competitors in the wine market. These results are an indication that some, perhaps more savvy on-trade businesses are using social media as a peephole into their competitor's activities then using these observations to gauge and consider their own activities. On one hand, an on-trade business concerned about the exposure and transparency elements of social media use for business could view this as a major threat to their business. On the other hand, an opportunistic, more entrepreneurially oriented owner/manager may see social media as low-cost, easily accessible tools to help them gain greater insights into the market. And surely an economist would support this perspective by highlighting that this is an added dynamic of economic competition in which some businesses are now using social media tools to assist in the pursuit of a greater market share.

Additionally, recalling that all businesses that have opened in the past three years are using social media for their business to some extent is a significant finding suggestive of an underlying trend in new business strategies. Congruent with many of the cited advantages of using social media tools, especially the low-entry barriers and zero hard costs, it is logical that new businesses would utilize these tools given the challenges and limited resources available them. That being said, there were no statistically significant indications that social media use has a strong relationship with sales performance from 2011.

If businesses are using social media, how and why are they using it?

Of the 15 activities tested across three business areas respondents indicated that they are most frequently using social media for their business to: *build brand recognition for their products, build name recognition for their business, and to communicate information about their business (ex. events, products, business hours)*. Recalling the challenges that SMEs, like on-trade wine businesses are faced with, not only do they need to differentiate themselves from their competitors, but they also must distinguish their products as well. Here we see that these are two areas in which social media are regularly being used to benefit these businesses. This is a significant finding and supports that where social media tools can be very useful to SMEs, they are being used in these areas.

Regarding business operations, on-trade businesses participating in this survey indicated they are to some extent, also using social media to learn how their competitors are interacting with customers and what promotions they are offering.

There was a surprisingly low frequency in benefits related to business operations on the activity *finding new products*. However, considering that this is survey asked about the use of social media to perform these activities, it is likely that some combination of search engines and distributor and producer websites are more utilized to seek new products. Then once a product has been found of interest to an owner/manager, it is logical that they would then use social media to see what consumers are saying about that product, how they are rating the product or what feedback there is on the product.

Assuming that benefits of using social media are indicators of *why* they are using, perceptions of benefits were tested across three business benefit areas, that is, benefits related to business operations, those related to customers and those related to the general wine market. The strongest reported benefit group for users was the benefits related to customers, followed by benefits related to the wine market, and then those related to business operations. In pursuing possible indicators of benefit perceptions, statistical analysis revealed that intensity of use and age are strong indicators of benefit perceptions. This revealed that the more owner/managers are using social media tools for their business, the stronger their perception of the benefits is. Additionally, the older an individual is, the less likely they are to have positive perception of the benefits of using social media for their business. It was also found that use and non-use had a statistically insignificant impact.

Open responses regarding direct benefits of using social media for these businesses included many clear examples connected to ROI, brand recognition and PR. These responses provided concrete information regarding how these businesses are gaining from using these tools that could have a positive impact on the opinions and concerns of non-users. The direct benefits they provided are really compelling examples of the various direct and indirect ways social media can impact the business, some resulting in direct return on investment (ROI) which, in many marketing activities is difficult, sometimes impossible, to track.

If businesses are not using it, what are the perceived threats, barriers or consequences?

A large percentage of non-users are either B2B wholesalers or an “other” type of business. This is indicative of a broader challenge for marketing in communications to identify the best strategies and approaches to using SNS as a B2B communications medium. It comes as no surprise that if marketers and communications professionals find this challenging, that so too would SME owner/managers. Seven barriers to social media use for SMEs in the Dutch on-trade wine market were tested among non-users. Owner/managers indicated that the two



strongest factors impacting why they are not using social media are not having time, not knowing where to begin, and being unsure how it will benefit their business. The two factors weakest factors impacting non-use are *I don't think my customers are using it* and *I'm not interested in changing how I do business*.

Open responses regarding any additional factors impacting non-use revealed additional concerns about using social media for their business. One 44 year old owner/manager of a wine, specialty store said there is “not enough privacy”. Another respondent, 65 owner/manager of a small operation selling “only few boxes of wine to horeca and consumers” elaborated on time commitment concerns by expressing that they feel overwhelmed by “*all the new systems*”. Results indicate that non-users are relatively open-minded toward using social media, and that they do perceive benefits to using it for their business. They simply are unsure how to start, what to do and have concerns about how much time it can take.

The results on reported barriers to use revealed that *I don't think my customers are using it* and *I'm not interested in changing how I do business* were ranked among the factors least influencing non-use. From this we can deduce that even non-users recognize that their customers are likely using social media, and they are not closed off to changing how they do business. This has interesting implications on marketers in this industry and highlights an area of opportunity in that, it seems that if owner/managers were equipped with basic knowledge, insights and information regarding how to begin, the benefits others' are seeing there is a high likelihood for increased social media adoption among them.

This information contains many implications both for owner/managers of Dutch on-trade businesses and for marketers, particularly in the wine industry.

7.2 | Relevance & Implications

There is currently a lot of buzz surrounding Web 2.0 and social media in most industries, including the wine industry. This research brings empirical findings to a pool of academic and practitioner speculations on the impact of Web 2.0 and social networking sites in the professional sphere, as well as the value of social media for SMEs, and the traditional wine industry. This research is a leading step toward integrating an industry embedded in traditions and product knowledge with new, low-cost, easily accessible Web 2.0 platforms and applications.

The findings reflect a major shift in the way small to medium wine businesses are marketing and communicating about their business and their products. This shift is representative of a larger phenomena in which we see an industry which is heavily embedded in traditional communication and marketing tactics and largely run by older, wine-educated professionals intersecting with a wave of young, new business owners utilizing communication tools in a way that could dramatically impact the market. These results can be

used as a launch board for wine-educators and marketers looking to help these on-trade businesses thrive or to help owner/managers see the potential value of social media tools.

Implications for Current Users

Depending on what level of user intensity the business may be, the results of this study suggest that the more intensively a business uses social media, the stronger the benefits they may yield. And in questioning whether it is worth the investment of additional time or personnel, the direct responses reported by fellow users reveal that direct ROI results are not only possible, but thanks to the characteristics of Web 2.0 and social networking sites, they are also track-able and easily adjustable unlike more traditional wine marketing tactics like shelf-talkers. This means that if your page views or shared tweets aren't getting the results you would like, it is simply a matter of changing the approach whether that means sharing different types of content or connecting with different types of consumers.

Implications for Current Non-users

If these results and current research is any indicator—social media is now a part of conducting business affecting all areas from customer relationships, product information gathering to buying and selling products. As previously mentioned, if on-trade owner/managers aren't using social media yet, they are considering it. Most notable among the benefits of use, relevant to the general market is this element of using social media tools to learn what competitors are doing. While this can be intimidating to non-users, or even casual users, social media should be considered a new challenge among on-trade businesses and it is likely that it will increase in its impact in all areas of business operations, customer relationships and gathering of general wine market information. Many practitioners believe that transparency in conducting business and care with customer relationships are the key to success in a Web 2.0 market and social media tools are very well positioned to help SMEs engage. Knowing the type of consumers that are the primary customers of your business can help guide the type of content you share via social media, and give you a place to start. And remember, getting started is as simple as thinking of what your business has to offer your customers who are online, then choosing the social media tool best suited to help you share that information.

Implications for Marketers

The results from this research, particularly in the area of non-user barriers reveal that there's hope for marketers looking to help SMEs reach their business and communication goals. If prospective or current clients or decision makers have hesitations about adopting social media for their business, the findings of this research regarding non-use barriers provide actionable insights to address these hesitations. With the strongest factors indicated as time

concerns and not knowing where to begin, as marketers this is a clearly identifiable and easy-to-address and hopefully ease these concerns by offering services and tactics in such a way that directly ease these pain-points.

Also, the lower ranking benefits perceptions among the 15 activities can serve as guides for to marketers help current users boost their existing online efforts. Perhaps they are naturally strong in using the tools to benefit their business in some areas but struggle to understand how the tools can be utilized to impact other areas of benefits. As marketers this offers great room for development of more complex communication strategies and evaluation of currently used social media tools.

Implications for Producers and Distributors

The high percentage of existing users is an indication that the businesses selling your products are likely easy to reach and connect with online. Also, the results suggest that these resellers are looking for content to share about the products they offer. As a producer or distributor this is an opportunity for you to engage and inform the businesses responsible for putting your product in the hands of the consumer. As a sales representative working for producer or distributor, your existing and prospective customers are likely active online both personally and professionally. Considering that you can't be everywhere at once to cultivate each of your client relationships, social media tools offer you an easy, manageable supplement to maintaining your offline relationships by interacting with your customers online.

7.3 | Limitations and Suggestions for Further Research

This exploratory study is the first of its kind in both market relevance and media studies. It is a first step to exploring how social media can and are being utilized as tools for SMEs to conduct various business-related activities. It is also, to the researcher's best knowledge, a first of its kind in exploring potential barriers for non-users of social media for business. However, there are some shortcomings to the method and the research.

First, it was known that conducting an online survey targeting individuals who run their own business would present challenges however the sample size was lower than expected. One possible explanation for this is the language barrier. As mentioned, it was not within the resources or scope of this project to conduct the survey in the Dutch language however if this survey were to be redistributed, it would be suggested to do so. Another explanation is the natural constraints of conducting an online survey like lower response and completion rates. Additionally, the nature of an online distributed survey yields some likelihood that the sample is biased toward owner/managers who are using email to conduct business. Nonetheless, the insights gleaned from the results of the survey provided interesting, practical and relevant information. It is recognized that due to the distribution method in the second phase of data collection, it is likely that the data will reflect more social media users than non-users. The results may not be reflective of the overall market social media use and non-use.

This study also leads to indications that this area offers fertile grounds for further research. One area worth further exploration is that of staff size and social media use. One way this could be approached is to ask *who* is actually generating content and monitoring activity for businesses using the tools. Exploring whether there is a relationship between additional staff have been hired specifically to run social media for SMEs or if it is the owner/manager and comparing this to the level of engagement, activity and direct results the business sees can be very insightful for both business users and marketers moving forward.

Another area that this study did not touch on, is the area of identifying and addressing challenges of social media use for users. Do users struggle getting results after a certain amount of use? Is it difficult to know what to do when a customer publically complains about a product or service received? This is an important aspect on the periphery of PR and crisis communications in a way, yet it is expected that this area will become of increasing significance as adoption levels increase among SMEs.

One final area for further research is a more in-depth examination of the users category. A closer look at what tools they are using, if and how they are engaging their network and to what degree they are monitoring or tracking results can be very interesting. Particularly a qualitative analysis of the activity occurring on social network profiles of SMEs would reveal a great deal more about *how* users are using these tools.

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APPENDIX I

FINAL SURVEY3

On-Trade Businesses and Social Media

This survey seeks to understand your opinions and use of social media for your wine business. Throughout this survey you will be asked about your use of social networking sites or social networks. Facebook, Twitter and LinkedIn are examples of social networks. The survey should take approximately 10 minutes to complete, please complete the survey in full. In exchange for your time, you will receive by email "Social Media: Insights to the Dutch Wine Market", derived from the findings of this research. Thank you.

1. What is your age?

2. What is your sex?

Male

Female

3. How would you classify your primary business activity? (Choose the most important area of your business)

Wholesaler (business to business, not horeca)

Wine/Liquor/Cheese/Specialty Store (business to consumer)

Horeca Supplier (business to business, focusing on horeca)

Online/Web Shop

Cash & Carry

Other _____

4. What is your primary role in this business?

Owner/Manager

Buying Manager

Sales Representative

Other _____

¹ Please note this was an online survey and the formatting of some questions may appear differently than it was displayed in the user interface of Qualtrics.

5. In what province is this business located?

Drenthe

Flevoland

Friesland

Gelderland

Groningen

Limburgh

North Brabant

North Holland

Overijssel

South Holland

Utrecht

6. How many people work for this business?

1-2

3-5

6-10

11+

7. How long has this business been in operation or selling wine?

Less than a year

1-2 years

3-5 years

6-10 years

11+ years

8. What is your estimated sales from 2011?

Less than 100.000€

100.000-250.000€

251.000-500.000€

500.000-1€ million

More than 1€ million

9. What is your estimated volume of bottles sold in 2011?

0-10.000 bottles

10.000-50.000 bottles

50.000-100.000 bottles

More than 100.000 bottles

9. What is the average growth rate of this business?

Decrease

No Change

1-2%

2-3%

3-5%

5%+

10. Please rank the following ways you communicate with your customers in order of preference: 1 (most preferred) to 6 (least preferred).

_____ Phone

_____ Email

_____ Face-to-face in your shop/office

_____ Face-to-face, outside your shop/office

_____ Social Media

_____ Other

11. What type of marketing activities does this business use? Please click all the ones that you use.

Price-offs

Point-of-Sale (example: neck hangers)

Advertisements in local publications

Sponsorships

Tradeshows

Wine Tastings

E-Newsletter

Direct Mail

Social Media

Other _____

Thank you for your time, your answers will provide valuable insight into what extent Dutch wine industry is using social media to conduct business. 4

12. Do you have a personal account on a social networking site?

Yes

No

If No Is Selected, Then Skip To End of Block

4 This is the end of the survey for those who identified their type of business as Cash & Carry.

12a. Please mark all of the social networking sites you personal account with

Facebook

Twitter

LinkedIn

Foursquare

Other _____

12b. How often do you log-in to these accounts?

Only carried forward selected choices.

Not at all

Every couple of weeks

Weekly

More than once a week

Daily

13. Which of the following best describes your use of social media for your business:

I do not use social media for my business

I have at least one account specifically for my business on a social networking site

I sometimes use my personal social networking accounts for business purposes

USER BRANCH

14. Please indicate if this business has an account with any of the following social networking sites.

Facebook

Twitter

LinkedIn

FourSquare

Other _____

14a. How often do you visit your profile on these sites?

Only carried forward selected choices.

Not at all

Every couple of weeks

Weekly

More than once a week

Daily

15. How long has this business been using social media?

Less than a month

1-6 months

7-12 months

1-2 years

Over 2 years

16. Which social networking sites do you currently use to do the following
(Select all that apply):

Facebook Twitter LinkedIn Foursquare Other Not
Applicable

Connect with
existing
customers

Connect with
other
professionals
in the wine
industry

Gather
information
about new
and existing
products

Read reviews
or articles
about specific
products

Send
information
about
products and
events

Offer
promotions
and special
deals (6)

17. How much time do you spend on social media for your business?

<1 hour per week

1-2 hours per week

2-5 hours per week

6-10 hours per week

11+

The following blocks will give you an opportunity to tell us about how you use social media. It consists of two-part questions. The first part asks how often you use social media to conduct different activities. The second part asks you how strong of a benefit you see from using social media to conduct that activity in comparison to traditional ways of communication. Please take time to answer these questions fully.

18. Please rate the following benefits of using social media as they relate to your business operations:

How often do you use social media to do this?			How strong is the benefit of using social media to do this?		
Not at all	Sometimes	Regularly	Not at all	Somewhat	Very

Gather information about existing products

Get deals on products from suppliers

Build brand awareness for your products

Find new products

Communicate information about your business (example: events, products, business hours)

19. Please rate the following benefits of using social media as they relate to your customers:

	How often do you use social media to do this?			How strong is the benefit of using social media to do this?		
	Not at all	Sometimes	Regularly	Not at all	Somewhat	Very
Maintain relationships with customers						
Hear what consumers are saying						
Find and connect with new customers						
Build name recognition for your business						
Communicate deals and promotions to your customers						

20. Please rate the following benefits of using social media as they relate to the wine market:

	How often do you use social media to do this?			How strong is the benefit of using social media to do this?		
	Not at all	Sometimes	Regularly	Not at all	Somewhat	Very
Maintain relationships with partners in the wine industry						
Learn what promotions competitors are offering						
Learn how competitors are interacting with their customers						
Hear what consumers are saying about products						
Gather market information						

21. Please share an example of direct results you have seen from your use of social networking sites for your business. You may write in Dutch.

PERSONAL USERS

14. Please indicate if you use a personal account on any of the following social networking sites to communicate information about your business.

Facebook

Twitter

LinkedIn

Foursquare

Other _____

14a. Please rate the frequency of use on each of these networks for your business.

Only carried forward selected choices.

Not at all

Every couple of weeks

Weekly

More than once a week

Daily

15. How long has this business been using social media?

Less than a month

1-6 months

7-12 months

1-2 years

Over 2 years

SEE USER BRANCH QUESTIONS 16-21

NON-USER BRANCH

The following questions will give you an opportunity to express your thoughts about using social media for business. Please answer these questions fully.

14. Have you ever considered using social networking sites for your business?

Yes

No

15. Please rate your opinion of using social networking sites to benefit your business operations in the following ways:

How strong is the benefit of using social media to do this?

Not at all

Somewhat

Very

Gather information about existing products

Get deals on products from suppliers

Build brand awareness for your products

Find new products

Communicate information about your business (example: events, products, business hours)

16. Please rate your opinion of using social networking sites to benefit your customers in the following ways:

How strong is the benefit of using social media to do this?

Not at all Somewhat Very

Maintain relationships with customers

Hear what consumers are saying

Find and connecting with new customers

Build name recognition for your business

Communicate deals and promotions to your customers

17. Please rate your opinion of using social networking sites to benefit your knowledge of the wine market in the following ways:

How strong is the benefit of using social media to do this?

Not at all Somewhat Very

Maintain relationships with partners in the wine industry

Learn what promotions competitors are offering

Learn how competitors are interacting with their customers

Hear what consumers are saying about products

Gather market information

18. How strongly do these factors influence why you are not currently using social networking sites for your business?

Not at all Somewhat Strongly

I don't know where to begin

I haven't had time

I'm not sure how it will benefit my business

I have heard negative opinions about it

I don't think my customers are using it

I have concerns about how to maintain it

I am not interested in changing how I do business

19. Please share any additional factors that influence why you do not currently use social networking sites for your business.
