

The Effect of Social Media Marketing on Customer Relationship Management at Disney in USA

Yilun Ding*

Department of Management, University of Portsmouth, United Kingdom

*Corresponding author: Up2045635@myport.ac.uk

Abstract. The main goal of this project is to critically assess how social media marketing has affected Disney's US customer relationship management. It critically assesses the benefits, constraints, and challenges of social media marketing. It analyses how customer relationship management is impacted by social media marketing. It presented suggestions that could help Disney use social media marketing effectively to strengthen its consumer ties. Research involving 100 Disney customers in the USA helped collect the primary data. According to the results of the survey, social media marketing can have a beneficial impact on customer relationship management if Disney uses it wisely to cultivate long-lasting relationships with customers, inform them about products and services, and comprehend how to best serve them.

Keywords: Social media, Disney, Customer relationship.

1. Introduction

This assignment investigates the impact of social media marketing on customer relationship management in the Disney organisation in the United States. Disney is an organisation that provides entertainment services. Organisations are increasingly using social media marketing to develop strong bonds and relations with their customers. This has particularly been seen during the COVID-19 pandemic. There are several social media companies that organisations are using. Some of the most popular social media companies used by companies are Facebook and Instagram. Organisations are using these social media companies to develop close connections and interact with their customers. Using social media has become essential for the survival and growth of companies [1]. Hence, this assignment explores if social media marketing can assist Disney in improve its customer relationship management.

Existing research has extensively studied the relationship between social media marketing and customer relationship management, leaving this study with a research void. However, there is no specific research examining the impact of social media marketing on customer relationships at Disney in the United States. The COVID-19 epidemic has significantly enhanced Disney's organisational issues. The epidemic significantly decreased Disney's revenues and negatively impacted its financial performance. Byers states that the pandemic has presented numerous challenges for Disney [2]. Every aspect of Disney's operations has been affected by the pandemic. Disney had to close down its operations due to the pandemic and this considerably lowered its profits. It slowed down Disney's growth, performance and productivity [2]. Hence, in such conditions, this research is aiming to explore if increasing social media marketing can assist Disney in improving its customer relationship management and productivity and performance. This study examines the impact of social media marketing on customer relationship management at Disney in the United States.

2. Literature Review

Social media uses Web 2.0 applications which assist in the creation, editing and distribution of user-generated content. Social media offers users with digital environments that can be used to send and receive digital content [3]. Social media can be considered a form of digital marketing channel that is being used by marketing professionals to communicate and engage with customers. The

purpose of social media marketing is to inform, communicate, engage and increase interactions between organisations and their customers, attract customers and build strong bonds with them [3, 4].

Social media marketing is highly beneficial and advantageous for organisations. It offers organisations a platform that can effectively be used to create and share content. This content can inform customers about what an organisation is doing and valuable information about the company's current products and services. Social media marketing helps companies in getting to know their customers expectations and needs. It helps companies in gaining competitive advantages and in surviving in challenging environments. The effective use of social media marketing has a positive influence on a company's reputation and market image. It helps companies in forming long lasting relationships with their customers [5].

The advantages of social media marketing are that it helps companies in connecting and communicating with their customers. Social media is a cost-effective marketing channel as companies can send information to their customers quickly. Social media marketing enhances a company's engagement and interaction with its customers. It facilitates faster and easier communication between organisations and their customers. It helps companies in promoting their products and services. It increases brand awareness of a company's products and services. It helps companies in satisfying the needs of their customers, in building brand loyalty and improves customer relations [6].

The limitations and challenges of social media marketing are that they present data privacy and trust concerns for customers. Some customers are concerned about how marketers will use personal views and opinions that they share on social media. Customers fear that organisations may misuse and mishandle their personal information on social media. Organisations struggle to create social media advertisements that can help them in attracting new customers and in retaining existing customers [7]. It is extremely difficult and challenging for marketing to continuously develop creative and innovative content for social media. Not every customer uses every social media platform. It is difficult for companies to decide which social media platform they should focus more on and use. An important difficulty is to precisely understand the needs, desires and expectations of customers [8].

The effect of social media marketing on customer relationship management is positive. This is evident from research conducted by Elena [9]. Elena states that social media is a very effective tool in managing customer relations [9]. Social media helps companies in maintaining and building their competitiveness in the market. It is a tool that can help companies in keeping close to their customers. Social media helps companies in customer relationship management. Customer relationship management keeps the customer at the center of all the organisations activities. Organizations must establish social media campaigns in order to maximise social media's advantages. The social media campaigns need to be designed in a manner that they help the organisation in increasing its sales, profits, getting new customers and making them loyal to the company.

Social media marketing helps companies in building customer relationships. Maecker states that social media marketing allows organisations to communicate with their customers [10]. It allows companies to listen to their customers, analyse every interaction made with the customer and get customer insights about the company's product offering. Social media lets companies in quickly and efficiently distributing information, promoting products and services to a wider customer base. Social media helps companies in building customer knowledge and understanding, keeping customers, engaging with customers, winning new customers and providing greater value to customers [10] [11].

Social media marketing is a highly valuable marketing channel that brings organisations and customers closer to one another. Trainor's research shows that customers are using social media to get information, plan their holidays, make buying decisions and connect with their family, friends and organisations [12]. Customers actively share their opinions and concerns regarding the organization's products and services via social media. They are sharing their experiences with organisations via social media. Social media is facilitating effective communication between organisations and their customers.

Companies are investing in new technologies to attract customers and increase their interest in using their products and services. Companies are continuously striving to improve their social media

presence by using the latest technologies that can help them in gaining valuable customer insights. Companies are using these customer insights to improve their product offerings (Wang and Kim, 2017). Companies are developing new capabilities to enhance the customer experience on social media. The greater communication and engagement of organisations with their customers on social media is helping companies in better satisfying their customers needs and forming long lasting relations with them. Engaged customers have positive feelings about the company and recommend the company to other. Social media is helping companies in developing enduring relationships with their customers [13].

3. Methods

Primary data was collected by conducting questionnaire research with a hundred customers of Disney in USA. Questionnaires were an effective method as they assisted the researcher in gathering specific information. The researcher ensured that the questionnaire included relevant questions that helped in meeting the research aim, objectives and answering the research question. Questionnaires assisted the researcher in maintaining the anonymity of the responses given by the participants. As the researcher did not ask the participants to share their personal information (such as name, age), the participants had the freedom to express their true feelings to the questions in the questionnaire [14].

The questionnaire was carefully designed by the researcher. The language used in the questionnaire was easy to understand by the research participants. Questionnaire research was cost effective and practical. The results of the questionnaire research were easy to analyse [15]. The questionnaire research helped the researcher to collect that was needed to understand the effect of social media marketing on customer relationship management at Disney in USA. Findings and Analysis

4. Findings

The findings from the questionnaire show that 38 male customers and 62 female customers who visited Disney participated in this research. The findings highlight that there were no customers less than 18 years, 9 customers between the ages 18-25, 72 customers between the ages 26-35 and 18 customers between the ages 46-55 and 1 customer in the 55 + age band. The views given the participants to the statements are highlighted henceforth.

This study's participants made several recommendations about how Disney can efficiently use social media marketing to enhance its customer relationships. The recommendations included that Disney needs to design and implement highly innovative social media activities that can help it to improve its customer relations and increase engagement with its customers. Disney's social media videos, posts need to be so attractive that they encourage parents to take their kids to visit Disney. Disney needs to make more effort in understanding the distinctive needs of its customers. Disney can improve its customer relations by using technology to keep in touch with its customers and keeping customers informed of its discounts and product offerings.

The application of Morgan model to this study's findings shows that using social media marketing through social media platforms such as Facebook, Twitter, can help Disney in improving its customer relationship management. The marketing of social media can have a favourable impact on Disney's customer relationship management.

This study has shown that social media marketing can help Disney in building emotional bonds and attachment with its customers. These findings are consistent with research conducted by Appel. Appel states that social media marketing can assist companies in develop strong emotional bonds and attachment with their customers. Social media marketing is very useful in engaging with customers, building relationships, getting customer feedback and understanding customers needs. However, it is important for organisations to protect the privacy of their customers. The views of Disney's customers have highlighted that social media marketing can help Disney in establishing emotional bonds,

connection, attachment with them. These findings are consistent with research by Guha et al [16]. Guha states that social media helps in building customer relationships [16]. Social media marketing supports businesses in delivering the right product and service information to clients at the right time and in the right manner. Social media is a cost-effective method of client communication and interaction. It allows two-way communication to take place between an organisation and its customers.

5. Conclusion

This study analyses the impact of social media marketing on customer relations at Disney in the United States. It has been established that social media marketing has advantages, limitations, and obstacles. Academic literature demonstrates that social media marketing can assist businesses in maintaining client relationships. The survey results revealed that Disney's customers believe social media marketing can assist the company in fostering closer relationships with them. Social media marketing can help Disney improve client engagement, contact, and communication for the following reasons: This research concludes that social media marketing can have a positive impact on customer relationship management at Disney in the United States, provided that Disney develops appropriate social media content that satisfies customers, increases customer engagement, and improves communication between Disney and its customers. Therefore, Disney must utilise social media marketing effectively to create and sustain long-lasting and close relationships with its customers.

References

- [1] Appel G, Grewal L, Hadi R, Stephen AT. (2020) The future of social media in marketing. *J Acad Mark Sci.* 2020;48(1):79-95. doi: 10.1007/s11747-019-00695-1. Epub 2019 Oct 12. PMID: 32431463; PMCID: PMC7222052.
- [2] Aguirre E, Mahr D, Grewal D, Ruyter KD, Wetzels M. Unraveling the personalization paradox: The effect of information collection and trust-building strategies on online advertisement effectiveness. *Journal of Retailing.* 2015;91(1):34–59.
- [3] Byers, D. (2020) Disney — and its new CEO — face a major challenge from the coronavirus pandemic. Available at: <https://www.nbcnews.com/news/all/disney-its-new-ceo-face-major-challenge-coronavirus-pandemic-n1165161>
- [4] Bryman, A. & Bell, E. (2018) *Business Research Methods* (5th edition). OUP, Oxford.
- [5] Creswell, J.W. Creswell, J.D. (2018) *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. 5th edition. SAGE Publication.
- [6] Cheung, M.L., Pires, G. and Rosenberger, P.J. (2020), "The influence of perceived social media marketing elements on consumer–brand engagement and brand knowledge", *Asia Pacific Journal of Marketing and Logistics*, Vol. 32 No. 3, pp. 695-720. <https://doi.org/10.1108/APJML-04-2019-0262>
- [7] Elena, C.A. (2016) Social Media – A Strategy in Developing Customer Relationship Management. *Procedia Economics and Finance* Volume 39, Pages 785-790
- [8] Guha, Sushmita & Harrigan, Paul & Soutar, Geoffrey. (2017). Linking social media to customer relationship management (CRM): a qualitative study on SMEs. *Journal of Small Business & Entrepreneurship.* 30. 1-22. 10.1080/08276331.2017.1399628.
- [9] Hollebeek, L., Glynn, M. and Brodie, R. (2014), "Consumer brand engagement in social media: conceptualization, scale development and validation", *Journal of Interactive Marketing*, Vol. 28 No. 2, pp. 149-165.
- [10] Mohout O., Fiegenbaum I. (2015). The power of Twitter: building an innovation radar using social media, in *ISPIM Conference Proceedings (The International Society for Professional Innovation Management (ISPIM))*, 1.
- [11] Morgan, J., Chan, C. and Mackenzie, J. (2011), "An Introduction to Social CRM for the Travel Industry", Chess Media Group, Hotel Marketing Strategies.

- [12] Maecker, O., Barrot, C. & Becker, J.U. (2016) The effect of social media interactions on customer relationship management. *Bus Res* 9, 133–155 (2016). <https://doi.org/10.1007/s40685-016-0027-6>
- [13] Mujahid MS, Mubarik MS. (2021) The Bright Side of Social Media: Social Media Platforms Adoption and Start-Up Sustainability. *Front Psychol.* 2021 Jun 7;12:661649. doi: 10.3389/fpsyg.2021.661649. PMID: 34163406; PMCID: PMC8215118.
- [14] Martin KD, Murphy PE. The role of data privacy in marketing. *Journal of the Academy of Marketing Science.* 2017;45(2):135–155.
- [15] Shawky, S., Kubacki, K., Dietrich, T. and Weaven, S. (2019), "Using social media to create engagement: a social marketing review", *Journal of Social Marketing*, Vol. 9 No. 2, pp. 204-224. <https://doi.org/10.1108/JSOCM-05-2018-0046>
- [16] Sashi, C.M. (2012), " Customer Engagement, Buyer – Seller Relationships, and Social Media, " *Management Decision*, 50, 2, 253–72.
- [17] Trainor, Kevin J., Adam Rapp, Lauren Skinner Beitelspacher, and Niels Schillewaert (2011), "Integrating Information Technology and Marketing: An Examination of the Drivers and Outcomes of E-marketing Capability," *Industrial Marketing Management*, 40, 1, 162–74
- [18] Wang, Z. Kim, H.G. (2017) Can Social Media Marketing Improve Customer Relationship Capabilities and Firm Performance? Dynamic Capability Perspective. *Journal of Interactive Marketing.* (39) 15-26.