

# Chapter 9

Social Media

# 9

## Social Media Chapter Objectives

1. What constitutes a social network?
2. What are the unique characteristics of the primary social media web sites?
3. What is the nature of social media marketing?
4. Which social media marketing strategies do companies employ?
5. What social media measurement metrics are available to marketers?
6. How can marketers use social media strategies in international operations?



# Social Media

## Chapter Overview

- Altered communications
- Basics of social networks
- Popular social networks
- Social media marketing
- Social media metrics
- International issues



# OVERVIEW

- The continual growth of social network websites presents opportunities and challenges to marketing departments from the smallest single-family business to major corporations.
- Instant communication creates the potential to create buzz and excitement in a short period of time. More sophisticated interactions with customers can be readily achieved.
- Negative word of mouth and other developments can quickly damage a brand across a wide range of customers and the general public.



# Social Media Terms

- **Social media** – digital tool or venue that allows for social interaction
- **Social network** – social structure of individuals or organizations
- **Social media marketing** – utilization of social media or social networks to market a product, company, or brand

# Types of Social Networking Sites

- General social networking sites
  - broadly based and are designed to appeal to all demographics - Facebook
- Niche social networking sites
  - focus on a specific topic, hobby, interest or demographic group - LinkedIn
  - Business
  - Family and lifestyle
  - Dating
  - Special interests and hobbies
  - Shopping
- Social bookmarking sites
  - allow individuals to share bookmarks of their favorite websites. Twitter, Pintrest, Reddit

# Most Popular Social Media Sites

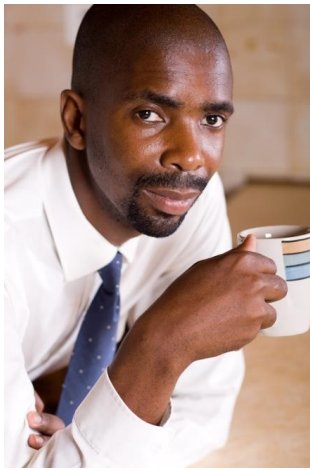
- Facebook
- Twitter
- LinkedIn
- Google+
- YouTube
- Instagram
- Reddit
- Snapchat
- Whatsapp

# Facebook

- Largest social media site
- 1.2 billion users worldwide
- Advertising
  - \$2 billion in ad revenue
  - 17.7% of display ads
- Demographics
  - Teens decline 25%
  - Individuals 55+ increase 80%
- Usage
  - Only 10% update status daily
  - Only 15% comment daily







# Twitter

- Has more than 320 million active monthly users who make use of the 280 character limit to pass on information.
- Businesses can use Twitter to interact with prospective clients, answer questions, release latest news and at the same time use the targeted ads with specific audiences.
- Twitter was founded on March 21, 2006, and has its headquarters in San Francisco, California.
- Maximum of 280 characters per message
- 54 million users
- Effective method of reaching customers
- Monitor what customers are saying
- Effective for small businesses

# YouTube

- The largest and most popular video-based social media website — was founded on February 14, 2005, by three former PayPal employees.
- It was later bought by Google in November 2006 for \$1.65 billion.
- YouTube has over 1 billion website visitors per month and is the second most popular search engine behind Google.
- Fan-produced videos exceed brand-produced
- Product usage or repair – videos instead of manuals
- Brands monitor fan-created videos
  - Positive videos – support
  - Negative videos – creatively respond

# LinkedIn

- Founded on December 14, 2002, and launched On May 5, 2003,
- LinkedIn is hands-down the most popular social media site for professional networking.
- The website is available in 24 languages and has over 400 million registered users.
- LinkedIn is great for people looking to connect with people in similar industries, networking with local professionals and displaying business related information and statistics.

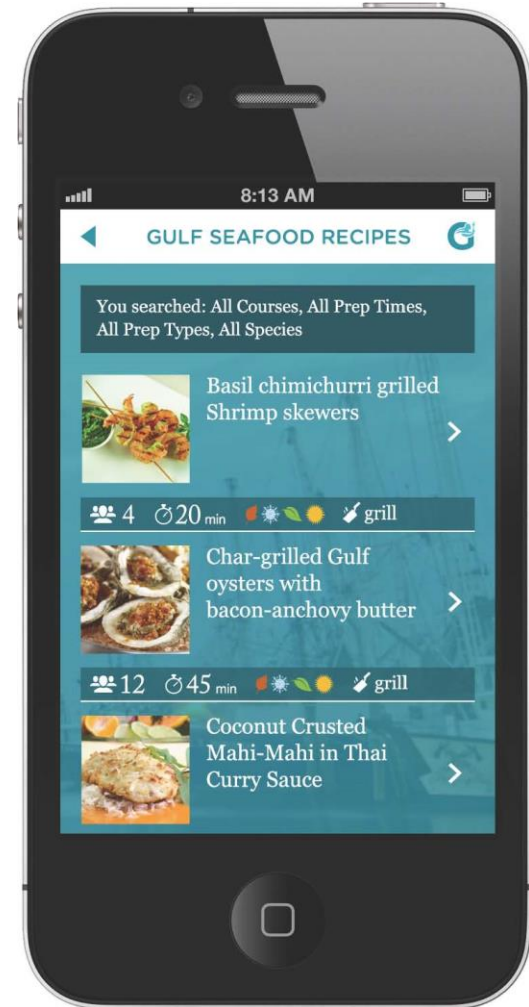
# Instagram

- Mobile photo and video sharing
- Owned by Facebook
- 200 million users
- Users young, wealthy, and female
- 60% visit daily
- Popular marketing tactics
  - Contests
  - Crowdsourcing of photos
- Uploading personal photos with brand clothes



# Pinterest

- Launched in March 2010, Pinterest is a relatively newcomer in the social media arena.
- This platform consists of digital bulletin boards where businesses can pin their content.
- Pinterest announced September 2015 that it had acquired 100 million users.
  - Small businesses whose target audience is mostly made up of women should definitely invest in Pinterest as more than half of its visitors are women.



# Reasons for Social Media Marketing

- Engage fans
- Increase brand exposure
- Avenue for customer interaction
- Increase traffic
- Generate leads
- Enhance brand image
- Improve search rankings
- Gather customer intelligence
- Develop loyal fans
- Increase sales



# Reasons for Social Media Marketing

- Drive traffic
- Enhance brand image
  - Provide Web URL in social media
  - Generate leads – business-to-business
  - Enhance brand image
    - Solve problems
    - Provide information
    - Gain insights into product usage
  - JD Powers
    - Online interactions impact brand perceptions

# Reasons for Social Media Marketing (4 of 4)

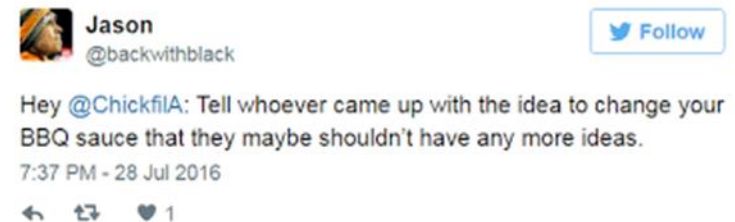
- Customer intelligence
  - Social listening, social chatter
  - Provides insight into customer thoughts
  - Occasionally, social buzz requires a reaction
- General Mills
  - Cheerios ad
  - Negative racist comment
  - Comment section disabled
  - Believed comments were a minority
  - Did not discontinue ad





# Figure 9.6 Functions of Social Listening

- React to negative feedback
- Detect problems
- Gather topics for branded content
- Predict trends
- Detect patterns or shifts in views
- Identify brand advocates



# Reasons for Social Media Marketing

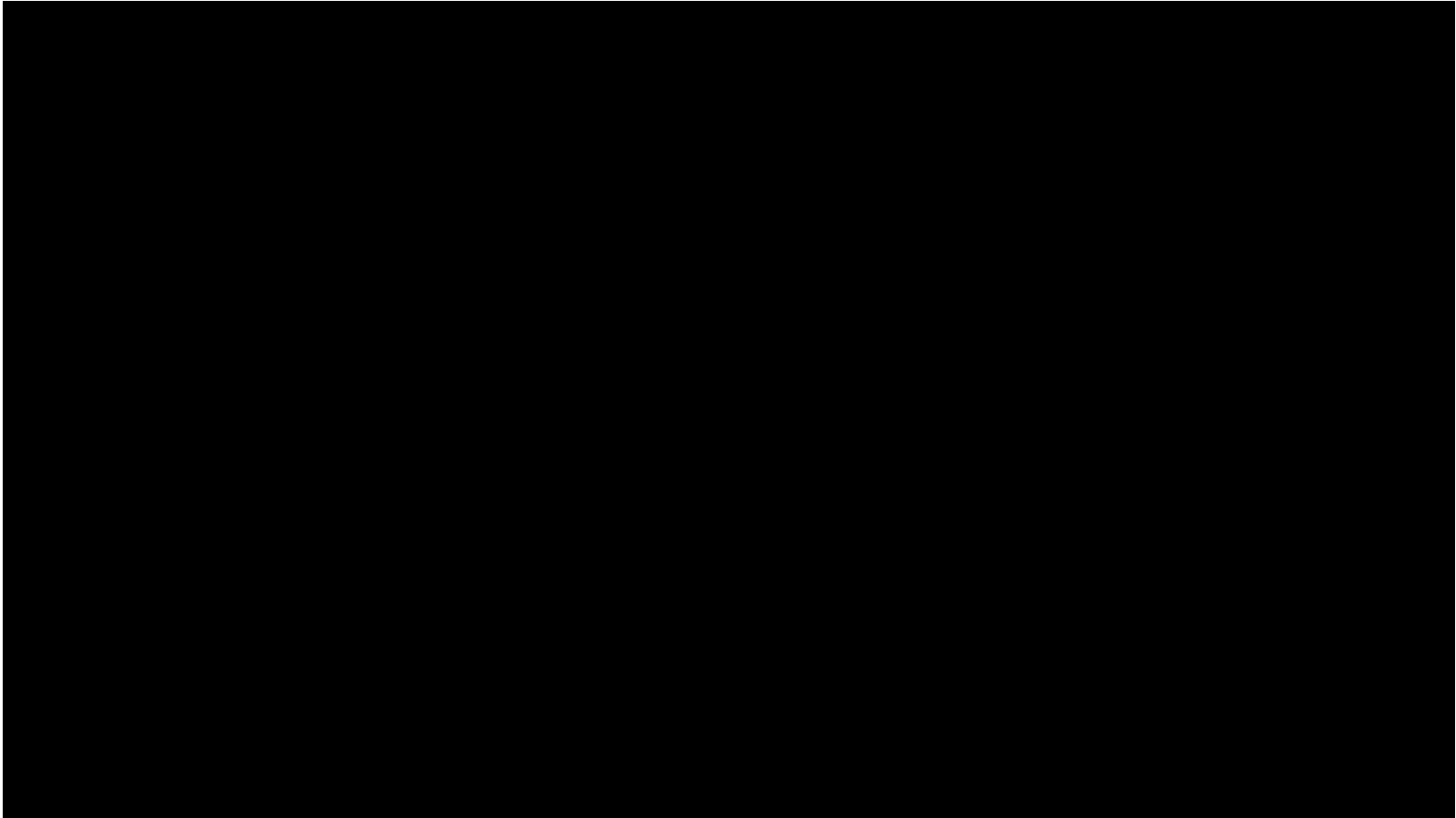
- **Engaging** consumers with the brand should be the primary reason
- Increasing sales and building brand loyalty should be secondary goals of a social media marketing program.
  - A study by McKinsey & Co. found negative buzz about a company caused an immediate 8% - 10% decline in sales.



# Building a Social Media Presence

1. Determine social media goals
2. Determine online personality
3. Decide on social media platforms
4. Develop social media strategies
5. Develop an analytical feedback loop





## Figure 9.8 Social Media Strategies

- Content seeding
- Real-time marketing
- Video marketing
- Influencer marketing
- Interactive blogs
- Consumer-generated reviews
- Viral marketing

# Content Seeding

- Provide incentives to encourage sharing
- Financial incentives
  - Coupons
  - Rebates
  - Contests
- Esurance post-Super Bowl ad
- Value-added incentive - Exclusivity

# Real-Time Marketing

- 2013 Super Bowl – Oreos
- Instantaneous marketing message
- Live event
- Upfront strategic planning
- Maintain brand image



# Video Marketing

- 58% US population watch videos
- 75% Internet users watch videos
- Spending now \$4.6 billion
- Growing 20% to 40% annually
- More receptive to online videos



## Figure 9.9 Video Marketing

- Advertising on videos
- Posting of television ads
- Informational videos
- Cause-related videos
- Product reviews
- Vloggers

# Location of Video Ads

- Pre-roll
  - Higher impressions
  - Enhance recall
- Mid-roll
  - Higher completion rate
  - Enhance brand recognition, brand image
- Post-roll
  - Higher click-through rate
  - Direct response, call to action ads

# Influencer Marketing

- Individual marketing a brand
- Match opinion leaders with brands
- Number of followers not always key
- Lead conversations and shape opinions
- Align brand message & influencer's motivation
- Authenticity important



# Interactive Blogs

- Internet provides platform for
  - Dissatisfied consumers
  - Satisfied consumers
- Interactive allows two-way communication
- Higher level of risk

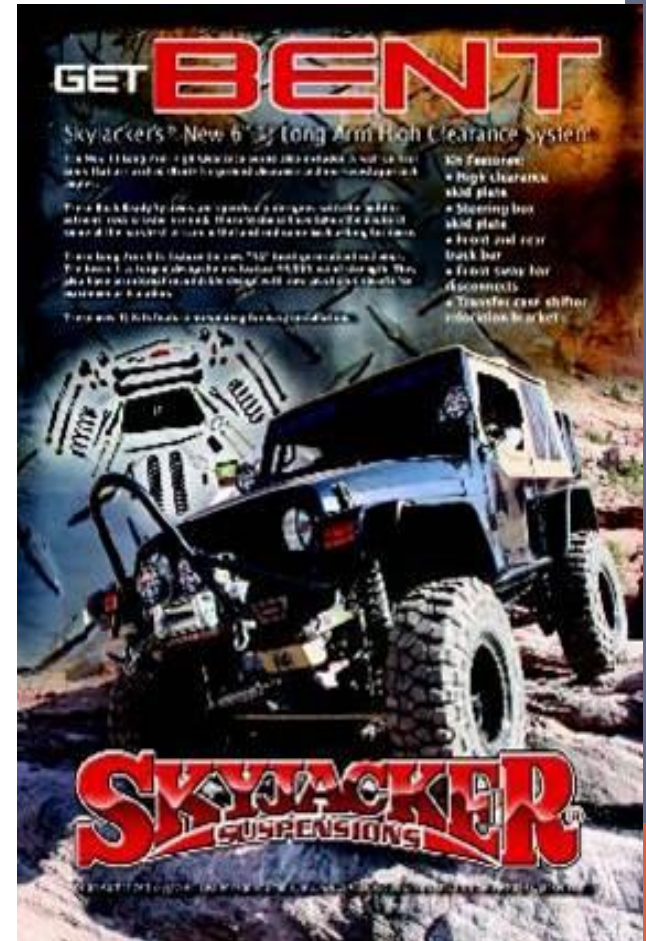


## Figure 9.11 Types of Interactive Blogs

- Brand blog
- Individuals sponsored by a brand
- Individual speaking about a brand

# Company-Sponsored Blogs

- Benefits
  - Reassure shoppers
  - Glimpse of how firm deals with customers
  - Release company information
  - Customers can voice opinions
  - Company controls site
- Difficult to solicit honest opinions
- Employees may be more sensitive to negative comments



# Personal Blogs

- Sponsored by brands
  - New FTC regulations
  - Limited freedom since blog is sponsored
  - Visitors' comments may be tempered
- Individuals speak about brands
  - No financial connection
  - Visitors feel more comfortable in commenting
  - Brands can learn
  - Brands can post comments or questions

# Consumer-Generated Reviews

- Amazon.com – leader
- Best Buy – online reviews of brands
- Provide important information
- Challenge – managing reviews





# Viral Marketing

- Message passed from one consumer to another
  - E-mail
  - Blogs
- Form of advocacy or word-of-mouth endorsement
- Viral marketing messages
  - Advertisements
  - Hyperlinked promotions
  - Online newsletters
  - Streaming videos
  - Games

## Figure 9.12 Keys to Successful Viral Marketing

- Focus on the product or business
- Determine why individuals would want to share the message
- Offer an incentive
- Make it personal
- Track the results and analyze the data

## Figure 9.13 Why Consumers Follow Brands

- Keep up with activities
  - Learn about products or services
  - Sweepstakes or promotion
  - Provide feedback
  - Join community of fans
  - Make purchases
  - To complain

Source: Based on Lenna Garibian, "Digital Influence: Blogs Beat Social Networks for Driving Purchases," MarketingProfs, <http://www.marketingprofs.com/charts/2013/10336/digital-influence-blogs-beat-social-networks-for-driving-purchases>, March 18, 2013.

# International Implications

- Social media worldwide
  - Most Facebook users outside U.S.
- Language differences
- Social norms
- Technological issues

# Blog Exercises

- Hooters
- Covergirl
- Social Media