MKTG
Principles Of Marketing
Twelfth Edition

Chapter 18
Social Media
Marketing

Learning Outcomes (1 of 2)

18-1 Describe social media, how they are used, and their relations to integrated marketing communications

18-2 Explain how to create a social media campaign

18-3 Evaluate the various methods of measurement for social media

18-4 Explain consumer behavior on social media

Learning Outcomes (2 of 2)

18-5 Describe the social media tools in a marketer's toolbox and how they are useful

18-6 Describe the impact of mobile technology on social media

18-7 Understand the aspects of developing a social media plan

Learning Objectives 1: What Are Social Media?

What Are Social Media? (1 of 3)

- **Social Media**: Any tool or service that uses the Internet to facilitate conversations.
- It can also be defined relative to traditional advertising like television and magazines.
- Tools and platforms
  - Social networks
  - Blogs
  - Microblogs
  - Media sharing sites

What Are Social Media? (2 of 3)

- Social media have several implications for marketers and the ways that they interact with their customers.
  - Marketers must realize that they often do not control the content on social media sites.
  - The ability to share experiences quickly and with such large numbers of people amplifies the impact of word of mouth in a way that can affect a company's bottom line.
  - Social media allow marketers to listen.
  - Social media provide more sophisticated methods of measuring how marketers meet and interact with consumers than traditional advertising does.

What Are Social Media? (3 of 3)

  - Social media allow marketers to have much more direct and meaningful conversations with customers.
- Social media have changed how and where conversations take place, globalizing human interaction.

Social Media and Consumers

- Social media consumers want to:
  - Exchange information
  - Collaborate with others
  - Have conversations
- Marketers must:
  - Decide if engaging in online conversations will be profitable
  - Find the most effective method of entering the conversation

How Consumers Use Social Media

- Young adult singles use Match.com, OkCupid, and Tinder.
- Teens use Snapchat, Instagram, Twitch, and Tumblr.
- Older teens and adults use Facebook.
- Increased use of smartphones and tablet computers has contributed to the spread of social media usage.

Social Commerce (1 of 2)

- Subset of e-commerce that involves the interaction and user contribution aspects of social online media
  - To assist online buying and selling of products and services
- Social commerce sites
  - Include ratings and recommendations
  - Help consumers make more informed decisions on purchases and services

Social Commerce (2 of 2)

- Types of social commerce
  - Peer-to-peer sales platforms
  - Social networking websites driven by sales
  - Group buying platforms
  - Peer recommendation sites
  - User-curated shopping sites
  - Participatory commerce platforms
  - Social shopping sites

Social Media and Integrated Marketing Communications

- Usefulness of social media
  - Marketers have conversations with consumers, forge deeper relationships, and build brand loyalty.
  - Consumers connect with each other, share opinions, and collaborate on new ideas according to interests.
- **Crowdsourcing**: Using consumers to develop and market products

Learning Objectives 2: Creating and Leveraging a Social Media Campaign

Categorizing Media Types

- Owned media—Brand's presence on social platforms. Brand's Facebook presence, YouTube channel, Twitter presence, Pinterest presence, and presence on other social platforms constitute owned media.
- Earned media—Word of mouth or online buzz about a brand (includes viral videos, retweets, comments on blogs, and other forms of customer feedback resulting from a social media presence)
- Paid media—Use of traditional media (includes display advertising, paid search words, and other types of direct online advertising)

Key Guidelines to Leverage Types of Media

- Marketers must:
  - Maximize owned media by reaching out beyond their existing websites to create portfolios of digital touch points
  - Recognize that aptitude at public and media relations no longer translates into earned media
  - Understand that paid media must serve as a catalyst to drive customer engagement and expand into emerging channels

The Listening System

- First action a marketing team should take when initiating a social media campaign
- Developing an effective listening system is necessary in understanding and engaging an online audience
- **Social media monitoring**: Identifying and assessing what is being said about a company, individual, product, or brand
- Failure to respond to criticism leads to crisis

Social Media Objectives (1 of 3)

- Listen and learn
- Build relationships and awareness
- Promote products and services
- Manage your reputation
- Improve customer service

Social Media Objectives (2 of 3)

- Listen and learn
  - Monitor what is being said about the brand and competitors
  - Develop a listening strategy
- Build relationships and awareness
  - Open dialogues with stakeholders
  - Engage in conversations and answer customers' questions candidly
- Promote products and services
  - Get customers talking about products and services

Social Media Objectives (3 of 3)

- Manage your reputation
  - Respond to comments and criticisms
  - Participate in forums and discussions
- Improve customer service
  - Search out displeased customers and engage them directly to solve issues

Learning Objectives 3: Evaluation and Measurement of Social Media

Evaluation and Measurement of Social Media

- Social media have the potential to revolutionize the way organizations communicate with stakeholders.
- Five steps to help gauge the effectiveness of a social media effort:
  - *Identify your key performance indicators (KPIs)*
  - *Align your social media goals with your business objectives*
  - *Set up Google Analytics to track conversions*
  - *Assign values to your KPIs (such as lifetime value or average sales)*
  - *Benchmark against your competitors*

Social Media Metrics

- Buzz
- Search engine ranks and results
- Interest
- Influence
- Participation and engagement
- Sentiment analysis
- Website metrics

Which Metrics are most effective? (1 of 2)

- **Buzz:** volume of consumer-created buzz for a brand based on posts and impressions, by social channel, by stage in the purchase channel, by season, and by time of day
- **Interest:** number of "likes," fans, followers, and friends; growth rates; rate of virality or pass along; and change in pass along over time
- **Participation and engagement:** number of comments, ratings, social bookmarks, subscriptions, page views, uploads, downloads, embeds, retweets, Facebook posts, pins, and time spent with social media platform

Which Metrics are most effective? (2 of 2)

- **Search engine ranks and results:** increases and decreases on searches and changes in keywords
- **Influence:** media mentions, influences of bloggers reached, influences of customers reached, and second-degree reach based on social graphs
- **Sentiment analysis:** positive, neutral, and negative sentiment; trends of sentiment; and volume of sentiment
- **Website metrics:** clicks, click-through rates, and percentage of traffic

Categories of Social Media Users (1 of 2)

- Creators—Produce and share online content like blogs, websites, articles, and videos
- Critics—Post comments, ratings, and reviews of products and services on blogs and forums
- Collectors—Use RSS feeds to collect information and vote for websites online
- Joiners—Maintain a social networking profile and visit other sites

Categories of Social Media Users (2 of 2)

- Spectators—Read blogs, listen to podcasts, watch videos, and consume media
- Inactives—Do none of these things
- Conversationalists—People who post status updates on social networking sites and microblogging services

Learning Objectives 4: Social Media Tools: Consumer- and Corporate-Generated Content

Blogs

- Publicly accessible web page that acts as an interactive journal, whereby readers can post comments on the author's entries
  - *Corporate blogs: Sponsored by a company or one of its brands and maintained by one or more of the company's employees*
  - *Noncorporate blogs: Independent blogs that are not associated with the marketing efforts of any particular company or brand*

Microblogs

- Blogs that entail shorter posts than traditional blogs
- Blogs with strict post length limits
- Twitter is effective for disseminating news, promoting longer blog posts, sharing links, announcing events, and promoting sales

Social Networks

- **Social networking sites**: Allow individuals to connect with friends, peers, and business associates
  - *Facebook originated as a community for college students that opened to the general public as its popularity grew.*
  - *LinkedIn is used primarily by professionals who wish to build their personal brands online and businesses that are recruiting employees and freelancers.*

Exhibit 18.1: Facebook Lingo

Non-Individual (Usually Corporate)	Individual
Page	Profile
Fan of a page, tells fan's friends that the user is a fan, creates mini viral campaign	Friend a person, send private messages, write on the wall, see friend-only content
Public, searchable	Privacy options, not searchable unless user enabled

Media sharing sites

- Allow users to upload and distribute multimedia content like videos and photos
  - Photo sharing sites allow users to archive and share photos.
  - Video creation and distribution have gained popularity among marketers because of video's rich ability to tell stories.
  - A podcast is a digital audio or video file that is distributed serially for other people to listen to or watch.

Social News Sites

- Allow users to decide which content is promoted on a given website by voting that content up or down
  - Marketers have found that these sites are useful for promoting campaigns, creating conversations around related issues, and building website traffic.
  - If marketing content posted to a crowdsourced site is voted up, discussed, and shared enough to be listed among the most popular topics of the day, it can go viral across other sites, and eventually, the entire web

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Location- Based Social Networking Sites

- Combine the fun of social networking with the utility of location-based GPS technology
  - Location-based micronetworking as a game: Users earn badges and special statuses based on their number of visits to particular locations
  - Foursquare updates can be posted to linked Twitter and Facebook accounts for followers and friends to see

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Review sites

- Allow consumers to post, read, rate, and comment on opinions regarding all kinds of products and services
- By giving marketers the opportunity to respond to their customers directly and put their businesses in a positive light, review sites certainly serve as useful tools for local and national businesses

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Virtual Worlds and Online Gaming

- Online gaming presents additional opportunities for marketers to engage with consumers
  - *Massive multiplayer online (MMO) games such as World of Warcraft, Destiny, and EVE Online*
  - *Competitive online games such as League of Legends, Overwatch, and Street Fighter V*
  - *Online communities (or virtual worlds) such as Second Life, Poptropica, and Habbo Hotel*

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Learning Objectives 5: Social Media and Mobile Technology

Mobile and Smartphone Technology

- Reasons for recent popularity of mobile marketing
  - *Low barrier to entry*
  - *Consumers acclimating to privacy and pricing policies*
  - *Effective at garnering consumer attention in real time*
  - *Measurable*
  - *In-store notification technology*
  - *Higher response rate than traditional media types*

Common Mobile Marketing Tools

- SMS (short message service)
- MMS (multimedia messaging service)
- Mobile website (MOBI and WAP website)
- Mobile ads
- Bluetooth marketing
- Smartphone applications (apps)

Apps and Widgets

- Apps
  - Perform platform-specific or convert existing content to mobile-ready format
  - Can generate buzz and customer engagement
- Widgets
  - Called gadgets and badges
  - Run within existing online platforms
  - Allow customers to display company information on their own websites or smartphone home screens
  - Cheaper than apps to develop
  - Extend reach beyond existing platforms

Learning Objectives 6: The Social Media Plan

Stages in Creating an Effective Social Media Plan (1 of 3)

- Listen to customers—Marketers must not only hear what is being said about the brand, the industry, the competition, and the customer, but they must also pay attention to who is saying what and act upon that information.
- Set social media objectives—Set objectives that can be specifically accomplished through social media, with special attention to how to measure the results.
- Define strategies—This includes examining trends and best practices in the industry.

Stages in Creating an Effective Social Media Plan (2 of 3)

- Identify the target audience— This should line up with the target market defined in the marketing plan, but in the social media plan, pay special attention to how that audience participates and behaves online.
- Select the tools and platforms—Based on the result of Step 4, choose the social media tools and platforms that will be most relevant. These choices are based on the knowledge of where the target audience participates on social media.

Stages in Creating an Effective Social Media Plan (3 of 3)

- Implement and monitor the strategy—Based on the observations, make changes as needed. It also becomes important, therefore, to go back to the listening stage to interpret how consumers are perceiving the social media campaign.

The Changing World of Social Media

- The rate of change in social media is astounding usage statistics change daily for sites like Facebook and Twitter
- Highlights not only the speed with which social media change but also the importance of keeping tabs on rumors

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Key Terms

- Social media
- Social commerce
- Crowdsourcing
- Social media monitoring
- Blog
- Corporate blogs
- Noncorporate blogs
- Microblogs
- Social networking sites
- Media sharing sites
- Social news sites
- Location-based social networking sites
- Review sites

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