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SOCIAL MEDIA MARKETING – WHY BUSINESSES NEED TO USE IT AND HOW (INCLUDES A STUDY OF FACEBOOK)

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Introduction

Despite what some of the more luddite amongst others may wish, social media is not a passing fad. Familiar social media websites like Facebook and Twitter are now as much a part of our daily lives as mobile phones.

This paper takes a closer look at social media and how and why it is important for businesses to not only understand it, but to also embrace and include it as an integral part of their marketing strategies.

We start by asking the fundamentals – what is social media marketing and go on to examine the social media marketing business models being employed online. From there we set out some basic strategies for how to be successful in social media marketing and conclude with a more in-depth look at Facebook, the goliath of the Internet:

- Social media marketing business models.
- How to be successful in social media marketing.
- Facebook case study.

Social Media Marketing defined

What is social media marketing and why should businesses, organisations, charities and even people involved in scientific investigation take note of it and more importantly should they be using it as part of their marketing strategy and if so how?

Let's begin our investigation into what social media marketing is by breaking down the statement into separate parts. The first thing we should ask is what is social media? According to Neville Hobson – one of the leading European opinion leaders and influences in digital communications for business:

“Social media isn't about the tools and the channels – the software or the technology- it's all about what people do with the technology, the software, the tools and the channels: sharing pictures and video, writing product reviews, collecting content, connecting with old friends, sharing with new friends, collaborating in the workplace.”

So we can see from this that social media isn't some mystical entity that has descended upon us from the gods with the power to heal the sick or to raise the dead business. Social media is a communication tool used by people. It is their activity through sharing, and engaging with friends, family and colleagues that gives it its power – and without this it is nothing. What make social media marketing powerful are the relationships that result from them. On this basis we can say that social media is primarily about building relationships.

Returning to our question, what is social media marketing? The next element to look at in more detail is marketing. Here we have a definition from Wikipedia, which is itself an interesting example of social media interaction at work.

It is worth pausing here to just mention how Wikipedia has worked using social media interaction. Depending on your viewpoint or intellectual snobbery, Wikipedia is an open source of knowledge that has in a few short years created a resource of information the ancient scholars could only dream of; or it is an unregulated and unreliable set of facts and opinions. Whatever your view, you can't escape the fact that online collaboration and engagement have done for free what millions of pounds and the might of Microsoft failed to accomplish with Encarta – their attempt at creating the first online encyclopaedia.

Returning to the definition of marketing

“Marketing is the process by which companies create customer interest in products or services. It generates the strategy that underlies sales techniques, business communication, and business development. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves.” — Wikipedia

Again we see that this is a tool for building relationships so we can also say that marketing, like social media is about building relationships.

- Relationships are built on trust and are the result of getting to know, like and trust someone,
- It takes time to build good lasting relationships,
- People buy from people they know, like and trust.

Good relationships, i.e. ones that are of mutual benefit to all parties involved, are built on trust. We rarely trust people we don't know or like because without knowing them we cannot be sure that they hold the same values as us. Consequently we do not know whether they have our best interests at heart. Getting to know, like and trust people takes time. The longer we know people, the more we know about them, the more we can see where they are coming from and if they are like us. We build bonds of shared interests and mutual values.

In business, people buy from people and organisations that they know like and trust. If they don't know the individual proprietors they will make assumptions about the company's brand based on their brand messages.

We have established that social media is about building relationships and marketing is about building relationships we can say:

„Social media marketing is about creating real relationships with your target audience online so that they know like and trust you enough to find out how you can solve their problems“.

Traditional marketing:

- Broadcast messages to an undefined audience,
- Company focused not customer focused,
- One way conversation.

If both social media and marketing are both about relationship building, how does social media marketing differ from traditional marketing? Traditional marketing tended to rely on broadcasting a single message to an undefined audience. Basically the strategy employed by business both big and small was to shout as loud as you could, i.e. broadcast your message. In other words this was a scattergun approach which relied on telling everyone your message in the hope that some of the right people would get to hear it.

Another feature of traditional marketing was that the messages were company focused rather than customer focused. That is they were all about how great the company and its products or services were. With traditional marketing people believed that selling the features of a product was more important than trying to understand customers problems and issues or listening to their concerns and feedback. Hence it was a one-way conversation for marketer to customer with no customer interaction.

The problem with this approach is that the advent of the Internet and mass communication now means that customers have access to a huge amount of information and they can get opinions from other customers who are more likely to be objective as other customers do not normally have a vested interest in selling the product. Consequently, customers are no longer willing to be spoon-fed marketing messages about products. They can check them out which means that businesses have to start listening to what is being said if they want to be able to influence customers to buy their product

Social Media Marketing:

- Engagement,
- Customer focused,
- Two way dialogue lead by customers.

Social media marketing is about engagement, it is customer focused it is a two- way dialogue between the business and the customer and the customer leads this dialogue. Listening to customers and letting them drive the discussion sounds scary at first. However, on the big plus side there is a growing body

of evidence to show that there are real benefits to using social media marketing for your business and community engagement.

Picture 1. Primary Benefits

Question: What have been the three primary benefits that use of social media has brought to your organizations?



The Harvard Business Review Analytics Services recently conducted a survey of 2,100 organisations and discovered that 79% are currently using social media channels. They also asked them what they saw as the benefits of social media and here are the results and feedback from the real world.

The 12 Major Benefits Of Social Media

1. Increased awareness of the organisation.
2. Increased traffic to website.
3. Greater favourable perceptions of the brand.
4. Able to monitor conversations about the organisation.
5. Able to develop targeted marketing activities.
6. Better understanding of customers’ perceptions of their brand.
7. Improved insights about their target markets.
8. Identification of positive and negative comments.
9. Increase in new business.
10. Identification of new product or service opportunities.
11. Ability to measure the frequency of the discussion about the brand.
12. Early warning of potential product or service issues.

Social Media Marketing Business Models

There are basically 3 different types of ways in which businesses use the website to grow their businesses. Namely, Bloggers, Internet Marketers and Company Brochures. They are all dependent on getting traffic to the website however the methods employed are different and when we work with these businesses we have noted that their short term success criteria are also significantly different.

Bloggers are more interested in engagement KPIs i.e. how many shares a post gets, number of comments traffic to the website.

Internet marketing primarily focuses on the number of visitors to a website, i.e. traffic numbers.

Those operating company brochure websites measure their success in terms of conversions – people wishing to take the conversation offline.

Let's look at each in more detail

The Blogger

The primary aim of a Business Blogger is to magnify their individual persona so that they become a key person of influence in their niche. i.e. the “go to person”.

Customers are attracted to the Blogger because of their expertise and knowledge, consequently in order to be successful their website has to contain informational items of incredible value and interest to their community. The bloggers website runs in tandem to their use of social media platforms which are used to redirect traffic to their websites.

Examples of famous bloggers' websites:

- <http://www.socialable.co.uk>
- <http://www.marismith.com/mari-smith-blog/>
- <http://www.guykawasaki.com/>
- <http://www.chrisbrogan.com/>
- <http://hatalaska.com/>

The Internet Marketer

Internet marketers were early prospectors on the Internet. Their aim is to sell products directly via their website with minimal or no customer contact. Previously Internet Marketers relied heavily on SEO and online advertising to get traffic to their websites. However, with increased competition for keywords more Internet Marketers are turning to social media to find clients. Unfortunately as we have seen the old marketing model with its lack of engagement and focus on sales does not do well in this environment.

The Company brochure

The aim is to showcase products and services. Customers visit or are sent to the website to verify company credentials. Website is an online brochure/shop window.

Examples of company brochure websites:

- <http://www.pwc.co.uk/>
- <http://www.opussocialmedia.co.uk/>

How to be successful in social media marketing?

Have a strategy:

- Why
- Who
- Where
- What
- When

As you can see there are different approaches to using social media in your marketing. It is important that you use the tools and strategies that are best suited for your own particular needs and that meet your goals. Before you jump on the social media bandwagon you need to have a strategy or plan - in simple terms you need to be clear on your **5 Ws**.

Why are you doing it? What is your aim? For example are you aiming to raise your profile, gain insight into customer needs or identify new markets/ increase sales? Starting out with a clear rationale for using social media puts you in a better position to judge your ROI as well as know what works so that you can do more of it and what does not so you change it or stop.

Who do you want to engage with? i.e. who are your target audience.

What are their demographics and psychographics (what's in the heads of your community, how do they think and what are their concerns ?)

Where are they – on what social media platforms? Different platforms attract different audiences. For example Pinterest is dominated by professional career women between 25 -40.

What is your message – what do you want to say. If you are blogging then have a blogging calendar so that you can develop your expertise and your audience knows what they can expect. Remember social media is about building relationships and if you are yourself it is easier to make friends.

When – when is dependent on when your audience is online - you can use scheduling software to post updates when you are not able to.

How to be successful in social media marketing?

The basics:

- Action
- Consistency
- Discipline

Having a strategy for your social media marketing is a good start but pointless if you don't take action.

Social media is slow burn because it is built on relationships and it takes time to build good relationships. A typical mistake is to start engaging in social media sporadically. Therefore it is important to be consistent so that you can see what works and what doesn't.

Social media can be a devourer of resources, especially time. It is a mistake to believe that social media marketing is free because time is a valuable business resource and there will be an opportunity cost for the time spent on social media. Therefore it is important to be disciplined in terms of time. A good strategy is to diarise your social media time and only attend to it when it is scheduled. Discipline is also important if you want to maintain your corporate brand intact. Everyone in the business needs to be clear about what the rules of engagement are regarding your presence on social media and what is expected of them.

- Provide great value
- Content is everything

Once upon a time social media was dominated by people providing step by step guides to their daily activities. Today content needs to be creative, original, controversial, trend setting to effectively engage your audience. With so many people competing for your customers' attention if you don't provide great value they will quickly see out others that do. There is so much noise on the Internet that unless you provide great value you will be drowned out. Statistics tell us that what gets the most results is being able to motivate your audience to take decisive action and providing information that sheds new insight on something of importance to them. This means post content that educates and motivates.

Content is everything – it doesn't have to be your original content. Sharing other people's material is also valuable as none of us have time to find every great article for ourselves. Sharing shows that you are generous and also that you are a knowledge seeker, a go to person for information.

Above all be creative, original in your approach, controversial a trend setter – all these things will make you stand out, attract users to you who you can interact with and hopefully convert them to warm leads and then customers or raving fans if you aren't selling anything but just want to raise your brand profile.

- Engage and build relationships

As mentioned earlier, the most important thing about social media marketing is to engage and build relationships. Online relationships on social media are actually no different than the offline relationships we are used to building.

With the fundamental covered let's take a closer look at the most well known and most successful of all the social media platforms Facebook.

Facebook – A Case Study

Worldwide use of Facebook exceeds 1 billion people. This is larger than the population of many nations. More than 50% of active users log on every day. Over 2 billion posts are liked and commented on each day and

25 million photos uploaded daily. Facebook is available in 70 languages. Consequently, even taking into account the estimated 83 million fake accounts, which is a number larger than the population of Egypt, it can still lay claim to title of ruler of the social media world.

Figures of Facebook use across the globe are staggering given the relatively youthfulness of the company. Topping the chart is USA where roughly 45% of North Americans have a Facebook profile; this is closely followed by Australia and Oceania where 42% of the population have accounts. Use in South America outstrips that of Northern Europe, 34% and 30 % respectively. Although currently a Facebook user is still in single figures in other areas of the world, both Africa and India have experienced phenomenal growth in Facebook use over the last 18 months. In India Facebook use grew from 37.3 million to 62.2million, a 61% rise.

The largest growth in Africa was in the following countries Ghana: 85 % increase to 1,146,560 users. Kenya: 50 % increase to 1,298,560 users. South Africa: 51 % increase to 4,822,820 users. Nigeria: 154 % increase to 4,369,740 users. Egypt: 130 % increase to 9,391,580 users.

When Facebook started the average age of a typical user was early to mid 20s. However as social media has become part of the vernacular the profile of the average Facebook user has changed. Today the average Facebook user is 38, and is slightly more like to be female than male (58% women 42% men. Typically she will have just short of 230 friends and accumulate new friends at a rate of 7 per month. Users who update their status daily are still in the minority (15%) as are those commenting on other people's posts (22%). On average Facebook users spend 6 hours and 33 minutes on Facebook, which given our attention is at a premium this amount of time is a valuable commodity to businesses if used right.

Facebook's less than professional beginnings have meant that businesses initially disregarded it and many are still reluctant to risk their reputation by "inappropriate" posts.

Why businesses should use Facebook?

- Your customers use it.
- Being on Facebook amplifies your message.
- It can become a core part of your customer service.
- It humanises your business.

If Facebook were a country it would be the 3rd largest in the world! One in 3 people you meet are on Facebook and consequently most of your customers will be using Facebook .

People share their lives on Facebook – they talk about brands – so the question you should be asking is - are they talking about you?

When a person decides to 'like' a Facebook page of a brand or business, every update of that page will appear in their personal 'home' feed.

The average Facebook user has 130 friends on Facebook to talk to about you!

Facebook is a very immediate communication tool – it is a place people go to talk which is excellent if you want to interact with customers, thanking them for positive remarks and dealing with complaints.

People go to Facebook to have fun and interact with friends – it has an informal feel to it and you can present the human side of your business – an important component in the know like trust equation.

Facebook, has made a number of tools available to assist individuals and organisations to engage more effectively with their communities of interest. The key ones are discussed below.

Facebook pages

The Facebook page, put simply, is an alternative website. Somewhere businesses can display information about their products and services and engage with their community. Unlike a website, pages on Facebook have the added advantage of already been located where people are spending significant amounts of their time. Adding HTML, flash and other Facebook applications, can customise Facebook pages. The new tabs facilities mean that your Facebook page can be dynamic and engaging 24/7. Hence the most skilful brands run competitions and coordinate offers and special promotions running on their pages with activities in the real world. The only limit to what can be done with a Facebook page is your imagination and of course your resources.

Facebook pages provide a place for loyal customers to leave messages share content and really engage with your business. The trick is to make it a fun experience. After all most people, even professionals, understand that the Facebook brand is about fun and light-hearted engagement. If your brand is able to emulate this relaxed attitude it will encourage more engagement.

Edge Ranking

As with all social media to get the best out of Facebook it is important that you engage with it regularly. With regard to pages, many people mistakenly believe that if someone likes your page and becomes a fan then every update you post to your page will appear in their home feed. This used to be the case, however Facebook now uses an algorithm called Edge Ranking which determines who gets to see what and by whom. Basically it rewards engagement – i.e. if you readily engage with people by liking their posts and sharing this content to your friends and posting it on other pages; Facebook assumes that you have a close relationship and will include your status update in their feed. Whilst it is unrealistic to attempt to personally engage with every fan on your page if they number in the thousands, by being more engaged you will ensure that more of your post gets seen by your fans.

Facebook Groups

Facebook groups are a hangout for your community. Places where your customers, partners, advocates and friends can engage in conversations about your products and services. Groups can be used to update your customers about changes to your products or services or poll opinions about issues. Although groups work best when they are not overly large, they can be used to amplify your brand's message by encouraging group members to act as advocates for your products and services in their wider social networks. Key features of groups include the ability to set up a group email which can be used to email all group members; updates that are automatically sent to members' Facebook inboxes and emails by default (unless they changed privacy settings). Moreover, group members can invite their friends to join the group so there is the potential to grow rapidly. In addition you can use group documents and files to share presentations, schedules, documents and other file types with group members.

Facebook Notes and Photos

Photos and Notes are two Facebook applications that are also underutilised by businesses. They allow users to share detailed information and images with contacts on the Facebook platform. Notes are mini blog posts and can be customised using basic HTML and images to produce well-designed engaging documents. The key is to remember that your aim is to inform and engage, not sell. Provide the information that your community is interested in and that addresses their issues. Clearly if you focus on how great you and your products are you will risk it coming across as a sales pitch and you will soon lose the interest of your readers.

To promote your brand with photos think engagement rather than showcase. That is post the sort of pictures that will encourage discussion and comments as well as sharing. For example unusual pictures of your products or shots of your products being used in unusual locations or left field situations. Also humorous images and infographics are much more likely to be shared and commented on.

Facebook Events

Facebook Events makes it easy to spread product news to hundreds of people. Real world or cyber events provide focal opportunities for community engagement. Events can be used to launch new offers or products, provide a platform for an expert to address key issues within your community or simply fun events for networking and building relationships. The Facebook event application makes creating and managing events simple. You can create events that are linked to your group or Facebook page and invite all your contacts as well as run a discussion on your event wall to maintain interest in the run-up to the big day.

Custom Audiences

Custom Audiences, introduced in summer 2012, is the newest feature on Facebook's marketing platform designed to target marketing communications at individual people. It allows companies to upload

a list of email addresses, phone numbers or user IDs which Facebook will match and show communications directly to the users specified in the customized list. Early criticism of this system have argued that it wont be effective as many people use different contact details for Facebook from those they do for work. Although this will vary according to the niche you're targeting, early results indicate consistently that 50-70% of entries uploaded through custom audiences match an active Facebook account.

Facebook Insights

Once you start to utilise Facebook to market your brand, it is important to measure your results so that you can be clear about your ROI. Facebook Insights provides analytics for your fan page. Other services that can help you dig deeper into the data and use it to help boost your business on Facebook, including AgoraPulse, PageLever, Webtrends, AllFacebook Stats, Socialbakers, and Simply Measured. You can even get a little extra insight into your personal profile with WolframAlpha.

When used effectively Facebook has the potential to rapidly amplify your brand's reach – to go viral as they say. Whatever tools you choose remember that success in social media marketing comes from consistently applying your strategy and making informed directional changes based on the feedback from your monitoring.