Social Media Marketing: A Myth or a Necessity

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Social Media Marketing (SMM) is a heavily debated topic in marketing circles today. Opponents claim that it does not work well as a marketing agent, cannot bring new customers to a company/brand, and may alienate customers if blatant advertising/marketing tactics are used. Proponents maintain that the relationships built, maintained, and grown and the brand pride developed outweigh the negative factors that can occur through using social media in marketing campaigns. This study asserts that both sides have legitimate arguments, but that, when used with care, SMM can be a valuable, or even necessary, tool for an organization.

INTRODUCTION

In 2012, Lay’s Potato Chips began a very ambitious campaign: to use social networks to create a new flavor of potato chips. Using the title, “Do Us a Flavor”, the company utilized Social Media Marketing, or SMM, to connect with millions of Americans to develop, describe, discuss, and vote on the new chip’s flavor. The campaign was a success: beyond connecting with customers and empowering them to submit flavor ideas, Lay’s received over 12 million entries and billions of mentions on social networks, proliferating the brand name beyond direct fans to current and potential customers (Exil, 2014). The company took an extra step into the social media realm in 2014 by encouraging entrants to market their own flavors via SMM – thus proliferating and advertising the brand and product to an even greater audience. (Exil, 2014; Weldon, 2014)

Lay’s isn’t the only company to utilize SMM, which can be defined as “the attempt to use social media to persuade consumers that one’s company, products and/or services are worthwhile” (Ward, 2011), to market its products and services. Other companies that have successfully used SMM in their marketing campaigns include Coca-Cola, Starbucks, and the omnipresent Google (Brady, 2010; Daieda, 2013). With the success of these organizations utilizing social networks as part of their marketing strategy, other companies were quick to follow suit. However, many companies have found that marketing via social networks is not as easy as it first appears, and have either given up the SMM game or revised their marketing plans to reflect the failure of their SMM strategies. Today, numerous web pages and journal articles address the weaknesses and difficulties of the SMM system, and advise managers that SMM is not the marketing dream world some would believe it to be; some even suggest that SMM should not be used by businesses (Brenkert, 2002; Carol, 2013; Garrett & Karnani, 2010; Grensing-Pophal, 2012; Khang, Ki & Ye, 2012; Pofeldt, 2013). However, as we enter the second decade of the twenty-first
In the 21st century, SMM has moved from being a novelty dream world to a pitfall-prone necessity for most businesses in America today (Platon & Orzan, 2012).

**BACKGROUND**

Before we discuss what an organization can do to use SMM successfully, let us look at the early days of social media and social networks and the definition of social networks. First, social networking existed before the internet. In 1979 Ward Christensen and Randy Suess created the computerized bulletin board system (CBBS), a system with which companies could contact employees about announcements such as meetings and reports (Borders, 2009; Guna, 2009). The CBBS was intended to send information to numerous recipients without multiple telephone calls and/or memos; however, other employees began using their companies’ CBBS’s for more than just announcements (Guna, 2009). In the 1990s, with the rise of the dot-com era, social networking websites began to emerge. Although Beverly Hills Internet (later known as Geocities) was one of the first social sites to come onto the scene, the first network to reflect current social networking sites was SixDegrees, a website that was launched in 1997 and allowed users to make profiles and connect with friends (Borders, 2009; Guna, 2009). More social networking sites appeared during the next decade, the most famous being Friendster.com, Facebook, MySpace, Twitter, and YouTube (Guna, 2009).

Businesses quickly realized that social networking sites held potential for marketing new products and creating a buzz about companies and their products. Managers could post about an event, and hundreds of thousands of people could receive the post within minutes. Also, companies figured that they could keep in touch with customers through networking sites, and social media marketing was born. (Guna, 2009)

**DEFINITION OF A SOCIAL NETWORK**

Platon & Orzan (2012) offer the definition of a social network as an application that is created and sustained through “means of human interaction”. This interaction is often shaped through groups formed around similar cultural/geographical regions, similar interests, or other common needs or personal traits. Furthermore, social networks are typically focused on aspects of work and personal life and may appeal to specific age groups rather than multiple generations. (Platon & Orzan, 2012) Because social networks are formed around fairly homogeneous groups, marketers realized they could tap into specific groups of customers simply by utilizing specific social networks, or through engaging specific groups in larger, less homogeneous networks. In 2012, 1.2 billion individuals were a part of a social network, and studies indicated that 20% of all time online was spent on a social network, up to an average of 5 hours every day (Platon & Orzan, 2012). Marketers, realizing the opportunity to reach this large, attentive audience, have been drawn to social networks as a channel to present their products and companies.

**ISSUES WITH SOCIAL MEDIA MARKETING**

However, SMM did not live up to numerous companies’ original expectations. Many thought that a Facebook page or Twitter profile would create awareness for a brand or product, replace expensive and time-consuming advertising, and automatically expose new audiences to a brand or product (Hames, 2009; Carol, 2013). Many companies believed the hype, and jumped haphazardly into Social Media Marketing—only to find that SMM is not a one-stop-marketing-solution (Platon & Orzan, 2012). Let us consider the downsides and potential pitfalls of Social Media Marketing.

First, SMM tools do not magnetically draw people to the company’s profile (Hames, 2009). The company or product must be known by and be popular with customers before someone will look for the page and connect with the brand or product. Because of this, SMM does not work well at creating awareness about a company or product. Secondly, SMM tools cannot work alone (Hames, 2009). The tools need something to point customers to the brand/product and to the profile. A blog, website, business
card, email signature, or advertisement can point customers to a SMM profile, but only if potential customers see the “pointer”. Thirdly, if not carefully planned, the profile can display images or give impressions that may turn customers away from using the services or products of the company, or even cause a lawsuit to be brought against the company (Afshar, 2014; McCrea, 2009). Forth, the security and privacy of those who the company posts, tweets, or otherwise talks about or shows pictures of on the company’s profile may be at risk (Clark & Melancon, 2013). Customer privacy may be compromised through SMM campaigns that use consumer data available on the consumers’ social profile, and malicious outsiders may go onto the social media website and use this information for unethical or criminal activities (Carol, 2013; Clark & Melancon, 2013). Companies should take care to avoid posting information that may jeopardize customers’ security. In the same way, companies should monitor the discussions happening on their wall or in their “comments” areas: discussions that detract from the brand’s image should not be allowed to turn away potential customers from the company or product. Fifth, social network users see the network as a personal space in which they are in control over their content and interactions; marketers must take care to not overstep the personal space boundaries or risk alienating customers or being labeled as “spam” (Platon & Orzan, 2012). Overt advertising is often similarly labeled as “spam”.

Platon & Orzan (2012) point out that it is an exaggeration to expect much from a SMM campaign that was not sufficiently planned or executed: no amount of SMM can make “a poor advertisement to be successful [or] guarantee the sale of unsuitable products”.

**BENEFITS OF SOCIAL MEDIA MARKETING**

As social media marketing cannot be used to overtly advertise products and services, and may even jeopardize customers and customer relationships, why are companies still pursuing SMM? Research shows that in 2014 over 90% of marketers use SMM, 70% of marketers expect increases in social media spending, SMM advertising will reach $4.6 billion, and socially-active small and medium-sized businesses will monetarily sustain or expand their social advertising efforts (Clark & Melancon, 2013; Oney, 2014; Sass, 2013).

The first answer is that SMM builds relationships (Filisko, 2011; Clark & Mashburn, 2013; Gupta, Tyagi & Sharma, 2013; Schlinke & Crain, 2013). This is one reason that joining in on conversations is so important to the success of a SMM strategy. Personal relationships developed will build a better, more loyal fan base for a company or product than will an impersonal marketing campaign, as well as help the company understand its customers and create more useful products for customers to purchase (Clark & Melancon, 2013; Mohammadian & Mohammadreza, 2012). This is vital in today’s relationship-based society. Companies may also be able to shift these relationships over to other products or brands of the company. For example, if a customer becomes a fan of a brand of nail polish, the company might be able to get this customer to try its shampoo offerings as well. However, as cited above, businesses must be careful not to overtly market to their SMM contacts, or customers will write off the SMM campaign as just another advertisement, with a company that only cares about its products, not its customers (Bloom & Novelli, 1981; Clark & Melancon, 2013; George, 2010).

The second answer is that SMM, when used carefully, can result in positive word of mouth (WOM) marketing, which is also vital in today’s world rocked with conflicting and confusing advertising campaigns (Clark & Melancon, 2013; Meiners, Schwarting, & Seeberger, 2010). Nearly 85% of Millennials (those born between 1980 and 1995) state that WOM is the “primary influencer of their purchasing decisions”; other generations are also heavily impacted by WOM marketing (Clark & Melancon, 2013; Garst, 2013). Social media has been demonstrated to make customers WOM marketing advocates, thus advancing the company and the product. One study, for example, showed that customers acquired through a SMM WOM campaign raised a store’s profits by 29%, while those exposed to traditional advertising only raised revenue by 5%. (Meiners et al., 2010) WOM customers are also more likely to purchase from a company again; in one case, there was a 41% higher repurchase rate among WOM-acquired customers vs. regular customers (Meiners et al., 2010). However, WOM can also work
negatively: some 21% of customers have utilized social networks to spread negative WOM about a company or brand and dissuade potential customers (Clark & Melancon, 2013).

**USING SMM MORE EFFECTIVELY**

There are several tactics marketers and businesses can implement to use SMM more effectively. These tactics focus on bringing value to customers as well as businesses, as a one-sided relationship, with only the company benefiting, is rarely effective in creating positive relationships or positive WOM (Clark & Melancon, 2013). First, businesses can post promotion codes or coupons on their social networks or offer loyalty programs where customers earn points or other benefits (Clark & Melancon, 2013; Hames, 2009). These promotion codes or coupons will drive customers into the company’s store, or onto the company’s website. An example of this is Hobby Lobby, which posts a coupon on its Facebook page each week (Hobby Lobby, 2014). The coupon is valid in-store or online, and ranges from specific (30% off of Wilton products) to quite general (40% off any regular-priced item). Second, social networks are a good place to poll customers about their likes and dislikes (Hames, 2009; Phillips, McFadden & Sullins, 2010; Platon & Orzan, 2012). Why do you like this product, and what does it mean to you? This can give companies new marketing ideas and an understanding of who their customers really are and what new products would excite them. Third, in the same way, businesses can use SMM to create and encourage brand pride (Lipsman, Mud, Rich & Bruich, 2012; Davis, 2010; Khang, Ki, & Ye, 2012). If customers like a brand or product, it is advantageous for a company to attract them to the company’s social network account, and help them to express their pride in the brand or product. This will also help to build a community of those who love similar products or experiences, which will further cultivate customers’ pride in the business’s brand and products as well as utilizing one of the main reasons people use social networks (Platon & Orzan, 2012). For example, Harley Davidson released a campaign asking fans to upload pictures of themselves on their Harleys to the company’s website. These images were then used in a tile mosaic on the front of the 2010 Harley catalog. Not only did the campaign show customers’ loyalty to and pride in the Harley Davidson brand, but it brought customers together socially and increased buyers in Harley Davidson dealerships who came to buy the catalog with their faces on the front cover. (Davis, 2010)

Fourth, YouTube video contests are another popular way of allowing customers to show pride in a company’s products. However, companies may want to use this tactic with care, as, without careful planning, the campaign can get out of control with too many entries for the company to handle effectively, and/or negative feedback from those who dislike the brand or product outshining those who want to give the product or brand a positive promotion (Armstrong & Kotler, 2010). A good example of this was Chevrolet’s customer-generated advertising competition for its Tahoe SUV. Many of the videos posted complained about SUV’s high operating costs and harmful effects on the environment, generating negative promotion instead of the pride and positive promotion the company desired (Armstrong & Kotler, 2010).

Fifth, to further aid in building relationships and creating a sense of community, a company can join communities that are in their “niche” of business (George, 2010; Trusov, Bucklin & Pauwels, 2009). For example, a company that sells pet grooming supplies can join online communities about pets. These micro-communities will get the company’s message out to a new audience, and may positively affect the company’s image or sales as it makes new contacts in these communities.

An important aspect of a SMM campaign is that companies should stick with their brand philosophy. A company’s image has sustained the company thus far; it should not be abandoned when the company goes online (George, 2010). Sticking with the brand philosophy and basic ideology of the company will help businesses not to over-promise/under-deliver, avoid creating an image that is not the company, and avert turning away potential clients who might have bought from the company had it let its original image guide its marketing efforts.

Most importantly, businesses should remember that the goal of an SMM campaign is to make quality relationships (Clark & Melancon, 2013). Just because a company has 300 “friends” or “followers” doesn’t
mean that it has a strong SMM campaign (Afshar, 2014). Rather, what is the quality of the relationships between the company and those friends, and how can those relationships be strengthened? (Rucker, 2011)

AN EXAMPLE OF SUCCESSFUL SOCIAL MEDIA MARKETING

Now let us look at a company that has used SMM successfully: Starbucks, the coffee shop that reported 2013 revenue at $14.9 billion (Bloomberg Businessweek, 2014).

Starbucks has one paramount goal in its campaigns across its social networks: engaging customers (Colvin, 2013). This includes listening to conversations (for example, posting an image on Facebook and then listening to the replies posted by fans), sparking community among fans through posting conversation starters both with the company and with other fans, creating a warm and friendly persona for the brand (mostly through images, background stories, and feel-good-about-us (or yourself) sayings), and initiating customer relationships by offering rallying points for fans to converge around (Allison, 2013; Colvin, 2013; Moth, 2013; Roman, 2013). The company typically refrains from overt marketing, or even promoting itself or its products, although special deals and announcements are sometimes posted (Moth, 2013; Roman, 2013).

On Twitter, the company intentionally engages with customers, answering their questions, retweeting what customers tweet, and listening to what customers have to say about the brand. This creates “an open communication channel to speak with the public” (Moth, 2013; Noff, 2010). The company’s Facebook page hosts videos, photos, and blog posts from the company, as well as invitations to special Starbucks events. However, to keep communication two-way, the company has a specific place for friends to open discussions and comment on the content of the company’s Facebook profile. Starbucks encourages reposting, which further spreads the company’s SMM to non-fans. (Moth, 2013; Roman, 2013) The Starbucks YouTube channel is also quite popular: several videos have well over 1 million views (Starbucks Coffee, 2014). The company uploads its commercials, as well as videos explaining the origins of some of its different coffee blends, its history, and its charity work. Furthermore, Starbucks allows viewers to take the videos and embed them anywhere the viewers want on the web. Even though this puts the company at risk of finding their videos in places they would not like to be associated with, so far Starbucks has not found this to be a problem, and has reaped the benefits of allowing people to repost Starbucks videos (Noff, 2010).

Lastly, Starbucks oversees a joint campaign between My Starbucks Idea and Ideas in Action. At My Starbucks Idea, which is a social network created by Starbucks, customers are asked to share ideas on anything related to Starbucks and the Starbucks brand. This enables users to feel that they are a part of the decision-making process. Starbucks reviews the ideas posted on My Starbucks Idea. If an idea is implemented, a Starbucks employee can publish a blog post about how the idea was used on one of the company’s blogs, Ideas in Action. This allows customers to see that their ideas are being used within the company, and that they and their ideas are important to the company as a whole. (Noff, 2010) Accepted ideas have included splash sticks, simplified mobile transactions, skinny beverages, and cake pops (Starbucks, 2013).

CONCLUSION

Effective use of SMM is seen as a potential game changer (Gupta et al., 2013). As SMM continues to grow it will play a large role in how clients are informed (Buzzetto-More, 2013). Because of this, it is becoming increasingly important to conduct timely and continued research on SMM. The primary aim of the research was to highlight the fact that SMM, if used carefully, can be an extremely useful tool for the organization. It is our hope that the views presented above will further encourage additional research on the impact of SMM on contemporary business practices.

Future research in measuring the success of SMM should focus on its impact on a company’s brand image, and what types of companies have the most success using SMM tools. For example, exactly how much more brand pride is a company experiencing after starting an SMM campaign? How greatly is the
image of the brand changed in the minds of consumers after the integration of SMM into a marketing campaign? Do small, medium, or large-sized companies have the most success using SMM? Do old-style companies have more or less success with SMM than new, hip businesses? How about regional differences between companies and their SMM campaigns? Answers to questions like these will help companies decide how much to spend on SMM strategies, and give them a better idea of whether a SMM strategy would be helpful to their business.

Thus, despite downsides to social media marketing, there are upsides as well. Many companies have implemented this strategy into their marketing mix with very favorable results. Brand pride is strengthened, customers are engaged, and relationships are built between a company and its customers. Most importantly for the health of the company, customers relationships are translated to positive WOM and higher sales result. By using the right tactics—and understanding its strengths and limitations—companies can use SMM to market themselves in an increasingly high-tech world to an increasingly high-tech audience. Sometimes, meeting customers where they are (in this case, on the internet) may be half the battle in creating a relationship with a company, multiplying purchases, and increasing brand loyalty. Social media marketing can assist companies in this, and in helping customers show their pride in a company. It is true that social networks, when used with care, can be a valuable, and even necessary, marketing tool for an organization.

REFERENCES


