Your **marketing** solution

Social Media

Building your online community

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Social Media: A Point of View

Introduction – Environmental Analysis

6.5 million UK users are recorded on facebook each month

There is concern to suggest that advertising via social media is ineffective as seen with Vodafone, Direct Line and the AA who have removed campaigns from Facebook, as they felt their brands were being tainted by negative associations of the Internet. For instance, the nature of social networking presents the possibility that an advert may be situated amongst controversial content; a blog related to strong political points of view. Plus, social networking sites and the Internet have generated intrusive connotations; enhanced by the fear some users may pretend to be someone they're not (Strategic Direction 2008).

However, Social Media strategies provide environments that can be tailored and maintained to specific requirements, limiting the risk of companies' marketing efforts being tarnished.
The use of Social Media allows companies to specifically target respective groups of customers/potential customers and enhance the value and experience of the brand/product/service for the customer. The means of this targeting method is completely controllable and free from unwanted clutter, thus separating any possible negative associations with the brand's online activity.
The versatility of social media and its ability to generate new environments for customers to interact and engage with, allows the brand to resonate with the customer on a new, more sophisticated level.

Relevance is the key to successful advertising and **tailored** marketing campaigns are the most effective form of advertising on the Internet, as seen with Coca Cola and Proctor and Gamble. These two companies participated in a 3-month trial relating to targeted click through advertisements. The effort taken to tailor marketing messages to their audiences saw a 300% increase in the click through rates from advertisement to point of sale, i.e. website (Strategic Direction 2008).

The modern world of business is fast paced. A company that can predict change, or react to it quickly, will be a successful one.

Social Media is paving the way as a revolutionary tool that organisations, big and small, can adopt easily whether it's enhancing brand exposure or promoting sales to the world.

Social Mediums, such as Facebook, are phenomenally popular, boasting populations that exceed millions. 6.5 million UK users are recorded on Facebook each month and over 33% of the UK are members of Facebook (netnatives.co.uk, 2010).

This has increased the accessibility for organisations to reach their target audience, potentially making it easier than ever to convey their marketing messages.

Internet Search Engines have been big business, however, Frontier have observed the overall rate of return on investment (ROI), in search engines Google, Bing and Yahoo, has declined 10% during the past three quarters of 2010 (Figure 1). They have related the decline of ROI to the fact; pay per click advertising on these search engines is reaching a plateau of maturity.

As a result, Frontier expects significant test budgets, particularly for Facebook, to emerge in the final quarter of 2010 across their client base (Frontier 2010a).

Facebook has evoked a dramatic increase in Internet Advertisers in the last quarter of 2010, who are looking to capitalise on the large population Facebook has to offer (Frontier 2010a). Evidence, there is a *wealth* of interest in Social Media.
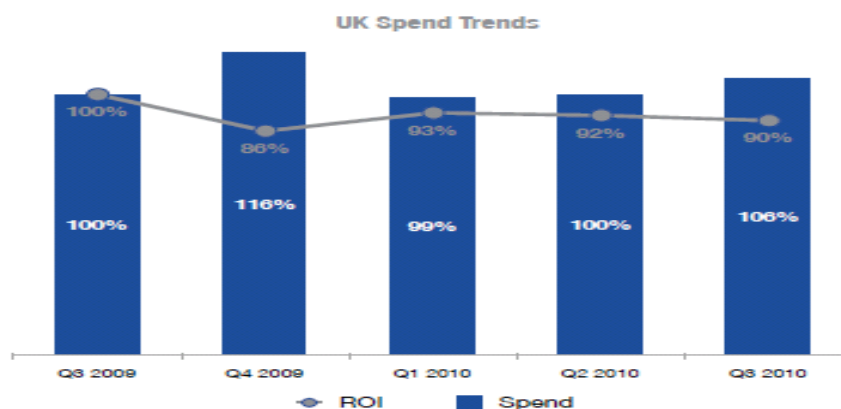

Figure 1.) Graph highlighting the decline in ROI in relation to UK spending trends via online search engines.

Impact of the Mobile Internet

Google recently purchased a mobile advertising company, Admob, in 2009 for $750 million and Apple purchased Quattro Wireless in January 2010 for $275million, followed by a further acquisition of Siri, the mobile 'personal assistant' in April 2010 (Frontier 2010b).

Estimates suggest in 2014 the amount of people browsing the Internet via mobile phones (smart phones and Android phones) will reach 1.83 billion, surpassing PC browsing that will languish at 1.78billion.

This is definite evidence that there is a strong interest in many advertising companies to invest in applications for mobile phones, which EDGE should look into to benefit themselves and to provide for clients.

This research emphasises how important Social Media is, and can be, to a company. There is significant interest in Social Media and how mobile browsing is becoming ever more dominant with market leaders looking to invest heavily in these areas. The technological advancements in mobile phones and the usability of applications allow companies to adopt Social Media and expose themselves, and what they have to offer, more than ever before.

See more about mobile applications and how they can Build Your Brand - http://bit.ly/nGvxwI

<u>Know your Audience & Ensure they Know You</u>

Segmentation is essential in understanding how to market a brand online. Strategically separating the many segments provides an improved understanding of your target audience, more efficient resource allocation, better-tailored marketing programmes and enhanced competitiveness in the market place (Albert, 2003; Beane & Ennis, 1987; Freytag & Clarke, 2001).

Social media and other digital marketing platforms, such as mobile applications, generate great insights into customer segments. This data is critical in the analysis of a target audience and ultimately in understanding how to market to them.

Market Segmentation can be separated into three primary categories:
• **Demographics** (Age, geography, income, family lifecycle etc)
• **Psychographics** (lifestyle and lifestage, opinions and interests)
• **Socio-Cultural** (Social Class – A, B, C1, C2, D, E)

These segments are then combined with an appropriate marketing mix to effectively target and position a brand or product, as the image below illustrates. In the case of social media, the marketing mix can be reconstructed to relate to the differing features for building a community.
For example,

- **Place** – where information is positioned online

- **Product** – where discussions are created

- **Promotion** – tailor promotions for online interaction and sharing

- **Price** – Referring/directing potential sales to the sales team

There is an extended version of the marketing mix (7Ps), which involves some crucial elements of an effective social media campaign. These should also be considered for your social media campaign.

- **Physical Layout** – Design provides great creative advantages for attracting and informing audiences
- **Provision of Customer Service –** Relationship marketing is an ever-growing marketing fundamental for organisations. Social media's very nature offers a fantastic new channel for customer service. Talk Talk for instance have a dedicated twitter account for customer enquiries (https://twitter.com/#!/TalkTalkCare)
- **Processes –** As this revolutionary form of communication is embedded into your marketing strategy, new processes will inevitably need to be formed. (i.e. processes regarding the handling of customer complaints, purchase orders, identifying needs of target audiences.)

There can be a range of issues in implementing segmentation. Two problems that were raised by Sausen, Tomczak and Herrmann (2005), in a longitudinal case study on the mobile phone industry, were:

1. Poor fit between market segmentation theory and 'real world' application.
2. Weak connections between operational segmentation and strategic marketing.

1) In any industry, it's imperative to identify a profitable segment of your target audience and realistically create intelligent marketing strategies for effective positioning in the market place.
2) Ensure that proposed marketing tactics remain consistent with your companies overall marketing strategy as clarity in your communication efforts can be jeopardised, thus resulting in the receipt of unfavourable perceptions amongst your customers.

When looking to launch a social media campaign there must be identifiable Primary Objectives (the strategy) look at the overall strategic outcomes and consideration must be applied to how they'll affect other brand messages (i.e. printed marketing literature).
Support Objectives (the tactics) are established to help achieve Primary Objectives. A creative social media campaign that resonates with your target audience can be a highly effective means of communicating marketing messages. Maintaining relevance & consistency with the overall brand is an essential to success.

Take Comparethemarket.com, for instance, who wanted to **increase market share** and **raise brand awareness** of their insurance company. When they launched the comparethemeerkat campaign, they crafted a community of meerkat cartoons and used them as the basis of their advertising. These resonated strongly with the target audience primarily due to its **brand relevance**, as it was a humorous play on the words of the company name.
Datadial.net reported site traffic for the company rose 80% and successful quotes increased by 20%.

Here is an example of a proposal for a short term (approx 3-6month) social media campaign:

Primary Objectives:

- To establish a digital media presence, update and maintain compelling online blogs and social media profiles to enhance SEO and drive traffic to a specific website.

- To increase brand awareness and trust with readers, engage with them and showcase knowledge and expertise, aiding in creating business links and opportunities.

Support Objectives:

- Continue to build followers and a community of valuable members via Social Media platforms

- Enhance customer relations by providing informative and entertaining updates that will showcase personality and expertise, giving your audience a reason to follow and share information with their friends and contacts.

- To plan blog content and social media updates on a monthly basis to ensure entertaining, informative and commercially worthwhile content is produced.

- To maximise blogs and social media platforms for publicity purposes, showcasing relevant marketing/PR material

- Where appropriate promote blog posts and relevant information via Facebook, Twitter and social bookmarks

Take a look around our world of sharper thinking, drop us an email, give us a call, post on our facebook or tweet us – we love a good chat.

http://edgecreativesolutions.com/contact.html

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