Social Media Marketing

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Author: Megan Lilly
            December 2010 B.A. Candidate
            Major: Public Communication
            with a minor in Graphic Design

Advisor: Professor Richard Stack
            School of Communication

Table of Contents

Overview

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Social media is a largely unexplored area of marketing. Social media is typically summarized by its most popular platforms, Facebook and Twitter, but the marketing method encompasses various online platforms and tactics. Social media marketing would not be possible without the advent of the internet. Shopping, paying bills, socializing, reading, and even watching television shows can all be done online with the click of a mouse. All these services are looking to the internet and Web 2.0 capabilities to meet their marketing needs through methods that transcend traditional print and multimedia marketing. The online marketing industry is capitalizing on the shift to online networking to sustain these marketing efforts. Online networking via social media has revolutionized the speed of communication. Traditional marketing strategies would require significantly more time to create and distribute information compared to social media marketing. Due to the decrease in efficiency of outbound marketing, including direct mail, newspapers, TV and radio, business owners and industry leaders are switching to non-traditional inbound or internet marketing.

Social media plays a huge role in internet marketing communication. Social media includes a large number of tools used for online communication, such as instant messaging, texting, discussion boards, social bookmarking, wikis, blogs and social network services. Social networking has always been a part of human lives. Humans are constantly looking to form friendships and networks with those who share common beliefs, cultural backgrounds, or common experiences. In the context of this paper social media shall be defined as primarily Internet- and mobile-based tools for sharing and discussing information among human beings. The term most often refers to activities that integrate technology, telecommunications, and social interaction, as well as the construction of words, pictures, videos and audio. These social media platforms not only further traditional social networks, as discussed above, but they provide a very powerful forum for marketing.

Web 2.0

To properly understand the various factors that influence the success of social media, one must understand the larger Web 2.0 environment that encompasses social media. Web 2.0 refers to the way that individuals use intranets or internets for personal and business purposes to create, collaborate, and exchange information. This method of internet usage is mirrored in both personal practice and digital business models. This online business networking lends itself to dialogue between users and marketers.

"The term, "Web 2.0," was coined by O'Reilly Media's Dale Dougherty in 2003 to describe the forces behind the continued success of Internet companies like Google, eBay, Amazon, and iTunes, as well as "noncommercial, emergent Web platforms such as Wikipedia, Craigslist, and BitTorrent, that succeeded despite the dot-com bubble-burst." O'Reilly coined eight characteristics of Web 2.0 that help to contextualize the role of marketing and its positioning among other Web 2.0 elements.

1. **The Web as a Platform**: The Web has become a dominant platform for content, media, communication, and software. Software is quickly moving to the Web because of convenience and overall value.

2. **Harnessing Collective Intelligence**: Web 2.0 encourages collaboration and makes idea sharing much easier than stand-alone software. For marketing, this has the power to increase the value of a good or service because the rate of buying, information sharing, and feedback is increased.

3. **Data Is the Next "Intel Inside":** Goods and services being sold are important, but equally or more important is the data from users such as ratings and feedback that add value to a good or service. The data collected and connected to these products and services is another important feature that supports social media marketing effectiveness.

4. **The Coming Demise of the Software-Release Cycle**: Web 2.0 makes the need for software releases obsolete. Upgrades are constantly available online, so users can update applications with smaller changes more frequently with less disruption.

5. **Lightweight Programming Models**: Dynamic programming languages and simpler services are reducing interoperability, alleviating complex programming issues, and increasing connectivity.

6. **Software Above the Level of a Single Device:** Software is not only made for PCs. PDAs, smart phones, iPads, and other new technologies are driving software away from just PCs and pushing functionality and content into new platforms.

7. **Rich User Experiences:** The function of the Web is not static anymore. Browsers are providing a full interactive experience with XML Web services on the back end to access data and services.

8. **Innovation in Assembly:** The Web draws on numerous, small and reusable pieces of data and services. These pieces of data and services can combine in infinite numbers of ways to meet user needs and expand systems and information.

In summary, Web 2.0 is transforming business productivity in a variety of ways. Primarily, Web 2.0 provides the opportunity for online growth of client base and revenue. Specific to marketing, it moves the client relationship model from primarily one way communication to two way communication where the client also can interact with the brand.
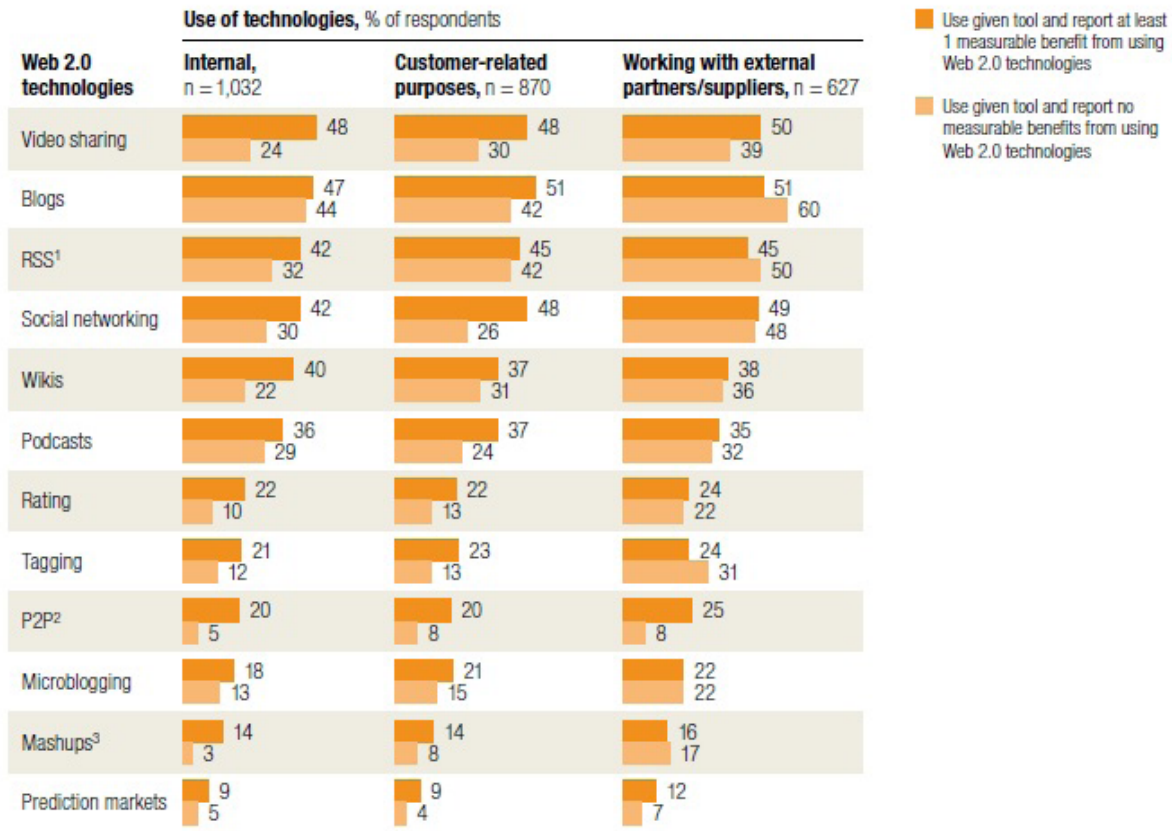
The remaining text of the paper will look specifically at how social media platforms are playing a role in this online marketing, as well as their successes and shortcomings, thus far. It is important to remember that social media marketing is fairly new, so there is enormous room for growth.

The common thread between the abovementioned Web 2.0 business competencies is collaboration and interactivity. These advantages allow individuals to collaborate more easily with one another and share information quickly and efficiently. In terms of marketing, Web 2.0 allows for a freer online dialogue between companies and clients.

Who's Using What?

A mix of technologies 2009

Use of technologies, % of respondents

Web 2.0 technologies	Internal, n = 1,032		Customer-related purposes, n = 870		Working with external partners/suppliers, n = 627	
Video sharing	48	24	48	30	50	39
Blogs	47	44	51	42	51	60
RSS[1]	42	32	45	42	45	50
Social networking	42	30	48	26	49	48
Wikis	40	22	37	31	38	36
Podcasts	36	29	37	24	35	32
Rating	22	10	22	13	24	22
Tagging	21	12	23	13	24	31
P2P[2]	20	5	20	8	25	8
Microblogging	18	13	21	15	22	22
Mashups[3]	14	3	14	8	16	17
Prediction markets	9	5	9	4	12	7

■ Use given tool and report at least 1 measurable benefit from using Web 2.0 technologies

■ Use given tool and report no measurable benefits from using Web 2.0 technologies

[1] Really simple syndication.
[2] Peer to peer.
[3] A mash-up is a web application that combines multiple sources of data into a single tool.

"How companies are benefiting from Web 2.0." McKinsey & Company. N.p., n.d. Web. 31 Oct. 2010. <socialcommercetoday.com/>.

> " Early in 2009 McKinsey surveyed 1,700 executives from around the world to determine the value they have realized from their Web 2.0 deployments. The study stated that the heaviest users of Web 2.0 applications are also enjoying benefits such as increased knowledge sharing and more effective marketing. These benefits often have a measurable effect on the business. "

http://onemarketmedia.com/blog/2009/09/video-sharing-tops-mckinsey-survey-as-most-useful-web-2-0-business-tactic/

Problem Formulation

Although social media is a frequently used term in many business circles, there is much exploration that can be done to examine how social media affects business performance. There is debate over the applicability of social media. Sheer numbers indicate that there is an enormous base of clients that can be tapped through social media. Currently, there are more than 500 million active Facebook users. As of June 2010, Twitter attracted 190 million visitors each month.

Not only has the number of individuals using social media increased, but the time spent by individuals using social media has increased also. Worldwide over the past year, the average time spent on social networking sites grew from 3 hours per month to 5.5 hours. The United States has the highest amount of time per person spent on social networking sites with 6.09 hours per month per person. Likewise, a recent Nielsen study concluded that overall, social media sites such as Facebook are now the most common homepages for users, and that people spend the majority of their internet time using social networks or blogs.

It is evident that businesses realize the impact of social media and how popular it is with individual users, as illustrated in the above statistics, but businesses are challenged to harness this popularity and translate it into business productivity. There are few businesses now that successfully harness social media to improve sales performance. Specifically, Google uses a rumor/hype strategy to market new services, specifically those not released yet. Invitations are released in limited numbers to select individuals. In this way, Google markets their services online as something that is exclusive and in demand. The buzz created by Google through their limited release of invitations creates a viral conversation and demand directly sustained by social media marketing.

According to a March 2009 survey and report by Social Media Examiner, 88% of respondents used social media for marketing purposes, but 72% of marketers have either just started using social media or have only been using it for a few months. The majority of people using social media marketing (92.8%) were aged 30 to 39 years. A significant 64% of marketers are using social media for 5 hours or more each week and 39% for 10 or more hours weekly. These statistics indicate both a large percentage of individuals using social media for marketing and a large time commitment to its implementation. By examining various, social media websites such as Facebook, Twitter, and YouTube and their individual strengths and weaknesses, one can better draw conclusions about the actual business impact of social media marketing.

66

Percentage of respondents indicating that they plan on investing in social media marketing in 2010.

Social Media Marketing: Pros & Cons

PR firm Burson-Marsteller studied the 100 largest companies in the Fortune 500 list and found that 79% of them use Twitter, Facebook, YouTube or corporate blogs to communicate with customers and other stakeholders. Still, social media marketing is not appropriate for all types of businesses. It is important to weigh the pros and cons of social media marketing to determine if it is most effective for marketing a company's goods and services. PS Print published a comprehensive list of pros and cons related to the effectiveness of social media marketing. The following points are included on their list:

Pro:

1. One can reach customers that traditional marketing misses. These customers include a young, mobile demographic without a permanent address, as well as those who receive the majority of their information online and shop online. Social media marketing lends itself to a greater pass along rate than traditional marketing. For example, links to online content is often distributed through email and social media bookmarking sites, so new leads are generated quickly.

2. One can learn how to improve products and services. Social media marketing allows a dialogue with clients, which is helpful for gathering feedback for future improvements of products and services.

3. You can learn more about target audiences by analyzing their comments and studying analytics. This information helps companies to plan more targeted marketing campaigns in the future.
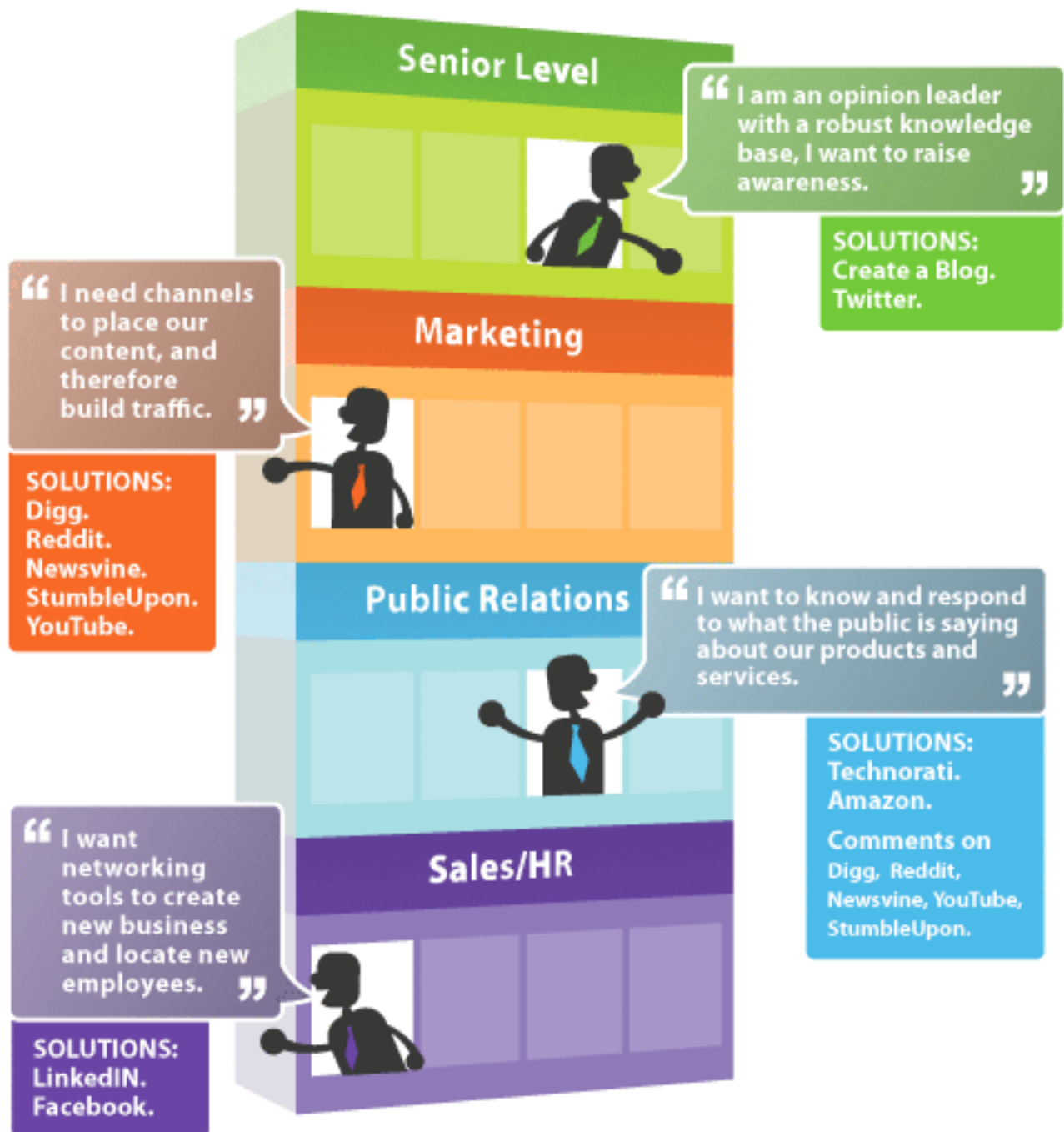
Con:

1. Social media marketing consumes a large percentage of time. Content must be created, edited, approved, and published. Replies also must be posted to user comments in a timely manner. As opposed to print or broadcast marketing where ads are created and distributed only a few times, social media marketing demands constant updates.

2. There is less control over messages. Information can be commented on and passed along very easily, and users have the ability to provide direct feedback. Also, with multiple people posting content for a company, there can be less consistency in brand tone and company messaging.

Building a Company with Social Media

Senior Level

" I am an opinion leader with a robust knowledge base, I want to raise awareness. "

SOLUTIONS: Create a Blog. Twitter.

" I need channels to place our content, and therefore build traffic. "

Marketing

SOLUTIONS: Digg. Reddit. Newsvine. StumbleUpon. YouTube.

Public Relations

" I want to know and respond to what the public is saying about our products and services. "

SOLUTIONS: Technorati. Amazon.

Comments on Digg, Reddit, Newsvine, YouTube, StumbleUpon.

" I want networking tools to create new business and locate new employees. "

Sales/HR

SOLUTIONS: LinkedIN. Facebook.

How Do You Achieve Success?

The idea that social media marketing is a free form of marketing is a common misconception. Social media marketing takes a great deal of planning like traditional marketing campaigns, and social media marketing is by no means free. Marketing departments still must budget resources, including money for marketing personnel salaries, to execute a successful campaign. Organizational time dedicated to social media marketing takes away from time dedicated to other business functions, so it also requires time budgeting.

In addition to time, monetary and material resources, social media marketing, like traditional marketing, is a strategic process. It is more than interjecting opinions into the digital scene or retweeting Twitter content. Careful consideration must be given to the timely creation of content and the thoughtful production of that content. Included in the thoughtful production of content is the development of a personality and a detailed timeline for disseminating messages. It is also important to conduct an audience analysis to identify the company's target market.

Developing a personality is important for brand management because it allows clients to relate to the company. In a way, it humanizes the company and makes a company memorable. Relationships with clients will be more genuine and clients will feel like they are in a friendship as opposed to a business relationship.

Once a target audience is identified, it is important to consistently interact with friends and followers. Whether you are using Facebook, Twitter, blogs, or other social media platforms, it is important to have consistency in your communication. Consistency is more important than frequency. If you post multiple times one day and then do not post again for days, your company is losing credibility through the lack of consistency. It is also important to be realistic about the potential of your social media campaign. Even though there are millions of online users, it takes time and patience to establish a strong base of followers that positively advance marketing efforts. As opposed to print and broadcast marketing, there is a delayed return on investment with social media marketing.

@jryanzambon looking forward to a great weekend! there is a DD close to your place. maybe bfast rendezvous?
11:30 AM Nov 19th via web

@AUHonors Northeastern :)
11:27 AM Nov 19th via web

@SDTsorority Love doing our annual philanthropy, EAT Late :)
11:23 AM Nov 19th via web

@PappasGroup Looked around website. Love the work! I'm a soon-to-be grad of #AmericanU and going into mktg/design so appreciate the work!
11:17 AM Nov 19th via web

@dunnsarah The end of this week is long, long overdue.
11:13 AM Nov 19th via web

Overview

Above: Sample Tweets

Twitter, blogs, LinkedIn and Facebook were the top four social media tools used by marketers, with Twitter being the overall most popular social marketing website. Two-thirds of the companies on the Fortune 100 list have at least one Twitter account. Twitter is used by 94% of marketers who have been using social media for more than one year. Twitter allows businesses to market their products and ideas by posting messages to followers that are 140 characters or less. In turn, businesses and individuals can connect with other users by following their accounts. Still, the United States only accounts for 25% of the world's overall tweets.

Twitter is considered a type of microblogging. "Microblogging is a form of multimedia blogging that allows users to send brief text updates or micro-media such as photos or audio clips and publish them, either to be viewed by anyone or by a restricted group which can be chosen by the user." Twitter allows marketers to post information several times each day, but there are multiple strategies which help marketers use Twitter most effectively.

1. Connect with **opinion leaders**. Identifying and reposting content from industry opinion leaders is important for your company. By reposting content from influential individuals or companies, your company is essentially establishing a valuable connection or link. These connections both help the original "tweeter" and your company by further promoting the message, increasing publicity for the original tweeter, and establishing increased credibility for your company.

2. Make the **right connections**. It is commonly thought that the most successful businesses have the most followers on Twitter, but it is more important to have the right followers as opposed to the most followers. Businesses should focus on engaging other well respected companies in the industry and potential clients. This further increases credibility, especially when you engage in online conversations with these other organizations. To reach different subgroups, large companies are creating multiple Twitter accounts under the same brand. For example, several corporations use different accounts for news, job postings, and company divisions. In this manner, organizations can better reach individuals who are interested in specific aspects of the company and more targeted corporate news.

3.   Be **conversational** and **credible**. It is important to strike a balance between a conversational and business tone. When engaging in conversation with other organizations, your messages must remain unique and timely even if you use an application such as HootSuite to schedule your posts. Credibility also includes balancing the amount of outgoing tweets, retweets, and replies to other users. 38% of Fortune Global 100 companies are responding to users' tweets, and 32% of companies are retweeting comments from users. There is no set ratio between these three communication methods, but all three must be utilized in order to remain balanced.

4.   **Track performance** and make **adjustments** as necessary. As important as it is to engage the right audiences, it is also important to step back and see if your company's tweets are being passed along or your brand is being mentioned. Services like Trackur are helpful to monitor the specific mentions of brands and terms. For example, you can track different variations of the same search term and sort mentions based on social media outlet. Specifically, mentions can be sorted by social media platforms including Facebook, Twitter, Media (including YouTube and other videos), and news outlets (including blogs and other websites). The specific links and date of mentions also are listed with the option to export search results to Excel for analysis.

5.   **Supplement** other marketing efforts with Twitter. Twitter, categorized as niche marketing, is beneficial to quickly and succinctly reach companies and clients online to further dialogue. But to initiate and sustain dialogue it is important to do it in more than 140 characters.

Also, many of the potential clients and companies you are trying to reach may not have Twitter accounts or actively use them. March 2010 research found that Twitter reaches only about 10% of the internet population. As a sole marketing effort, Twitter is fairly limited.

If all U.S. Internet time were condensed into one hour, how much time would be spent in the most heavily used sectors?

Social Networks/ Blogs
13m 36s

Games
6m 6s

E-mail
5m 00s

Portals
2m 36s

Instant Messaging
2m 24s

Videos/ Movies
2m 18s

Search
2m 6s

Software Info
2m 00s

Multi-category Entertainment
1m 42s

Classifieds/ Auctions
1m 36s
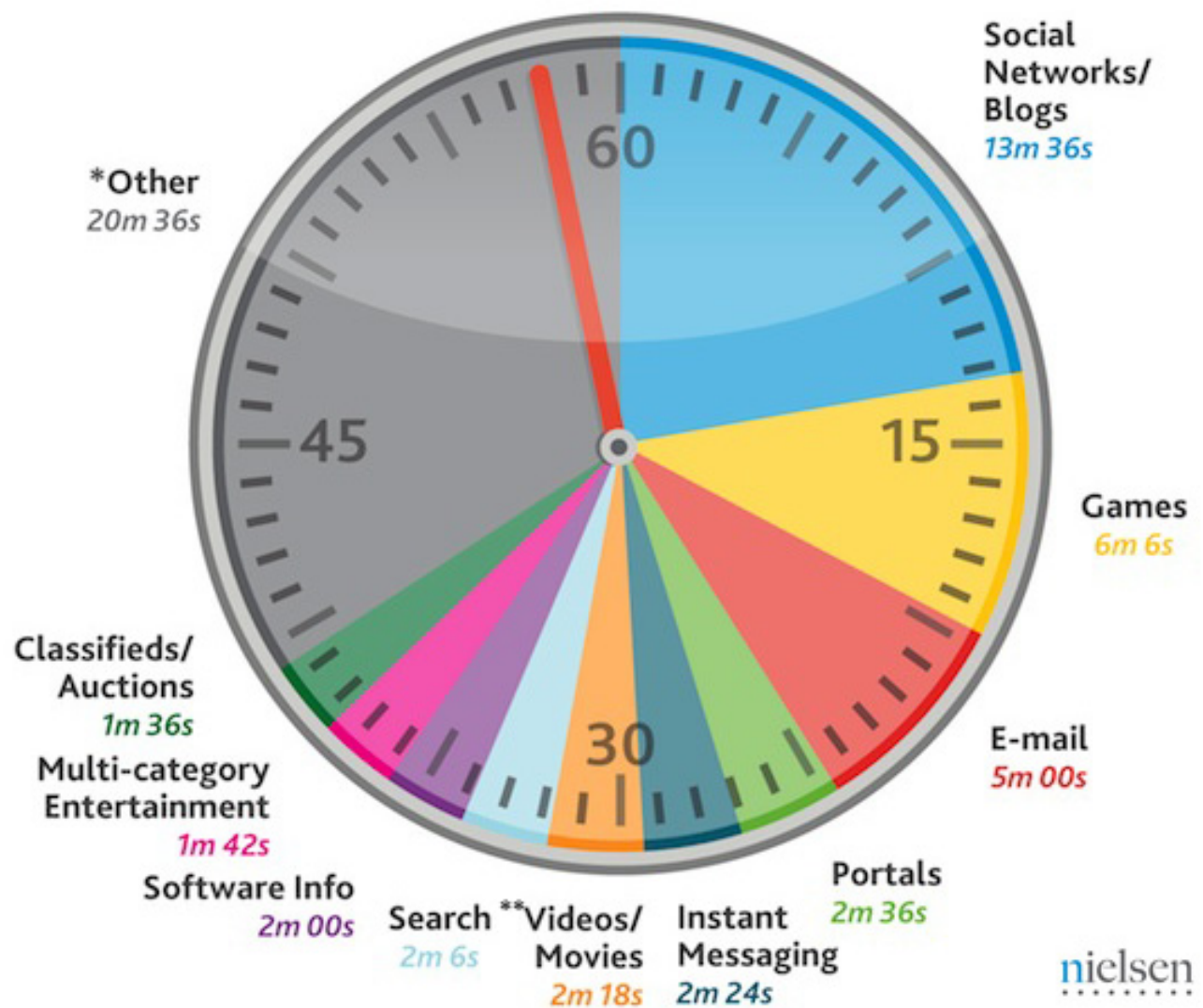
*Other
20m 36s

nielsen

Source: Nielsen NetView. June 2010

*Other refers to 74 remaining online categories visited from PC/laptops

**NetView's Videos/Movies category refers to time spent on video-specific (e.g., YouTube, Bing Videos, Hulu) and movie-related websites (e.g., IMDB, MSN Movies and Netflix) only. It is not a measure of video streaming or inclusive of video streaming on non-video-specific or movie-specific websites (e.g., streamed video on sports or news sites).

10 billion: Number of U.S. online videos streamed as of June 2010

3.25 Average time (in min.) the American consumer streamed online video during June 2010.

Source: Nielson NetView 2010

Twitter Advantages

Though Twitter is limited as a sole marketing effort, it provides advantages that traditional marketing does not offer. Companies can announce specials, deals, or sales more quickly than through print, television, or radio advertisements. News and updates can be announced almost instantaneously to a large audience. Fortune 100 companies in the U.S., Europe, and Asia have an average of at least 1,000 followers for each Twitter account, and almost 48% of U.S. companies are being tweeted about.

Moreover, the company can track how many people their messages potentially reached by monitoring the number of followers and how many times the message was retweeted. Dell has had a lot of success monitoring Twitter performance. Dell has a "command central" that is open 24 hours each day to oversee Twitter conversation with clients. @DellOutlet, which sells refurbished Dell computers through Twitter, made more than $2 million in Twitter sales during its' first two years of operation. Now, @DellOutlet is one of the 50 most followed Twitter accounts, and Twitter is working directly with Dell to solicit feedback regarding ways to improve Twitter service.

Twitter also is useful for providing live updates during special events. Content can be directly passed to one or more individuals using "@username" or can be posted generally so that all followers can see updated content. Because Twitter posts are instantaneous, companies can pass on news essentially as it is happening. This is one clear advantage over traditional marketing where there is a delay between development and outgoing communication.

WHY YOU CAN'T IGNORE TWITTER
Percent of Monthly Twitter Users Using Twitter to...

Learn about products/services — 42%

Provide opinions about products/services — 41%

Ask for opinions about products/services — 31%

Look for discounts/sales — 28%

Purchase products/services — 21%

Seek customer support — 19%

Did you know?
65% of Fortune Global 100 companies have Twitter accounts.

0% 10% 20% 30% 40% 50%

Sources: Edison Research (April 2010), Burson-Marsteller Study (January 2010)

Based on the results of a national survey of 1,753 Americans age 12 and over, administered via landline and mobile phone interviews conducted in February 2010

facebook

Overview

Facebook, like other forms of social media, is moving marketing from a one-to-many approach to a one-to-one marketing approach. More than two-thirds of U.S. companies listed on the Fortune Global 100 have Facebook fan pages. More than one-half of these companies post on their Facebook page at least once per week, and when the entire sample of Fortune Global 100 companies was analyzed, companies had an average of 3.6 posts per week. Moreover, these companies had an average of 40,884 fans per page, which demonstrates a strong desire to engage with companies via Facebook.

According to the Facebook Marketing Solutions page, there are multiple applications and features that help businesses effectively reach target audiences. Features include the ability to write notes to users, post pictures and videos, create discussion boards to promote dialogue and feedback, create groups to allow fans with similar interests to interact, promote events with the ability to RSVP, and import a company blog to further promote messages through Facebook. Facebook also offers Insights, which provides developers with metrics around their content. It shows trends in user growth, demographics, consumption of content, and other measures of user interaction.

Unlike Twitter, Facebook provides a platform for company advertisements on a user's main page and profile page. A study by Mulley Communications found that 71% of users looked at advertisements on their profile pages, while only 31% of users looked at advertisements on the news feed page.

3.5 billion

Number of pieces of content (web links, news stories, blog posts, etc.) shared each week on Facebook.

Source: http://www.vincegolangco.com

Facebook social plugins are also extremely useful for social media marketing. Thirty-five percent of ecommerce online marketers have implemented Facebook's "Like" plugin, while 33% plan to do so in the near future. The "Like" button allows users to support a brand, but there has been much debate about the conversion of "likes" into revenue and increased client loyalty. "Likes" on Facebook are noncommittal in the sense that they do not require much time or monetary commitment from users. Compared to making a purchase or even signing up for a mailing list, liking something on Facebook is much simpler and comes with little risk. For businesses, the number of "likes" on Facebook is often an inflated representation of actual support for a brand. Based on an analysis of a sample of Fortune Global 100 businesses, 51% of the pages had "likes" from fans in the past week and 43% had fan-initiated posts.

Facebook has more than 400 million active users, and 50% of active users log on each day. This offers an exceptional opportunity for companies to reach a broad audience on a daily basis. Like Twitter, many companies have multiple fan pages for different company divisions. These different fan pages allow companies to distribute more specialized information and address client issues with the most pertinent information.

BMW is one example of a corporation successfully using Facebook for social media marketing. As of Nov. 27, 2010, BMW's fan page on Facebook had 3,762,800 people who like the brand. Furthermore, the BMW main fan page is broken down into specific fan pages for individual countries. There have been 17 videos posted by BMW and 445 other videos posted by fans. Other features of the BMW fan page include BMW TV, company information, photos, a forum to post reviews of the company and products, and an area for user discussions of BMW related subjects. Most importantly for marketing efforts, BMW has a welcome page that invites users to invite other friends to "like" the BMW page. This promotes the pass along rate of information and helps company marketing content go viral.

BMW also is recognized for developing more specific social media marketing campaigns for individual car series. To market the BWM 1Series, the corporation developed the "1 Series Graffiti Contest." Users were asked to submit drawings in response to the question ""What drives you?" Over 9,000 drawings were submitted and 500,000 votes were cast. The contest was implemented and managed online, which increased traffic to BMW social media sites and in turn, social media marketing impact for the 1Series.

How to Increase Facbook Marketing Effectiveness

There are many features on Facebook that can help increase the effectiveness of social media marketing. The following is an overview of strategies to increase marketing effectiveness and help to reach a company's target audience:

1. **Invest in Facebook Social Ads:** Facebook social ads are targeted advertisements that reach users based on interests and social networking behavior. The more data that is known about user behavior, the more targeted the social advertisements become.

2. **Develop Contests and Use Voting Applications:** Both contests and voting applications allow users to feel more engaged with marketing content. By encouraging mutual interaction, both the marketer and users are receiving the benefits of the content.

3. **Integrate Facebook Connect**: Facebook connect allows the integration of other websites content onto a user's Facebook pages. For example, if a user buys a pizza from a local pizza store, there may be an option to post to the user's wall that they purchased food from the pizza place. By providing the option to post various purchases to a user's Facebook wall, the company is marketing largely through the efforts of the users.

4. **Add Share Links to Company Website**: Adding links to corporate websites that enable users to post content to Facebook, Twitter, or other social networking sites greatly increases marketing efforts. It is an easy way for users to pass on corporate marketing content with minimal effort.

5. **Consistently Update and Engage:** Regardless of the social media marketing tools that companies provide to users, it is most important that updates are timely, consistent, and relevant. Likewise, companies must be able to be conversational with users and address individual comments in a timely manner. Social media marketing loses credibility quickly when it takes too long to respond or comments sound like they are automatic corporate communication.

HOW MUCH IS A FACEBOOK FAN WORTH?

FACEBOOK FANS IN MILLIONS   AVERAGE NUMBER OF POSTS PER MONTH $ FACEBOOK FAN VALUE

STARBUCKS COFFEE	Coca-Cola	YouTube
$1.20	$0.96	$1.92

Pringles	adidas	Red Bull
$0.03	$2.40	$1.14

http://edelmandigital.com/tag/roi/

Sample Calculation of Value:

1M impressions x 2 posts x 30 days = **60M impressions**

60M impressions / 1000 x $5 CPM = **$300,000**

$300,000 x 12 months = **$3.6M**

$3.6M / 1M fans = *$3.60*

* CPM: Current market price

Overview

Fifty-nine percent of U.S. companies in the Fortune Global 100 list have YouTube channels. Eentertainment/electronics and auto companies are the most likely to have channels. Sixty-eight percent of Fortune Global 100 companies have added videos during November, 2010. As 2010 winds down, videos represent a quarter of the web's traffic, but that could be as high as 90% of traffic in three years. As a website, YouTube received 20 hours of video uploaded every minute. The established and potential growth of YouTube has major implications for business marketing.

While Facebook and Twitter mainly focus on outgoing communication, YouTube's focus is on user generated content, which is content uploaded by various account holders. For business marketing, this is extremely useful to archive advertisements and allow users to respond with their own videos. In 2009, Nike implemented the "Show Your 5" campaign which featured 20 professional clips and many other clips from regular submitters.

"Show Your 5" was the center of Nike's 2009 soccer communications campaign. At the core of the campaign was a national five-on-five urban soccer tournament that saw over 16,000 hopeful players from across Britain take up Nike's challenge to "show yourself to the cameras" and become a star. The campaign generated about 1,000 clips and decreased the gap between outgoing corporate marketing communication and customer feedback.

Because YouTube features user generated content, it alleviates the need for big marketing budgets. It makes the middle man obsolete by

> "YouTube exceeds **2** million video views each day. This is nearly double the prime time audience of all three major U.S. television broadcast stations combined."

> "More videos have been uploaded to YouTube in the past 60 days than all three major U.S. networks created in 60 years."

70%
of Youtube's registered users are from USA and half of Youtube users are under 20 years old.

1,000
Number of years a user would need to watch all videos on Youtube

45,000,000
The number of 'hits' YouTube's front page receives every day.

Sources: http://www.vincegolangco.com
http://econsultancy.com
http://www.telegraph.co.uk

users directly producing and uploading video. Unlike traditional broadcast marketing, there is no need to secure print or broadcast space on YouTube. While some companies allocate large portions of budgets to broadcast media production, YouTube somewhat levels the playing field and creates the potential for both small and large scale videos to go viral, and to do so inexpensively.

Viral marketing "refers to marketing techniques that use pre-existing social networks to produce increases in brand awareness or to achieve other marketing objectives (such as product sales) through self-replicating processes. Viral promotions may take the form of video clips, interactive Flash games, advergames, ebooks, brandable software, images, or even text messages." Organizations are increasingly considering adding camera and editing persons to marketing teams in order to satisfy the growing demand and popularity of YouTube content. YouTube content now spans traditional marketing advertisements, webinars, documentaries, and multiple other forms of communication, so it would make business sense to have the personnel resources to produce this type of content.

Like Facebook and Twitter, YouTube users have the opportunity to post comments on videos and interact with the creator. Videos can be rated and popularity can be measured by comments, the increase or decrease in ratings, or the number of users subscribing to a given YouTube channel. Twitter and Facebook can supplement marketing efforts on YouTube by providing a platform to repost links

Case Study: Toyota

Social media marketing is easier to do when a company is doing well and people want to actively seek out the brand online. It is harder to implement a successful social media campaign when your company is in crisis. One of the most notable corporate crises during 2010 was the Toyota vehicle recalls and legal class actions regarding defective automobiles. By analyzing the ways in which Toyota uses social media to communicate with internal and external stakeholders, one can better understand the practical applications of social media marketing through actual corporate results.

As Toyota developed a crisis communication plan, they included a social media marketing component. They found it important to listen and respond to what the online community was saying about their brands. On February 1, 2010 Toyota created a social media response room, which was always staffed by six to eight people. The role of the response team was to listen to what people were saying about the Toyota brand at all times and address consumer questions in a timely manner. Toyota found it important to remain engaged in online conversation, even though the conversation was extremely unfavorable at times. They wanted to show personality and be more than just a brand to those affected by the automobile recalls. "It answered consumers on its four Facebook pages; it

Toyota Twitter Screen Shot

www.twitter.com/toyota

created a Twitter chat with Jim Lentz, Toyota Motor Sales USA president-chief operating officer; and it created two new platforms including a Digg channel and Tweetmeme channels called "Toyota Conversations" to aggregate online chatter and allow Toyota to respond directly."

Doug Frisbie, Toyota Motor Sales USA's national social media and marketing integration manager, said Toyota has grown its Facebook fan base more than 10% since the late January 2010 recall announcement and stop-sale date. While Toyota has received lots of negative feedback for communicating automobile defects too late via traditional marketing media, the company has embraced the power of social media to proactively communicate with consumers about further updates. Toyota has harnessed the power of brand loyalists by reposting their tweets, blog posts, and videos on other platforms. Toyota also has created YouTube interviews with customers, plant workers, and dealership personnel to tell the Toyota story and promote a consistent brand message.

Toyota sees social media as probably the most important crisis communication tool. Because information can spread so quickly online, it was important for Toyota to get its message out

consistently online, as well. Its social media campaign was successful for a number of reasons. Primarily, Toyota is such a large corporation that individuals will actively seek out the brand online. Toyota already has a large support base, so there is more of an opportunity to spread social media marketing by word of mouth than if a company had to grow a fan base from the bottom up. Similarly, big businesses like Toyota have the budgets and time to dedicate resources to social media marketing. For smaller businesses, social media marketing is cheap to implement, but its effectiveness may be more limited without continuous resources to allocated to maintain steady, sincere dialogue.

      Smaller businesses often benefit from social media marketing by making content relevant and beneficial to consumers. For example, the Washington, D.C. based business, Georgetown Cupcake, uses social media marketing to generate new business. Each day, Georgetown Cupcake posts a flavor of cupcake that customers can mention and receive for free when they come into the store. Georgetown Cupcake gains new Facebook support and store sales by creating these giveaways that directly benefit consumers. Larger, more established businesses like Toyota do not need to give things away to consumers because their brand is strong enough to speak for itself, even during crisis management. Smaller businesses like Georgetown Cupcake greatly benefit from online giveaways because it moves client support from online platforms to in-store sales. It also attracts more users to social media marketing pages because there is a potential mutual benefit from supporting a brand.

Toyota Facebook Screen Shot
www.facebook.com/toyota

Percentage of time Americans spend online on social networking sites and blogs as of June 2010.

22.7%

The percentage increase in time Americans spend online on social networking sites and blogs compared to June 2009.

43%

Source: Nielson NetView 2010

Image: BloggerTone.com

Conclusions

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The recent growth of social media marketing has mostly been among early adopters. Increasingly, more businesses are adopting social media marketing strategies because they feel like they will be left behind or at a disadvantage if they do not. Many of the social media marketing campaigns that are not successful fail because they are not timely and engaging. Moreover, messages must be consistent across all platforms. While it is great that businesses are using multiple social media platforms for marketing, messages must be coordinated so that they are uniform no matter with what company plaform the client is interacting.

The adaptation of social media marketing by businesses is still somewhat of a question mark. Since, the term "Web 2.0" was coined in 2003, we have seen an explosion of business adaptation of social networking, but is this boom due to the desire to keep up with competitors, or is it really advantageous? One can expect to see social media marketing growth somewhat level off, or at least slow down in growth, mainly because it is already so widely adopted among businesses, so there is a smaller market for future growth. Social media marketing will still be useful for "soft leads," that is, the ability of a company to generate "buzz" around their brand, but future research should examine actual business growth figures directly stemming from social media marketing efforts.

For the businesses that are already succeeding with social media marketing, success from marketing efforts does not come easily. It takes a substantial time and monetary investment from companies to dedicate personnel to monitoring and updating social media accounts, and even then, return on investment may be hard to measure. If social media accounts are not consistently updated, users will lose interest, and social media marketing efforts will be ineffective. To better reach target audiences, companies will need to carefully monitor analytics and user interaction with social media marketing content.

       Though this paper only examines Facebook, Twitter, and YouTube there are numerous other social media marketing sites that can be used to meet company objectives. As a business method, social media marketing is a useful supplement to traditional marketing, but it is important for marketers not to place all the emphasis on social media. While online advertising, and more specifically social media advertising, does reach a large demographic, there is still a substantial portion of the population not using social networking sites or not online in general. By creating markerting efforts using just social media, companies are isolating these individuals who are not online or as technologically knowledgable. Therefore, social media marketing cannot be relied on as a replacement for other methods of more traditional marketing, including print and broadcast.

       Overall, social media marketing is useful for improving brand recognition, but that does not always translate into increased sales or client base for a company. Still, social media marketing provides the opportunity for business somewhat to control online conversation. No conversation can ever fully be controlled, but at least social media marketing allows businesses to engage users in a one-on-one basis with two-way communication.

Recommendations

1.   A company should identify specific goals and objectives it wishes to accomplish with social media marketing. It is important for a business to have a clear understanding of what it expects to gain from social media marketing. Moreover, specific goals help to create the most applicable strategy and minimize misdirected time and monetary resources.

2.   Based on social media marketing goals a company should develop a strategy. It should build upon traditional print and broadcast marketing strategies already in place. It should consider which social media platforms work best for the business and who will be responsible for updating and monitoring content. Also, it is important to think about who is important to reach and what the most relevant content to communicate is.

3.   Businesses should develop a set of best practices. Although it may seem obvious, it is important to develop a set of guidelines that outline what types of information are appropriate to communicate. A company should consider if anything is "too conversational" or how to address negative user feedback before it becomes an issue.

4. Businesses must consistently monitor and assess social media marketing efforts. They should look not only at how many fans and followers they have, but also how those fans and followers are interacting with the brand. If content is not engaging, a new strategy of communication must be developed that may be more interesting or relevant.

5. A company must remain transparent and balanced. Users will appreciate being spoken to as an equal instead of having corporate objectives pushed upon them. Informal communication is better on social media, so marketers should not get tied down with corporate jargon or a set of predetermined posts.

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