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Social Media: A Tool Changing the Field of Marketing

Introduction

In recent years, social media has become ubiquitous and important for social networking and content sharing (Asur and Huberman 493). Due to consumers increasing their use of social media, discussions about marketing strategies are incomplete if social media is not included (Parsons 11). As a result, new possibilities have emerged for companies to create and maintain customer relations (Bergström and Bäckman 2). In addition to already established companies, those wishing to start a business will look towards social media as an avenue for marketing their products, this is called social media marketing (SMM).

Marketing is the process of communicating value to customers and “meeting needs profitability” (Keller and Kotler 5). This research paper will show how social media is able to get this done with less effort than previous marketing techniques. The key to success in SMM relies on two factors: collecting an audience; and selling to that audience. Collecting an audience, or branding, relies on the social media account to post informative and engaging content that encourages social media user interaction (Charkas and Eltun 9). However, engaging users while also attempting to promote a product can be difficult (Bergström and Bäckman 2). Social media has been proven to also be a competent sales forecaster (Asur and Huberman 492). Because of

this correlation, businesses have been able to recognize trends in social media and create products that relate to the trend and experience increased sales. That being said, SMM is not seeing its full potential and many businesses will be adding SMM to their marketing strategies in the near future. In this paper, while discussing the new ways social media can be implemented in marketing, I will compare SMM to the traditional forms of advertising and investigate how SMM will change the field of marketing.

Basic Concepts of SMM:

To understand the workings of social media marketing one must become familiar with the basic concepts involved. SMM uses social media to persuade users that one's company, products and services are worthwhile (Neti 3). Facebook, Instagram and Twitter are three social media platforms used the most for SMM. Facebook is often used as a basis platform for most, whereas Twitter and Instagram act as auxiliary platforms for sharing entertaining and informative information. Each of these sites allow for the sharing of pictures, videos or plain text which appear on a user's screen (a feed) when logged on. These platforms allow users to select another user's account to follow, giving the user the ability to see the posts on their feed as soon as that other user shares a post. When these posts appear on the user's feed, the user has the option to share, like or comment on it – each of which are indicators of user engagement. Posts with high user engagement will have large implications on the perceptions on the population of social media. This is important to understand because engagement implies that customers have taken a personal interest in what a business is bringing to the market (Evans 11).

As a Tool for Businesses

Businesses can utilize social media for three things: finding a trend, connecting with an audience and advertising to that audience. Users of similar interests are drawn to each other on social media. Those who are interested in luxury watches, for example, will seek accounts that post content related to watches and follow the account. Popular accounts of a specific genre will have a large list of followers, most of which a social media marketer for the watch business can be confident are interested in the genre. The business that sells luxury watches now has a list of users and is able to selectively advertise to these users by sending them private messages or recruiting them to follow their business's account. Where traditional marketing on the television or newspaper had a small chance of reaching a person who actually had an interest in the product, marketing on social media allows for the accurate selection of potential customers.

Users may also be selected as potential customers if they participate in a social media trend. By examining a trending topic, businesses are able to find out what people are interested in. With a trend identified, a business is able to modify a current product or create a new product to satisfy the demand and then predict the sales of the product by analysing the popularity of the trend and demographics involved (Asur and Huberman 492). Social media has made locating a target audience easier for businesses. Utilizing social media as described allows for cost reduction by decreasing staff time while also allowing the increase of probability of revenue generation (Neti 3).

Collecting an Audience

Collecting an audience, or branding, relies on the social media account to post informative and engaging content that encourages social media user interaction (Charkas and Eltun 9). The ability to reach out to a large number of people is vital in marketing, and social

media, with its ability to spread content across the globe, has made it possible for businesses to expand their audience faster and farther than before. This also makes it easier for new businesses to find success, as gaining recognition is an obstacle early on. As a business gains more followers on their social media page, other users will begin to recognize the apparent legitimacy of the company. Businesses realize these types of customer interpretations are important; the next section will explain how social media can create tailored perceptions that will positively affect the business.

Improving Customer Relations

With social media taking such a crucial part in people's lives and so many people being represented on social media, it provides an ideal platform for companies to connect with their current and potential customers (Bergström and Bäckman 5). Indicators of user engagement, as described earlier, allow the business to make decisions their customers support. Whereas a lack of customer feedback could have led to the business making a blind decision, businesses can now formulate their changes with confidence of good customer reception. This gives the customer a feeling of meaning, and allows the customer to feel a more personal connection with the business and more importantly, it builds customer trust. Those who have a high degree of trust are more likely to purchase a product based on advertising on social media than those with a low degree of trust (Bergström and Bäckman 40). People who have a high degree of trust were more likely to have purchased a product based on advertising on social media than those with a low degree of trust (Bergström and Bäckman 40). Other successful strategies focus on setting a brand apart from its competitors by personalizing communication with customers (Bergström and Bäckman 14). By encouraging their users to use their hashtag, Nike and Starbucks have made their

followers collaborate and co-create material, which make their followers engage to a higher extent than they normally do (Bergström and Bäckman 34).

Negative feedback can allow the company to adapt their content to fit the taste of the users (Bergström and Bäckman 37). However, under social media, negative feedback has become more visual to other customers. If a customer posts about bad service and the post gets popular, potential customers may lose trust in the business and turn towards a competitor. Before social media, a case of bad service at a single McDonald's location would not be able to affect the reputation of the entire franchise as it could today.

Advertising

It is important to understand a post on social media can fall under two categories: a post for user enjoyment or a post for advertisement. Social media accounts posting non-advertisement posts will get higher follower engagement. A successful SMM account will post a combination of non-advertisement and advertisement posts. The key to being effective at utilizing these social media tools is by not appearing to advertise to the consumer, but instead to build a relationship with the consumer and establish a level of trust (Wright, Khanfar, Harrington and Kizer 77). Businesses may create an interactive contest for the followers which asks users to like a post and follow the page if they haven't already to enter a draw. The contest could then offer one of their products for free to the winner. This way the product is able to be showcased while also allowing the post to be highly interactive. The business may then ask for a picture of the winner with the product and post it to the social media account. This method of using ordinary people to express positive opinion about a company or brand is a very well used advertising technique (Bergström

and Bäckman 18). Social media has given new power to customers, making word-of-mouth an ever more powerful communication process (Bergström and Bäckman 19).

As explained earlier, it has become easier for businesses to select potential customers based on their interests, age, or gender among other traits. Because of this, businesses are able to concentrate their advertisements on a group of users they believe will be the most willing to purchase. For example, if a business is having a sale for women's clothes, the business will look at their followers that are of adult age and are female. With this method, users that the sale is not applicable to will not see the potentially annoying advertisement. This kind of targeted advertising will perhaps be what the average consumer notices most as marketing techniques transition to utilize social media.

Conclusion

Looking back, it becomes clear that social media will indeed change marketing, why wouldn't it? Newspaper, radio and television – all have been popular forms of information sharing and all have been an avenue for marketing, social media is no different. As radio was an improvement from newspaper and television to the radio, social media will be the next first choice for advertisement. As Bernoff explains, marketers are finding that interactive and targeted marketing are the keys to success and that traditional advertising is essentially a waste of money (Bernoff, 2). Businesses do not need to spend nearly as much time and money finding those who will be interested in their product. Buying a billboard or a time slot on a television channel commercial break can cost a business a lot of money – advertising on social media costs nothing. As well, the increased level of interaction between customer and business is crucial to the rise of social media as a marketing platform. Social media can strengthen the trust a consumer has with

a business, and this trust has been shown to increase sales (Bergström and Bäckman 40). Because of this new level of customer interaction, advertisements are becoming more refined and efficient as the total number of meaningful advertisements a user will see will increase while the total number of advertisements will decrease. SMM is a relatively new form of marketing, however businesses not implementing it are already putting themselves at a large disadvantage and as this marketing platform finds new ways to optimize advertisement, SMM implementation will become essential to all businesses.

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