



Social-Media Marketing Imperatives

[Alex Tajirian](#)

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This essay outlines the must-haves for creating effective social-media branding content. For your campaign, you must develop your prelaunch strategy and tactics, analyze after-launch results, and take the actions your analysis indicates. You must measure campaign performance based on the time consumers spend interacting with your brand.

By “social media” I mean conversations with and between consumers through blogs, microblogging (e.g. Twitter), cocreation (e.g. [NIKEiD](#) and [LEGO](#)), forums and discussion groups (e.g. [Google Groups](#)), product reviews (e.g. Amazon), social networks (e.g. Facebook and [regional competitors](#)), video (e.g. YouTube), and photo sharing (e.g. [Flickr](#)). Social media branding differs from other marketing approaches in two fundamental ways. First, brand equity must be earned, not bought. Second, the commonly used return on investment (ROI) performance metric is not useful; instead you must measure consumers’ investment in your brand.

Social Media vs. Pay-Per-Click (PPC)

The essay does not consider PPC advertising on social media sites. The distinction is important, as social media and PPC require different strategies, tactics, and budgeting.

Social media marketing is superior to PPC when

1. You want to strengthen and develop your brand.
2. You sell something that customers need to look over carefully. Banner and text ads are good for impulse buys, but social media makes the difference when information gathering and processing are required.
3. You’re promoting discounts. Social media is a powerful tool for attracting bargain hunters, as demonstrated by the phenomenal success of [Groupon](#).
4. You want to spread word of mouth (WOM). For example, when someone clicks on a site’s “like” button, a simple ad appears on their friends’ pages. Those friends can in turn click a like button on that ad, which then shows up on their friends’ pages, and so on. Remember, recognition by peers is a powerful motivator. [Professors Trusov, Bucklin, and Pauwels](#) show that the effect of a one-time increase in WOM lasts for about three weeks, whereas the effects of media and events disappear within just a few days. Respondents surveyed by [Forrester Research](#) were 40% more likely to say that WOM, not

ads, was a good way to learn about new products, and 59% more likely to say they bought products because of WOM.

5. You are promoting new products and services. For example, McDonald's in Japan uses Twitter and other blogging platforms to introduce new products and promotions by leveraging their huge fan base. The promotion is often facilitated and encouraged by providing their fans with free meals.
6. You want plentiful feedback. For example, the travel Web site encourages satisfied guests to post comments online. Positive feedbacks get a thank you within 24 hours. Negative feedback posters receive explanations of how to fix issues, instructions on how to navigate an interface more easily, or follow-up questions to learn more about what the consumer didn't like. This information is valuable for future improvements and builds trust because it demonstrates genuine caring.

Strategic Success Prerequisites

Prior to launching your campaign, you must identify your objectives, put in place an effective organizational structure, and ensure management buy-in.

First, ask yourself why you're having a campaign. What are the objectives to be achieved? "I need to act now because everyone is doing it" is not a good reason. Your objectives should be based on the strengths of social media outlined above.

Second, you need to build an effective organizational structure:

1. To ensure a unified and focused message, you need a centralized content-management mechanism.
2. To demonstrate genuine caring about customers, you must have a response plan for positive and negative posts, and a plan for managing potential crises.
3. You need to promote incentives for your team to learn, especially from failure.

Third, ensure management buy-in. You should point out:

1. The limitations of ROI (outlined below) as a [budgeting](#) tool and a performance measure.
2. The fact that traditional banner ads drive only [16% brand recall and almost zero message recall](#).
3. The sources of value from social media compared to other venues, including PPC marketing, as outlined above.
4. The dismal performance of PPC marketing. For example, the click-through rate ([CTR](#)) for banner ads gets on average only 0.2% CTR (a spectacular drop

from 79% CTR in 1994). For social-media banner ads, the figure is just 0.08%.

5. Potential positive and negative indirect effects of the medium. For example, a positive indirect effect is improved search-engine ranking on relevant key words. Negative effects include brand bashing and customer complaints.
6. Your strategic objectives, tactics, and budget estimates.

Fourth, complement the selected social Web sites with [your domain names](#).

Prelaunch Tactical Analyses

As with any new media, you need creative experimentation. You must:

1. Identify key social media sites and their content, and classify them as must-have or nice-to-have. Narrow down the selected sites and content based on your [budgeting](#).
2. Cross-reference the sites' content with Facebook as the one-stop content driver.
3. Conduct surveys to measure the relative branding impact of various marketing venues on your brand.
4. Investigate how other companies are using social media. Being a fast second can be a superior strategy, especially when there are no first-over advantages.
5. Identify new content options. Other companies, including your competitors, can provide valuable insight. However, recognize that catchy content does not in itself necessarily add value, as demonstrated by the failure of [Bud.TV](#).
6. Recognize that ROI is not a useful performance measure because:
 - a. Predicting negative and positive indirect effects is difficult.
 - b. Estimating the benefits of dynamic content is difficult. You and your customers learn from the content and thus take part in a continuously evolving conversation. Unfortunately, ROI does not capture dynamics.
 - c. Purchasing lag due to new content and Web site introductions can't be factored in because ROI is static.

You need to rely on guided experimentation. That means using performance measures that allow you to budget meaningfully, identify consumers' interest in your brand, and set targets that will guide you to your objectives.

For example, an increase in the average time a visitor spends engaging with your brand suggests that consumers are finding your information useful. Keep in mind that different social media venues require different measures. With Twitter, for example, the number of tweets and retweets reflect the use of microblogging to indirectly promote your brand. With video sharing and photo sharing, the number of embeddings, incoming links, and “likes” measure customers’ engagements.

You need to be thoughtful with your measures. Your team’s response time to posts, for example, is not necessarily a good measure of customer caring, because the quality of response is important too. Thus, for certain post messages you should initially reply with a message such as “Thank you and we’ll get back to you shortly.”

Should you outsource your campaign? The economic reasons for outsourcing are cost reduction, quick implementation, and the need to hire know-how. Because social media marketing is based on conversations with your customers, you should not outsource them. How can you have strangers speak on your behalf? However, you can hire consultants to assist you in learning how to conduct the conversations. You can also use third-party software to monitor conversations on sites other than those with your content. The idea is to outsource tasks that are better performed by machines and mechanical tasks that are more expensive to develop internally. But the response to such “outside” conversations should always come from you. Some of the popular social media online management tools are [Radian6](#), [HootSuite](#), and [Klout](#). Also consider acquiring access to [A/B](#) and [multivariate testing](#) software.

Performance Analyses

Periodically, perform the following:

1. Identify the causes of gaps between the actual measured results and their identified targets.
2. Investigate potential positive and negative indirect benefits.
3. Investigate the impact of content changes on your customers’ recognition and recollection rates across your traditional, online, and social media marketing venues.
4. Reevaluate performance of your organizational structure.
5. Perform A/B and multivariate comparative tests for the impact of content changes on the identified measures.
6. Make yourself aware of [decision biases](#) and [failures that look like successes](#).

And, depending on the size of your company and budgets, consider statistically estimating the relationship between revenue and your identified performance measures.

This allows you to initially focus your statistical tests on content with the highest expected revenue instead of randomly selecting which content to modify.

Action

Based on the results of the above analyses,

1. Consider expanding the selected social media sites.
2. Consider including original content specifically designed for the medium—go beyond placing videos of events on YouTube. Also consider adding tools such as “widgets” (a stand-alone application that can be embedded into third party sites by any user), cross-publishing content, and real-time updates. Adding content should also be viewed from a search-engine optimization perspective.
3. Adjust your strategy, tactics, measures, targets, and [budget](#).

Concluding Summary

1. Social media marketing represents conversations between your company and customers on one hand, and among customers, on the other.
2. Social media is best suited for branding, announcing new products and services, promoting discounts, and receiving customer feedback.
3. You must secure management buy-in prior to embarking on a social media campaign.
4. You must have a centralized plan to manage the risk of technical failures, unfocused responses to posts, and great influxes of posts in a short period.
5. ROI is neither a useful measure of performance nor a useful budgeting tool. Thus, you need to develop measures that reflect customers’ time invested in your brand.
6. Use A/B and multivariate tests to guide you to the content with the highest impact on the measures.
7. You must monitor and make regular adjustments to identified objectives, performance measures, content, and budgets.

Thus, to reap the benefits of social media, you need to patiently experiment. ■