Social Media Marketing: Engaging with Consumers in Digital Era

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Abstract

In technology driven world, social media has become one of the cornerstones for growing a successful business. As a costly-effective tool, it overcomes traditional media channels, improves word-of-mouth communication and transforms business models adjusting them to the next generation of interaction with whole market in digital environment. Various social media platforms provide wide spectrum of options for creative approach in engaging consumers, taking them and their whole network of connections on an exciting decision journey, through each step of marketing funnel. Embracing inputs from all users, social media marketing is evolving each day and generates numerous opportunities for digital marketing managers. Consequently, it has become top communication priority, which is both challenging and risky, but inevitable part of integrated marketing communication strategy. Thus, the aim of this paper is to point out all dimensions of social media marketing in digital era, by analysing theoretical and practical standpoints from the available literature, scientific papers and studies in the given field.

Keywords: social media marketing, digital marketing, internet marketing, online marketing.
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Introduction

Over the last decade, marketing and communication have been revolutionised and digitalized. Social media came out as one of the most prominent outcome of this process, and great possibility for conducting business in totally different manner. Digital media platforms together with technology and internet facilitated "novel market behaviours, interactions, and experiences" (Lamberton et al., 2016, p. 146). It introduced a new dimension in reaching all actors on the market, increasing sales, creating brand community, and especially in engaging with and learning about customers.

The number of Internet users worldwide in 2017 was 3.58 billion, with Social networking as one of the most popular online activity (Statista, 2018). According to the report from 2016, there were around 1.86 billion monthly active Facebook users, what has made Facebook the most popular social media platform (Statista, 2018), and average number of social media accounts per person is almost 8 (Smith, 2017). In 2011, more than a half social media users followed at least one brand through social media (Williamson, 2011), encouraging companies to raise their spending on social networking strategies, which led to a situation where today 91% of retail brands use at least 2 social media channels (Smith, 2017). This environment is highly demanding and risky for brand managers, given that people are very attracted with communication   and   interaction   that   Internet   provides   especially   virtual

communities. Content is no longer only under control of company and marketing managers – now, it has become the right and mean that belong to each person with Internet connection. Empowering consumers with the ability to create and share information, which could make a change and improve their position, create highly engaged consumers. However, companies have tremendous opportunity to dominate over their industries and elevate their brand, with strong marketing campaign that are able to merge all brand strategies, scopes and corporate values with business options social media platforms provide. Thus, now more than ever, it is crucial for companies to cope with all these trends and to translate all potential hazards into opportunities that will create competitive advantage in both online and offline ambience.

In this manner, the objective of the paper is to point out all dimensions of social media marketing in digital era, and to explore all opportunities and challenges that social media marketing provides for both consumers and companies.

Digitalization of marketing: Social business as a standard

Internet has become central and most promising, jet highly challenging marketplace. Over the years, its potential has grown exponentially, so today we can talk about the development of various new disciplines and techniques for successful business transformation, which marketing executives have to master. Digital technologies are decreasing information asymmetries among all market players, who are communicating in various online and mobile contexts (Kannan et al., 2017). Consumer behaviour is changing rapidly, together with transformation of both business and everyday life patterns. Growing number of studies support these trends.

According to the interviews conducted in IBM companies with their CMOs, four most challenging digital developments are: 1) big data (boom in amount and complexity of data), 2) social media platforms, 3) proliferation of channels, and 4) shifting consumer demographics (IBM Institute for Business Value, 2011, p. 3). All these trends directly correspond with digital marketing.

Leeflang et al. (2014, p. 3) analysed how digital media, new tools and online marketing affected companies, and listed seven most important changes:

1. interacting and serving consumers in a new manner,
2. increasing access to wide range of data and insight,
3. reaching new segments of customers,
4. using technology in various business processes enabling cost reduction,
5. tremendous pace of change in the market,
6. complex role and intensive usage of analytical tools and models in decision-making process,
7. explosion on new business models and revenue streams.

The same authors identified "10 marketing tensions" that can be seen both as opportunity and threat for a company, and summarised them in 3 focal points digital marketing executive must deal with in digital era: "a) business strategy and insights, b) go-to-market operations and execution and c) organization and capabilities" (Leeflang et al., 2014, p. 4).

Similarly, Lamberton et al. (2016) conducted thematic exploration of three important segments of digital settings, Digital, Social Media and Mobile marketing, taking into account last 15 years, and pointed out three recurring topics in this area:

- DSM marketing technologies created an ambience and opportunity for self-expression and permanent communication,
- DSM marketing technologies are inevitable support in decision-making process,

- DSM marketing technologies are highly beneficial for market intelligence operations.

The term "digital marketing" has developed gradually over time, from simple form of marketing products and services through digital channels to "an adaptive, technology-enabled process by which firms collaborate with customers and partners to jointly create, communicate, deliver, and sustain value for all stakeholders" (Kannan et al., 2017, p. 23). This ability to adapt through digital solutions enabled companies with the opportunity to capture customers in each instance of customer journey, to collect, storage, search, share shifting business course , manage, analyse and visualize all information (Snijders et al., 2012), and finally, to reach full potential of highly personalized marketing campaigns. Consequently, investing in technological-based marketing innovation and shifting course towards digital environment, provide multiple business improvements and a window of new options for a company.

Consumer behaviour in digital environment

Entering digital sphere of marketing require building new foundations and postulates in conversation with target market, and there is no dilemma whether a company or a brand engage in social business – the question is whether they are doing enough. It is a direct response to a specific trend in consumer behaviour, where the doubt "if they are signing in" is replaced with discussion "what they are signing in to and why" (Tiago et al., 2014, p. 703).

Growing number of consumers are becoming familiar and adopt new social roles and patterns in digital age. They have been migrated from offline into the virtual world, becoming active members of more than one social networks. Social media enabled creating links among people across the globe, through their specific interests and preferences that were mostly unknown to marketing managers in the past. In such circumstances, reaching and tracking consumers have never been easier, yet never this sophisticated. Thus, creating "digital relationship" with target market has become obediently the basis for successful digital marketing strategy and nurturing relationship with central figure in the market – consumer (Phillips, 2015).

The most prominent common features of all new age consumers are transparency, sharing and seeking a huge amount of information, constant presence and participation in online social networks, proactive approach to companies, etc.   (Budden, et al., 2011, Berthon et al., 2012). Consumer's decision journey is changing its traditional pattern, through accelerating and shortening some of the stages through which consumers pass before the final purchase decision (Kannan et al., 2017). By virtue of numerous product reviews and influencers from different areas of life, consideration and evaluation stages are compressing and even eliminating (Edelman et al., 2015). On the other hand, some other stages of making a purchase decision may be extended. Consumer behaviour and decision journey are also highly determined by the device that is used as a mediator to online world – personal or laptop computer, tablet or smart phones. All those touchpoints on the relation consumer-consumer, consumer-network, consumer-brand, has made marketing channels more challenging, given that consumers are highly disrupted by plethora of content and that gaining their attention demand highly valuable and personalized proposals.

In the role of online buyers, younger consumers are becoming increasingly common (Bughin, 2015). The generation Z, consisting of those who were born 1995 and later, is a group of young people that has a domination in social media channels, is immersed into a world with modern technology since their childhood,

and has a great ability to leverage their connectivity, since day-and-night online conversation is their reality (Tulgan, 2013). By 2020, this generation will account for about 40% of all consumers (Simply Measured, 2018). Winning them, as consumers require innovative approach and intuition in communication with the target audience. In words of Esther Dyson, "as people take control over their data while spreading their web presence, they are not looking for privacy, but for recognition as individuals. This will eventually change the whole world of advertising" (Evans et al., 2010). Besides numerous expectations from brands, they prefer and communities they belong to, consumers enjoy their new important role in the market – they has become influencers (Edelman et al., 2015).

Due to all the above, mastering social media tools is crucial for a company and their brands.

Fundamentals of Social media marketing

Social Media is about building a conversation with your clients and consumers. Brands come to life in social media environment, gain their own personality and voice, and start working with customers as a team. That is the reason why each component of social media campaign must be thoughtfully designed and implemented.

Social media marketing refers to advertising methods that were developed specifically for social media sites, and as a result of their proliferation (Woods, 2016). It is focused on creating consumer engagement in online context, "in social locations where they naturally spend time" (Evans et al., 2010, p. 7). Tracking consumer activities and steps on social platform, digital managers link their preferences, interests and information they share through their profiles with valuable proposals and brands. The ultimate goal is creating unique consumer experience and impression that will induce further favourable actions and strong relationship between brands and consumers, as a brand advocates. Conversation and positive word-of-mouth is guiding medium in this process.

Besides, those are most common goals and quality improvements that can be tracked and measured in social media campaign (Simply Measured, 2018):

- Increase in brand awareness – according to Social Media Examiner, almost 90% of marketing managers' claim that their social marketing efforts have increased exposure for their brands.
- Increase in brand engagement – if the customers find the value in content brands deliver, they will be enthusiastic to like, comment or share it.
- Drive website traffic – website is a final spot, the hub for all the information behind business and brand personality.
- Generate new leads – growing number of users on social media sites and complex connections besides each customer, provide the opportunity for a business to attract more people, bring them to the top of buying funnel and convert them from potential into real customers.
- Grow revenue – with social media analytic tools, it is finally possible for marketing strategist to evaluate their campaigns and provide appropriate evidence that marketing efforts has strong impact (that can be exactly measured) on revenue.

Through social business, linking customers with brands, company and their employees has been simplified. Transparent communication between these two sides requires clear objectives and ideas embedded in each point of contact.

Steps in creating social media strategy are (Hubspot, 2015):

1. Defining the audience
2. Setting social media goals
3. Choosing languages
4. Learning cultural differences
5. Choosing social networks
6. Knowing localization capabilities on each social platform

Managing business in social ambience include participative and collaborative processes not only between brands and customers, but all stakeholders. If they are planned and implemented correctly, each part involved in communication wins. Evans et al. (2015, p. 62) point out three elements of social business (Figure 1):

- Customers, Stakeholders, and Employees
- Communities and Forums
- Social Applications – components of a social business that are delivered through all social media platforms a company use, usually brand-related valuable content that connect all actors within specific community.

Figure 1
The Social Business
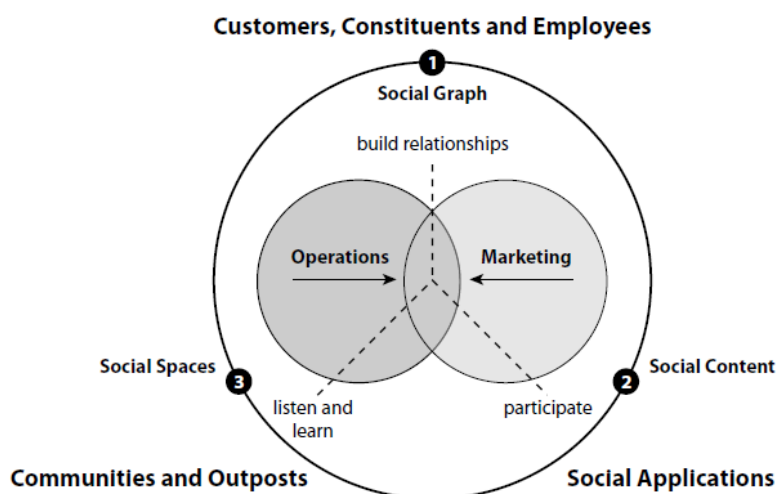

Source: Evans et al., 2010, p. 64

It is not rare that companies organise their social media presence on wrong premises and without clear idea how it should be managed. Some common mistakes companies make in their social business are (SEOP, 2010):

- not developing clear social media strategy,
- putting an accent on increasing number in followers rather than building a network,
- using just one social media tool instead of diverse approaches and techniques,
- not following logical customer acquisition process, etc.

Social media ecosystem is very complex. Active listening and ability to discern conversation that matters is just a beginning. Investing in social business requires aligning all-important areas across all parts of organization.

IBM Institute for Business Value (2011, p. 2) has divided those areas in three groups (Figure 2):

Figure 2
Applying Social Business across the Organization
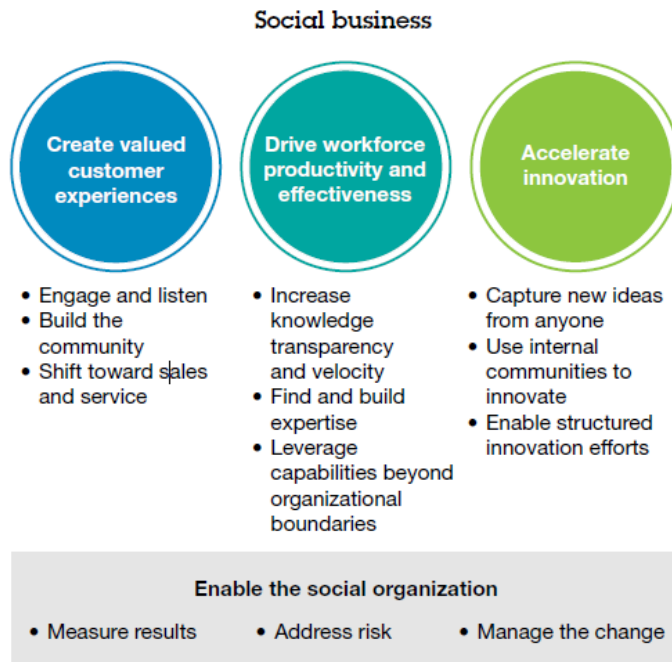
Source: IBM Institute for Business Value, 2011, p. 2

Conclusion

Digital era has brought a plethora of transformational opportunities for managing modern business. Social media marketing together with informational technology and mobile devices are the most challenging ones.

Social media platforms introduced new perspectives in connecting consumers and brands. The ability to reach not just one customer at a time, but the whole network of their connections, to follow, gather huge amount of personal information, storage, analyse and permanently communicate with customer are considered new tools of marketing managers who act in digital environment. On the other side, social media empowered not just brands, but all members in online conversation, especially consumers. Their voice has become even more lauder than the voice of brands, which is both risky and worthwhile for a company.

Thus, business must learn how to deal with all the challenges that will emerge as a direct or indirect result of moving business from an offline into an online sphere, which already has become standard in gaining competitive advantage.

In words of Paul May, Founder and CEO of BuzzStream, the one thing is certainly not questionable – "the new market winners will be the companies that excel at identifying and engaging with their customers' influencers across the Social Web" (Evans et al., 2010).

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