

Going Social:

Case studies of successful Social Media Marketing

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ABSTRACT

In recent years there has been a tremendous increase in the growth and popularity of social media networks. A significant majority of people with access to the Internet are active participants in these sites. There is growing evidence that users of social networking sites now include people of various age groups with a significant number of active users 40 years or older with women outnumbering men in popular sites such as Facebook. This virtual explosion in social media has naturally attracted the attention of marketers and there has been a continuous effort to leverage the reach and access of social networks for brand promotion in terms of actual sales and customer service. Marketing in social media channels, however, presents its unique set of challenges. The dynamic and interactive nature of the social media demands that marketers have to be constantly engaged with the target market. So apart from money, successful social media marketing requires significant investment in time and creative input. The paper discusses some illustrative case studies of businesses creatively using social media channels. We have primarily focused on the two most dominant social media networks, Facebook and Twitter, to highlight the success stories in few select categories. The cases illustrate a range of creative strategy employed by organizations to rise over the clutter of competition and gain greater competitive advantage in the market place. The new media have forced organizations to constantly think outside the box and in the process have redefined the very concept of marketing. Finally the paper points to some future trends in social media marketing and suggests strategies how organizations can deal with them to their best advantage.

Social media loosely refers to a wide spectrum of web based and mobile applications that enable social interaction across geographical boundaries mainly through user generated content. In recent years, particularly in the last couple of years, there has been an exponential growth not only in the number of social media networks but also in the socio-demographic attributes of their user base. Unlike in previous years, social networking sites are no longer the exclusive preserve of the younger generation. In fact the number of social media users aged 65 years or older has almost doubled in 2010; currently about a quarter of people in that age group actively participate in a social networking site¹.

ComScore's comprehensive 2010 review of digital usage² reveals that although Google and Yahoo sites remain the most visited web properties in the US (with approximately 180 million visitors a month) social networking now ranks as the second most engaging activity at 14.4% of time spent online. Facebook has captured the number one ranking by *time spent* in August 2010, accounting for 12.3% of time spent online in the United States.

The report further notes that 9 out of every 10 U.S. Internet users have visited a social networking site each month with the average Internet user spending more than 4.5 hours per month on these sites. Interestingly women spent more time on these sites (16.8%) compared to men who spent 12% of their time on social networking sites. As well, the 2010 review observes that there is a continuing decline in time spent on regular web portals and a corresponding increase in time spent at social networking sites.

These and other data make it increasingly clear that social networking has become integral to the daily life of a majority of Americans with access to the Internet. Equally important, the age distribution in social media sites has become much less skewed than before. More than half of active users in social media sites are now 40 years or older³. There is a

continuing trend of older, more financially stable population actively participating and uploading content into the social media sites. As well, women are much more active in social networks than in other online activities.

MARKETING IN SOCIAL MEDIA

The rising popularity of social media networks has naturally attracted marketers keen to leverage the ease of access and technological capabilities of these sites to gain a competitive edge in the market place. Marketers who were previously frustrated by the decline in effectiveness of traditional marketing channels such as Direct-to-Customers (DTC) communications or even Print/TV advertisements, are now eager to capitalize on the ready access that social network sites provide.

The rising interest in social networking sites as viable vehicles for marketing is also reflected in the money being spent to advertise in social networks. According to *eMarketer* spending on advertisements on social networking sites has increased from \$ 1.40 billion in 2009 to a projected \$ 3 billion in 2011, a nearly 50% increase⁴.

However notwithstanding the growing level of advertising dollars invested in social media it is important to recognize that money is only a small part of investment required for successful social marketing. Most social media marketers recognize that paid advertising is only a fraction of the spending. Social media marketing requires a holistic approach and requires a significant amount of effort to be invested in brand building activities through blogs, podcasts, tweets and the like. The basic mantra for success in social media is that each campaign has to be presented in a unique and engaging manner.

Some brands have managed to develop highly successful and creative campaigns in order to more fully engage the customer with the brand. A good example of a creative campaign is the

one devised by the *Oreo* brand. Each week, the site randomly selects photographs of a few of its fans and advertises them on its home page. As well, the site announces a ‘Fan of the Week’ on its status update. By promoting its ‘fans’ on its website, the brand seeks to develop a closer rapport with its customers⁵. As an excellent social media marketer, the brand not only listens but also acts on what it hears from its target audience. For example in 2010 it created a Pandora radio station out of the popular songs voted on by its fans, indicative of the importance that it accords to its loyal fan base.

Similarly *Red Bull*’s Facebook page contains extreme sports and is designed to attract a younger demographic. This is congruent with its brand image and also helps its targeted customers identify with its marketing message.

The trend toward increased involvement of marketers in social networks is predicted to be even greater in the immediate future. According to the 2011 Digital Marketing Outlook, more than 95% of a sample pool of Brand marketers, Marketing Agencies etc., plan to use some form of social media in 2011⁶.

| | Brand Marketers | Agencies |
|-------------------|-----------------|----------|
| Facebook | 76% | 96% |
| Twitter | 69% | 89% |
| MySpace | 5% | 9% |
| Blogs | 57% | 75% |
| Other SM sites | 29% | 40% |
| Corporate Website | 80% | 81% |

Source:2011 DMO published by SoDA

The above Table suggests that while marketers still give top priority to their own sites, social networking sites are increasingly getting to be as important. At the very least, social media sites are deemed to be crucial to help drive traffic to the main corporate site.

Several independent studies have found that a majority of US marketers are currently using social media. For example, a recent survey on social media usage in Fortune 500 companies conducted by the University of Massachusetts Dartmouth Center for Marketing Research (2010) found that 60% of the Fortune 500 companies now have regularly updated Twitter accounts. As well, 56% of these companies have an active presence on Facebook⁷. Furthermore, unlike in the past, organizations are currently much more proactive and engaged in the social media arena. A recent Social Media Marketing Industry Report (2010)⁸ found that 86% of marketers spend at least 6 hours or more each week with 12.5% of marketers spending more than 20 hours each week on social media. The survey listed the following reasons cited by these organizations as their top reasons for using social media.

1. Generated exposure for business - 85%
2. Resulted in new business partnership - 56%
3. Helped rise in search rankings - 54%
4. Helped in selling products and services - 48%

The above responses indicate that a large number of business are increasingly turning to social media networks to improve their brand image and also to market their offerings effectively.

Case Studies of Successful use of Social Media

Considering the relatively short history of social networking sites, it is remarkable to find that a large number of organizations have already successfully used them as platforms to promote their brands, support customers and increase business. Some of the most successful

marketing campaigns have involved creative use of Facebook and Twitter. Facebook particularly has developed into a very hospitable platform for a wide array of marketing initiatives by diverse organizations.

One of the earliest and most successful social media campaign, called the *Fiesta Movement*, was launched by *Ford* in April 2009 to promote its *Fiesta* model. In an innovative strategy, the company selected 100 top bloggers and gave each of them a *Fiesta* to use for the next six months. In return they (i.e., the bloggers or ‘agents’) were required to upload a video on YouTube about the car along with an independent account of their experience with the *Fiesta*, on their blogs. The *Fiesta Movement* campaign was a tremendous success. The 700+ videos created by the “agents” generated 6.5 million views on YouTube and created more than 3.4 million impressions on Twitter. Photos of the car uploaded onto Flickr were viewed more than 670,000 times. The campaign generated considerable buzz about the vehicle with more than 50,000 US consumers (90 % of whom did not previously own a Ford vehicle) wanting more information about the *Fiesta*. Ford sold 10,000 units in the first six days of sales⁹.

Encouraged by the tremendous success of its *Fiesta* social media initiative, Ford drilled deeper into the social media space to obtain direct consumer experience¹⁰. For example, data obtained from websites like www.syncmyride.com - an owner-to-owner forum that had logged complaints about the quality of the automated voice on Ford’s SYNC system - helped Ford to tweak the software to make the voice less loud.

The exponential growth of interest in social networking as legitimate business channels has coincided with the popularity of **Facebook**. In just a couple of years Facebook’s active user base has grown from about 100 million in 2008 to about 600 million users in January, 2011. Not

surprisingly some of the most outstanding instances of success in social media marketing have taken place via Facebook.

Clorox is a good example of a brand that tweaked its social media advertising to generate optimal awareness and revenue. In 2010 the company hosted a Green Works Webpage. The target audience was females aged 25 - 34 and the goal was to increase the awareness of the Green Works brand of environmentally friendly products. Clorox targeted Facebook users who had listed 'clean' and 'green' on their Facebook profiles¹¹. A follow up study by Nielsen found that thanks to the campaign, the 'intent to purchase' the *Green Works* detergent among Facebook users increased by 7%. The study also found that the campaign resulted in a significant 12% increase in awareness of the brand.

The social marketing strategy adopted by *Bob Evans* – a restaurant and retail food products company operating nearly 600 restaurants in 38 states and with a revenue of \$1.7 billion – is illustrative of how online marketing can drive traffic to physical stores. In July 2010, the company in its Facebook page announced that it will give away its "Sweet Potato Fries" during the "National French Fries Day". The campaign was a huge success as it generated nearly 85 million digital impressions of which 6 million were social. During the two-week period the number of people who 'liked' the Bob Evans Facebook Page rose from 22,000 to over 40,000 and the campaign reproduced a return in investment of between 200% and 300%¹².

Similarly *Starbucks* has been at the forefront of using social media in its marketing ventures. The company has an estimated 20+ million followers on Facebook (and about 1.5 million followers on Twitter) and regularly provides discounts as well as promotional offers through these networks¹³. Interestingly the company has refrained¹³ from using the channel for any hard marketing sell. Instead the effort has been to create a Starbucks community feeling that

promotes open community oriented discussion. Starbucks has also made excellent use of YouTube. It encourages users to upload videos not only of Starbucks TV commercials but also educational videos about the origins of coffee and the charitable work undertaken by Starbucks.

Recently, one of the most successful campaigns on Facebook was conducted by *Budweiser* during the World Cup soccer tournament in South Africa in 2010. The company launched its "Bud United Show Your True Colors" campaign on Facebook that enabled its followers to paint their faces virtually with the colors of their favorite team. The campaign generated a very high engagement level with an estimated 2.7 million people opting to paint their faces virtually. Nearly 1,000,000 people had clicked to 'like' Budweiser's Bud United Page by the end of the campaign. It was a classic instance of generating engagement with the company by using an interactive social media campaign¹⁴.

Nokia launched a Facebook campaign¹⁵ that allowed users to click on the video to explore the features of its Ovi Maps, a navigational application on Nokia phones. The campaign resulted in more than 408 million impressions. Over 104,330 connections to Nokia's Facebook page was generated and 175,805 people watched the videos on Ovi Maps. More important, the company was able to reach users in 12 countries within a very short span of time.

Mars was another company to successfully use Facebook to launch a new product. In the spring of 2010 Mars Chocolate launched M&M Pretzel¹⁶. Through Facebook the company was able to distribute 120,000 samples within 48 hours directly to consumers. In addition, the number of people connected to the company's home page increased by at least 9% and the company had more than 1.2 million followers at the end of the campaign.

Although not many smaller companies have ventured into the social media marketing, some have indeed used it to their advantage. In 2008 a small Sri Lanka-based company called

'*Go Nuts with Donuts*' successfully advertised on Facebook¹⁷ and with increased sales volume managed to open seven additional stores. The company currently has nearly 10,000 followers and regularly offers sales promotions through Facebook.

Entertainment companies have made good use of the reach that Facebook provides to promote movies and theater production. For example in February 2010 *Sony Pictures* publicized the movie *Dear John*; more than 1 million people connected to the *Dear John* Facebook Page¹⁸. A Nielsen study found that the Facebook campaign was responsible for a 16% increase in overall audience awareness of the film. It also found that the campaign directly led to a 2% increase in 'purchase consideration' for the film. Encouraged by the success of the *Dear John* campaign, Sony has actively started using the polling features available on Facebook to gauge audience interest in upcoming titles.

Similarly 20th *Century Fox* has tapped onto the word-of-mouth publicity generated in Facebook to publicize its movies¹⁹. Fox launched a highly visible campaign on Facebook to publicize the movie *Wall Street 2* a month before its release in September 2010. Twenty-six percent of people interviewed in an exit poll after seeing *Wall Street 2*, reported seeing the advertising for the movie on Facebook. A tracking study also found that more than 1.1 million people on Facebook were persuaded to see the movie after being exposed to the ads.

Twitter unlike Facebook does not have a self-serve ad platform. As such it imposes some limitation as to what brands can do in terms of direct marketing. However Twitter has also been host to a number of successful marketing initiatives.

JetBlue was one of the major brands to join Twitter in 2007. Currently the company has over 1.6 million followers and extensively tweets to disseminate important information as well obtaining feedback from users of the airline. The company claims that the response to its Twitter

initiative has been outstanding and that Twitter has enabled it to directly communicate with its customer base almost instantaneously. The company solicits feedback on proposed route changes and benefits from getting the customer's perspective even at short notice. The airline company claims that their social media interaction has had a salutary impact on its image as a customer friendly organization²⁰.

Best Buy is another company that has successfully used Twitter to respond to customer queries. As on April 1, 2011 the company's *@twelpforce* Twitter account, has provided over 45,000 answers to customer inquiries. More than 2,900 employees have also signed up to answer customer queries. According to the company the direct employee -customer interaction via Twitter has been a source of significant customer satisfaction²¹.

Comcast's innovative use of Twitter as a means to resolve customer grievance is noteworthy. Comcast's Frank Eliason discovered that by doing a search for the word "Comcast" he could find tweets that mention service complaints relating to Comcast. Using this innovative approach the company has till date, addressed literally thousands of service complaints²².

With nearly 2 million followers on Twitter, *Whole Foods* has successfully utilized the social media site to engage with its customers. The company has used twitter primarily as a customer service tool and responds to people who have questions about product availability at different stores, holiday hours, dietary information and the like. It also provides links to the company's blog which has editorial content as well. An innovative aspect of Whole Food's Twitter initiative is setting up 'niche' accounts such as having an account for cheese *@WFMcheese*, or an account for wine, *@WFMwine*. This has enabled it to target niche customers of these categories²³.

Dell was one of the first companies to openly disclose that it had made money using its

social media initiative. In June 2009 *Dell Computer* announced that it has earned more than \$3 million from Twitter followers who clicked through its posts to its websites to make purchases. Dell has half a million followers on Facebook and 1.5 million followers on Twitter. Dell distributes discount coupons through these channels and uses proprietary software to track sales. Alongside the traditional Facebook content, Dell also offers its fans access to their *Tag Team* app. It drives consumer engagement by enabling consumers to read and write reviews, buy Dell's products and promote the brand by recommending it to others on Twitter and Facebook.

Mention must also be made of the marketing research usefulness of social media sites such as *Second Life*. For example, the First Opinions Panel in Second Life is managed by Market Tools which is joint venture of Procter & Gamble and General Mills. The panel has more than 13,000 members and involves Second Life members who own the most virtual land, spend and earn the most money there, run the most groups, spend the most time (averaging about two hours a day). . The company hosts several Second Life Research Panels where they conduct surveys and interviews, focus groups and the like. The company also collects observational data and conducts product concept tests, advertising pretests etc., within Second Life. Obviously the superiority of researching in a virtual environment like Second Life lies in the fact that “researchers are able to view, measure and to some extent influence the peer interaction for decision-making that is not possible through web-based surveys.”(Business Communicator in Virtual Reality, 2007)²⁴

Future Trends in Social Media Marketing

The diverse nature of social media platforms has given rise to a large variety of highly creative and innovative strategies. Some businesses have used these networks largely to address customer complaints, and others have used them as channels to promote sales.

Lee Dung-Hun (2010)²⁵ performed a study on social media and identified four distinct trends. First, social media networks are fast becoming the preferred channel for customer care. Thanks to its reach and immediacy, customer concerns can now be addressed in a highly effective manner. If this trend continues then they have the potential to supplant the traditional phone-based call centers.

Second, social media can be used as direct sales channel. Dell for example has linked Dell Outlet - where it sells refurbished computers- to its Facebook and Twitter accounts. Price alerts sent through these social media links generate traffic and sales at the Dell Outlet site. Encouraged by the success of Dell's initiative other companies like Lenovo have followed suit. Direct selling saves the company from having to go through intermediaries and will therefore be increasingly popular in the future.

Third, social media acts as an amplifier of word-of-mouth publicity. It is able to disseminate information to a very large segment of the population, directly and instantaneously. Furthermore, organizations can capitalize on social referencing to effectively communicate with their target customers. Businesses will increasingly seek to harness this capacity to create brand buzz and influence purchase behavior by the target audience.

Finally, the impressive success of deal-of-the-day sites like Groupon, Living Social and Woot will encourage others to emulate their examples and use social media as a platform for social commerce. For example, in January 2011, LivingSocial sold an amazing 1.4 million Amazon gift cards (for a total value of \$14 million) within a single day; that's equivalent to 80 vouchers per second, 100,000 per hour! Earlier in August 2010, Groupon had sold 445,000 vouchers for the retailer, Gap, bringing in \$ 11 million in revenue in the company's first-ever nationwide promotion.

CONCLUSION

From our brief overview of social media marketing, it is apparent that in the past two years there has been a dramatic shift towards user driven social media sites. Traditional modes of marketing with its emphasis on controlled communication by professionals are fast being replaced by online user content and users' opinion. These developments have far reaching consequences for marketing professionals. The empowerment of consumers makes it necessary for companies not only to listen but also to be proactive. The shift to listening and conversing through social media provides opportunity for marketers to craft their persuasive message creatively. Organizations can ignore the possibilities offered by social media networks at their own peril. However, while getting in is easy, being successful in the social media realm requires a significant amount of planning and effort. Unlike traditional media, it will not suffice to merely increase spending on ads. Instead a proper appreciation of the medium and how it can be tailored to fit the requirement of the organization is needed. A sincere and caring relationship with the customer base has to be developed. Social media are the highway to the future and organizations need to devise appropriate strategies to successfully navigate it.

¹ Norman, J (2010, November) Boomers Joining Social Media at Record Rate <http://tinyurl.com/2wcmute>.

² ComScore 2010 US Digital Year in Review (2011, February) <http://tinyurl.com/3g5ydbb>

³ Age distribution on Social media sites (2010, February) <http://tinyurl.com/yctss8r>

⁴ Facebook Drives US Social Network Ad Spending Past \$3 Billion in 2011 (2011, January) <http://tinyurl.com/67hljag>

⁵ Rawaski, K. Oreo Facebook Fan Page Example in Detail (2011, January) <http://tinyurl.com/3bvhc5j>

⁶ Society of Digital Agencies (SoDA) 2011 Digital Marketing Outlook (2011, March) <http://tinyurl.com/3d9cyws>

⁷ The Fortune 500 and Social Media, University of Massachusetts Dartmouth Center for Marketing Research.(2010). <http://www.umassd.edu/cmrf/>

⁸ Stelzner, M. Social Media Marketing Industry Report (2010, April) <http://tinyurl.com/y2qdrag>

⁹ McCracken, G. How Ford got Social Marketing (2010, January) <http://tinyurl.com/ydyhsrf>

- ¹⁰ <http://www.forrester.com/Groundswell/supporting/syncmyride.html>
- ¹¹ Wong, E. Clorox Collects 'Green Footprints' on Facebook (2010, Oct) <http://tinyurl.com/2bbbmx>
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- ¹⁷ http://ads.ak.facebook.com/ads/FacebookAds/Gonuts_CaseStudy.pdf
- ¹⁸ <http://www.casestudiesonline.com/dearjohn>
- ¹⁹ <http://tinyurl.com/3wxv8m2>
- ²⁰ Case Study in Social media Jet Blue (2008,December) <http://tinyurl.com/6747tz>
- ²¹ <http://business.twitter.com/optimize/case-studies/best-buy>
- ²² <http://tinyurl.com/376lpa8>
- ²³ Second Life Market Research Panel Licensed to P&G <http://tinyurl.com/y9nte49>
- ²⁴ Business Communicator in Virtual Reality, 2007 <http://tinyurl.com/2at3go>
- ²⁵ Dong-Hun, Lee (2010, Oct) Growing Popularity of Social Media and Business Strategy <http://tinyurl.com/3fbc8op>