MARKETING MANAGEMENT

UNIT-5 PART-III

SOCIAL MEDIA MARKETING (SMM)

Social media marketing (also known as digital marketing and e-marketing) is the use of social media—the platforms on which users build social networks and share information—to build a company's brand, increase sales, and drive website traffic. In addition to providing companies with a way to engage with existing customers and reach new ones, SMM has purpose-built data analytics that allows marketers to track the success of their efforts and identify even more ways to engage.

- Social media marketing uses social media and social networks—like Facebook, X platform (formerly Twitter), and Instagram—to market products and services, engage with existing customers, and reach new ones.

- The power of social media marketing comes from the unparalleled capacity of social media in three core marketing areas: connection, interaction, and customer data.

- Social media marketing has transformed the way businesses are able to influence consumer behaviour—from promoting content that drives engagement to extracting personal data that makes messaging resonate with users.

- Because social media today is so ubiquitous, marketing techniques using these platforms are extremely important for businesses.

- Social media marketing is often more cost-effective with great exposure, though it requires ongoing maintenance and might have unintended negative feedback consequences.

Why Is Social Media Marketing (SMM) So Powerful?

The power of SMM is driven by the unparalleled capacity of social media in three core marketing areas: connection, interaction, and customer data.

Connection: Not only does social media enable businesses to connect with customers in ways that were previously impossible, but there is also an extraordinary range of avenues to connect

with target audiences—from content platforms (like YouTube) and social sites (like Facebook) to microblogging services (like X platform).

Interaction: The dynamic nature of the interaction on social media—whether direct communication or passive liking—enables businesses to leverage free advertising opportunities from eWOM (electronic word-of-mouth) recommendations between existing and potential customers. Not only is the positive contagion effect from eWOM a valuable driver of consumer decisions, but the fact that these interactions happen on the social network makes them measurable. For example, businesses can measure their social equity—a term for the return on investment (ROI) from their social media marketing campaigns.

Customer Data: A well-designed social media marketing plan delivers another invaluable resource to boost marketing outcomes: customer data. Rather than being overwhelmed by the 3Vs of big data (volume, variety, and velocity), SMM tools have the capacity not only to extract customer data but also to turn this gold into actionable market analysis—or even to use the data to crowdsource new strategies.

Consider how different demographics may not have equal access to social media. Relying only on digital or online marketing may unintendedly exclude certain groups of people without online access.

How Social Media Marketing (SMM) Works

As platforms like Facebook, X, and Instagram took off, social media transformed not only the way we connect with one another but also the way businesses are able to influence consumer behaviour—from promoting content that drives engagement to the extracting of geographic, demographic, and personal information that makes messaging resonate with users.

SMM Action Plan

The more targeted your SMM strategy is, the more effective it will be. Hootsuite, a leading software provider in the social media management space, recommends the following action plan to build an SMM campaign that has an execution framework as well as performance metrics:

- Align SMM goals to clear business objectives

- Learn your target customer (age, location, income, job title, industry, interests)

- Conduct a competitive analysis of your competition (successes and failures)

- Audit your current SMM (successes and failures)

- Create a calendar for SMM content delivery

- Create best-in-class content

- Track performance and adjust SMM strategy as needed

Customer Relationship Management (CRM)

Compared to traditional marketing, social media marketing has several distinct advantages, including the fact that SMM has two kinds of interaction that enable targeted customer relationship management (CRM) tools: both customer-to-customer and firm-to-customer. In other words, while traditional marketing tracks customer value primarily by capturing purchase activity, SMM can track customer value both directly (through purchases) and indirectly (through product referrals).

Shareable Content

Businesses can also convert the amplified interconnectedness of SMM into the creation of sticky content, the marketing term for attractive content that engages customers at first glance, gets them to purchase products and then makes them want to share the content. This kind of word-of-mouth advertising not only reaches an otherwise inaccessible audience but also carries the implicit endorsement of someone the recipient knows and trusts—which makes the creation of shareable content one of the most important ways that social media marketing drives growth.

Earned Media

SMM is also the most efficient way for a business to reap the benefits of another kind of earned media (a term for brand exposure from any method other than paid advertising): customer-created product reviews and recommendations.

Viral Marketing

Another SMM strategy that relies on the audience to generate the message is viral marketing, a sales technique that attempts to trigger the rapid spread of word-of-mouth product information. Once a marketing message is being shared with the general public far beyond the original target audience, it is considered viral—a very simple and inexpensive way to promote sales.

Customer Segmentation

Because customer segmentation is much more refined on SMM than on traditional marketing channels, companies can ensure they focus their marketing resources on their exact target audiences.

Tracking Metrics

According to Sprout Social, the most important SMM metrics to track are focused on the customer: engagement (likes, comments, shares, clicks); impressions (how many times a post shows up); reach/virality (how many unique views an SMM post has); share of voice (how far a brand reaches in the online sphere); referrals (how a user lands on a site); and conversions (when a user makes a purchase on a site). However, another very important metric is focused on the business: response rate/time (how often and how fast the business responds to customer messages).

When a business is trying to determine which metrics to track in the sea of data that social media generates, the rule is always to align each business goal to a relevant metric. If your business goal is to grow conversions from an SMM campaign by 15% within three months, then use a social media analytics tool that measures the effectiveness of your campaign against that specific target.

 Even in the digital age, people appreciate the human touch, so don't rely only on social media to get the word out.

Advantages and Disadvantages of Social Media Marketing (SMM)

Advantages

The introduction of social media marketing has introduced a new suite of benefits. Social media platforms provide a powerful channel for reaching and engaging with a large audience, which can help increase brand awareness and recognition.

Engaging with customers through social media channels can help build stronger relationships and foster customer loyalty. It's often a less expensive option than traditional advertising methods, making it more appealing for smaller or start-up businesses.

The nature of social media marketing also has plenty of benefits. Sharing links to your website or blog on social media can help drive more traffic to your website and increase the likelihood of conversions. In addition, social media provides a way to gather feedback from customers in real-time, allowing for instant interaction and simplicity in communication.

Social media marketing also has the benefit of being broad but also targeted. Social media can help businesses reach a wider audience and increase engagement through shares, likes, comments, and other forms of interaction. This is especially true considering when customers forward content along to non-customers. On the other hand, social media platforms offer a range of targeting options, meaning companies can pinpoint specific demographics, interests, and behaviors, and deliver personalized content to those audiences.

Disadvantages

Though riddled with benefits, there are some downsides and complications to social media marketing. Building a strong social media presence takes time and effort, and business owners must often consistently engage and create content.

Effective social media marketing requires a deep understanding of the various platforms, as well as the ability to create engaging content, analyze data, and make data-driven decisions. Each platform is often specialized and requires its own understanding. In addition, social media platforms are constantly changing their algorithms and policies which can make it difficult to predict and maintain success.

Though social media makes it easy to communicate with customers, it also provides a platform for customers to voice their complaints and grievances publicly. This may have the unintended consequence of creating a public forum which can damage a company's reputation if not handled properly.

Last, it may be difficult to clearly understand the return on social media marketing. Measuring the effectiveness and ROI of social media marketing can be challenging as it often involves tracking multiple metrics, analysing complex data sets, and making assumptions on why consumers may have acted in various ways.

Pros

- May help companies enhance brand recognition easily

- Offers companies more cost-effective solutions with great exposure

- May be leveraged to increase website traffic and real-time feedback

- May be leveraged for targeted or specific engagements

Cons

- May be time-consuming to set up and maintain

- May be unpredictable, as different platforms may change algorithms

- May result in negative feedback displayed in a very public fashion

- May be difficult to fully understand the true ROI