

Molson canada social media marketing



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Parties claimed that this Faceable contest promoted irresponsible drinking behaviors among university students. As a result, Nelson pulled the contest one week before the scheduled deadline. Now, Nelson must evaluate the use of social media, specifically Faceable, in its marketing strategy. The available alternatives are to revamp the Faceable initiative, to focus on static websites or to focus on traditional marketing strategies. The recommendation is to revamp the Faceable initiative over a period of three months with ongoing monitors and checkpoints.

The projected cost of this recommendation is \$75, 500 initially, with recurrent annual costs of \$36, 000 per year. The advantage of this commendation is that it can be easily expanded to include other types of social media, such as micro blogging, video sharing, photo sharing and online forums if the response to this project is positive. I. Key Issues Nelson Canada faces four key issues moving forward from November 2007. The first issue is related to brand image.

Brand image is the most important and urgent issue (see Chart 1) because of the negative feedback Nelson received as a result of the Cold Shot Campus Challenge Faceable initiative. Nelson is seen as promoting irresponsible drinking behavior. In order to rectify the situation, Nelson build and increase corporate social responsibility and continue to engage the community in a positive way. Another key issue is customer loyalty. There many negative responses to the Cold Shot Campus Challenge. These responses revolved around the issue of privacy issues of Faceable users.

Moreover, because of these unethical practices, customer loyalty to Nelson brand may have been negatively affected. Customer loyalty is ranked as an issue of low importance and high urgency because Nelson Canada has customer loyalty currently, having been around since 1796. It is ranked as urgent, because new nonusers may be affected by the bad press Nelson is getting as a result of the Cold Shot Campus Challenge. Thirdly, competition is an important issue for Nelson. Nelson faces high completion both on the domestic and international level.

At the domestic level, Melon's main competitor is Labret bear. At the international level, Nelson competes against Ellen NV, Enhances-Busch and Separable. Nelson has a strong market position domestically, so the issue of competition is rated as high importance, but low urgency. If Nelson is able to successfully use social media marketing, they may see an increase in market share, domestically and internationally. Competition is ranked as high importance, but low urgency because it is an issue that can be dealt with in the long term.

Finally, profitability is ranked as low importance and low urgency in the issues matrix in Chart 3. Nelson faces fluctuating costs of input material, such as barley, wheat and aluminum. In 2007 saw the price of barley fluctuate widely (see Graph 1). If Nelson is able to successfully market their product online, then they will be able to increase sales, thereby offsetting these fluctuations in profit margins. Chart 1: Ranking of Issues Urgency Importance Low Low Profitability High Customer Loyalty Competition Brand Image II.

Analysis SOOT Analysts Strength Strong Market Share Strong Brand Image
Strong Revenue Brand Loyalty Opportunities International markets (Asia, SE
Asia) Diversifying products/brands Social media marketing still relatively new
Weakness Rely on a few product names Cannibalism Threats Strong
Competition Fluctuation commodity prices (barley, wheat, aluminum)
Melon's strength is that it has a strong domestic market share, currently at
41% by volume in 2006. They also have strong revenue, generating \$3.1
billion in 2006 (Nelson Coors 2006 annual report, 165).

Internationally, Nelson has 3.8% market share, the fourth largest. Nelson
also has a strong brand image because of corporate social responsibility
initiatives and community involvement. Community involvement includes the
responsible drinking program, charitable initiatives and sports and
entertainment sponsorships. Nelson has brand loyalty because they have
been established in Canada for more than 200 years. A weakness is that
Nelson has few differentiated products and, therefore, may face cannibalism
of their product lines.

Currently, Melon's strongest markets are North America and Europe. An
opportunity for Nelson is to branch into Asian markets. Another opportunity
would be for Nelson to diversify their product brand to include beverages
other than alcoholic drinks. A marketing opportunity for Nelson is to further
develop their social media marketing strategy because their competitors
have not yet successfully integrated social media into their marketing
strategy. Some threats that Nelson faces are fluctuating prices of barley,
wheat and aluminum.

Furthermore, they face high competition in the industry level. Porter's Five Forces Analysis Threat of New Entrants (Low) Bargaining Power of Suppliers (Medium) Competitive Rivalry within Industry (High) Buyers Substitute Products Nelson Canada faces high competition within the industry. Although they are currently leading with 41% of market share in Canada, Labret is trailing closely behind. Internationally, Nelson ranks in fourth place. The threat of new entrants is low because of high capital costs and the 5 existence of established brands.

The threat of substitute products is medium because alcohol is composed of readily available products, competition is high in the industry and there is little differentiation between products. The bargaining power of buyers is medium because of availability of substitute products, buyer information and little differential advantage. Finally, bargaining power of suppliers is medium because of fluctuating input costs. The following graph illustrates the constantly changing price for barley.

Graph 1 : Barley Monthly Prices, October 2006 to December 2007 210 US dollars/metric ton 200 190 180 170 160 150 140 130 120 cot-06 Jan-07 Par-07 Gauge-07 NOVO-07 Feb.-08 (Barley Monthly Prices, 2007) Graph 2: Stock Market Prices of Nelson (TAP) in 2007 NYSE; [http://www. Wackiness. Com/wick/TAP](http://www.Wackiness.Com/wick/TAP)) 6 Looking at the share prices from October 2007 to December 2007, we can see that when the Cold Shots Campus Challenge was launched in mid-October, there was an increase in the stock price to the mid-ass's, however, throughout the marketing campaign, the stock prices dropped until it was pulled in end of November.

Also 2007 saw fluctuating input costs which may also be a result of the fluctuating stock prices. Faceable is a social media opportunity that Nelson should take advantage of. In 2007 Faceable had over 50 million active users (Faceable). Many of these users are part of the demographics that Nelson wishes to target (younger generation).

III. Alternatives & Recommendations
Alternative 1: Revamp Faceable initiative In this initiative, Nelson would revamp the Faceable initiative by using the Faceable platform, but use Faceable as a medium to connect with and build relationships with customers, not for competitions.

The advantage of this alternative is that Nelson can build upon the Faceable group that currently exists. Furthermore, they can target the 18-24 year old demographic. Finally, if the relationship is maintained well, this direct intact with their customers can foster brand awareness and brand loyalty. The disadvantages of this alternative would be that consumers might associate the new Faceable initiative with the failed Cold Shot Campus Challenge and react negatively.

Another disadvantage is that it is difficult to predict the reaction from different parties. Furthermore, the feedback obtained from the Faceable group must be scrutinized as some people may be pranksters. Finally, it is difficult to quantify results of this initiative.

Pros of Alternative 1 Utilize current Faceable groups and website Targets 18-24 year old demographic

Cons of Alternative 1 Lingering negative feelings Faceable contests from the Cold Shot Campus Challenge.

Unknown customers/future customer response Create and maintain relationships with customers and future customers Increase brand awareness Increase brand loyalty Unknown outcome Cannot trust the feedback Difficult to quantify results Alternative 2: Use static sites, such as blogs or a static website. Nelson has already experimented with blogs and static websites. This advantage of this alternative is that Nelson will be able to control the content, and therefore, how they are perceived on the Internet. However, this alternative does not specifically market to their target group of 18-24 year olds.

Also, Melon's competitors will also have websites; therefore it would be hard for Nelson to differentiate from the competition. Finally, static websites do not create strong brand loyalty. Pros of Alternative 2 Control content of Internet presence Create an online presence Cons of Alternative 2 Does not build relationship with the client Competition also have websites Does not specifically market to 18-24 year old demographic Does not build brand loyalty Alternative 3: Pull out of social media and focus on traditional marketing methods In this alternative, Nelson Canada would stop using social media marketing in their marketing strategy.

Instead, Nelson will focus on traditional marketing methods. Pros of Alternative 3 Eliminate the risk of social media campaign failure Eliminate ethical issues around the use of social media Eliminate costs associated with maintaining social media sites Cons of Alternative 3 Competitors may gain advantage if they successfully incorporate social media in their marketing strategies Does not take advantage of potential advertising in social media 8 Decision Matrix Criteria Total Weight Revamp Faceable 0. 4 0. 0. 2 0. 1 1. 0

2.3 Static Web Pages 1.9 No Social Media IV. Implementation & Action Plan

The effectiveness of social media marketing strategies depends on the goals and general direction the company wants to take. The goals of social media marketing strategies tend to revolve around increasing brand awareness, visibility, feedback or promoting a lifestyle. The problem with the Cold Shots Campus Challenge was that the idea it promoted was interpreted as one that was about irresponsible drinking behavior.

Instead, the goal of the new Faceable initiative should be about creating a space where consumers can share their experiences with Nelson products. This place will consist of primarily user-generated content (photos, questions, stories, etc), but can be monitored by Nelson Canada. It is also a place for Nelson Canada to highlight their community involvement activities, new products or other sponsorship initiatives. Also, this Faceable group can direct Faceable users to other social media sites that Nelson Canada may have (e.g. Youth channel, Blob content, etc.).

The new Nelson Canada Faceable page will be a place where people can share their experiences, opinions and perspectives related to Nelson products. The page will be a place of user-generated content, such as photos, anecdotes or links. Furthermore, this Faceable page will be monitored by the Social Media Marketing Specialist. Any requests, complaints or comments should be addressed by the Specialist.

Furthermore, this Faceable page will be a way Nelson is able to promote other marketing initiatives such as entries on the current Nelson blob (blob.Nelson.Com) or the Nelson Canada website (emulsification.). Using Faceable analytics and Google analytics, Nelson will be able to track the

growth and popularity of their brand by the number of times they are mentioned in on the Internet. The following is an implementation outline that will be further explained in detail. Part I: Re-launch Faceable Initiative

(December 2007- March 2008) a) Creation of Social Media Marketing Specialist Position in the Marketing Operations Department and Social Media Marketing Committee b) Define social media marketing strategy c) Create a new Faceable page d) Launch a contest to promote the new Faceable page .

Cheers to College Caption Contest e) Promote Contest using Faceable Ads

Part II: Generating Knowledge from Social Media (ongoing) Part I: Re-launch Faceable Initiative a) Hire a Social Media Marketing Specialist position within the Marketing Operations Department. This individual will report to the director of Marketing Operations and will be responsible for re-launching the Faceable page as well as the Cheers to College Caption Contest.

In the future, this position will be the representative of Nelson on the Faceable group and will be responsible for responding to Faceable inquiries, enervating some content for the Faceable page and for analyzing the impact of social media marketing initiatives. This position will also work with the directors of the public relations department, customer relations department, sales and IT department to ensure the Nelson brand is consistently represented across all mediums. This working group will be the Social Media Marketing committee and will be responsible for evaluating the effectiveness of the marketing campaign.

In the future, this position would deal with social media marketing, relationship building ND maintenance of social media sites (Faceable, blob,

Twitter, Youth, Flickr, etc.). 10 The next step is to define a social media strategy. This strategy will be developed by the Social Media Marketing committee and will require approval from the director of Nelson Canada. The goal of the strategy is to identify the key values or lifestyle that Nelson wishes to achieve through social media marketing. Another part of the strategy is to develop methods in which these goals can be achieved.

A goal could be the promotion of responsible drinking habits, specifically target to responsible drinking on college campuses. Another goal could be the creation of an informal online community where opinions or experiences about Nelson products can be shared. Furthermore, suggestions or complaints can be heard by and addressed by a Nelson representative (the Social Media Marketing Specialist). Nelson can also consider asking the members of the Faceable Group what they want to see in Nelson's social media marketing strategy and taking their suggestions into consideration.)

Creation of a new Nelson Canada Faceable page After the Social Media Marketing Strategy has been approved, the Specialist can create the new and official Nelson Canada Faceable page. The reason a new Faceable page should be created rather than using the old page is because of the negative attitudes that have been attached to the old Faceable page. Having a new page will allow Nelson Canada more control in terms how Nelson is depicted in the information box.

The creation of a new Faceable page will also allow Nelson Canada to have administrative controls and to view Faceable analytics capabilities, which is essential for tracking the success of the social media marketing campaign. This Faceable page is to be internally maintained to ensure that the Nelson

brand is insistently represented across all social media platforms (Nelson Blob, Faceable groups, Flicker Groups, 11 etc.) and to integrate the social media strategy with current traditional marketing strategies (social media, traditional methods such as television advertisements, billboards, magazines, etc. . D) Launch Cheers to College Caption Contest The next step is to launch the Cheers to College Caption Contest on the Faceable group. The goal is to increase awareness of the new Nelson Canada Official Faceable group as well as improve Melon's brand image. The premise of the contest is to low Faceable group members to write a caption or a tagging to a photo that illuminates the idea of a positive campus experience in a meaningful and humorous way. This professional advertisement photo will be supplied by the advertisement department of Nelson Canada.

The winning tagging and photo will be used in Melon's Responsible Choices program and the winner will receive a monetary prize. This contest will run from January 2008 to March 2008 and the winners will be announced in April 2008. E) Promote contest using Faceable Ads and other Nelson Faceable groups such as Nelson Canadian, Coors Light pages. To generate knowledge and participation in the Cheers to College Caption Contest, the Specialist will promote the group and contest using Faceable Ads and by posting messages on other Nelson Faceable groups, such as Coors Light Faceable page.

Part II: Generating Knowledge by monitoring Faceable group activity using Faceable analytics and Google alerts. The Social Media Marketing Specialist is responsible for monitoring the progress of the Faceable social media program. Some tools that the Specialist can use are as follows: response from Faceable users, number of new Faceable group members, participation

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rate in regards to 2 the Cheers to College Caption Contest and the use of Faceable Insights, Google analytics and Google Alerts.