

Marketing with social media assignment

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The conclusion of the research will include recommendations for how small businesses may consider the utilization of social media as a strategy to gain or maintain competitive advantage. Social Media and the Small Business Purpose of the Report Social media outlets such as Facebook, LinkedIn, MySpace and Twitter have widespread, worldwide popularity. According to Facebook's Press Room statistics, there are over 300 million Facebook active users worldwide, and more than six billion minutes are spent each day, by users, online (Facebook, 2009).

The allure of social networking is tremendous, making it possible for people to connect globally, with ease and free of charge. Many small businesses utilize social media as a marketing tool because it costs nothing and it reaches a large audience. The purpose of this study is to reveal the strategic implications social media and networking provide for small businesses seeking competitive advantage. The research team will first analyze how social media advertising differs from traditional marketing and advertising.

Interviews conducted with four small businesses, currently using social media sites, will identify how they currently use social media in terms of marketing. The inclusion of the report will include recommendations for how small businesses should utilize social media for competitive advantage.

Background of the Topic In order to conduct a study on social media and networking, the concept of social media and social networking must first be defined. S. Boyd, of Socialistic. Is states, " Social Media are those forms of publishing that are based on a dynamic interaction, a conversation, between the author and active readers, in contrast with traditional broadcast media where the 'audience' is a passive 'consumer' of 'content'" (Boyd, 2009).

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Through the social media platforms, such as Backbone. Com, Namespace. Com, Linked. Com, and Twitter. Com, users create connections, or networks, as further explained by Lauded, “ Social networking is the practice of expanding the number of one’s business or social contacts by making connections through individuals.

Social networking sites link people through their mutual business or personal connections, enabling them to mine the friends (and their friends’ friends) for sales leads, Job- hunting tips, or new friends. Namespace-com. Backbone. Com, and Friends. Com are for people who are primarily interested in extending their friendships, while Linked. Com focuses on Job networking” (Lauded, 2009, p. 417). Social networking stems from a person’s desire to connect and interact with others who may be related or share similar interests.

Private and public forums were the first form of social networking on the Internet (Borders, 2009). Created in the sass’s, they quickly grew in conducted discussions, typically around specific topics of a special interest website. Around the same time, real-time chat applications came into play, like ICQ and AOL instant messenger. The real-time chat option required users to log onto a website or download an application to talk to other people who were online at the same time. Blogging gained popularity as well, and these online diaries were put on sites like Liveryman. Mom and Wordless. Com. In the late sass, Siderites introduced the first social networking website that allowed the user to create a profile and trace friendships through people (Borders, 2009). Siderites’ premise was that individuals are all connected to each other somehow through direct and indirect relationships. By injecting <https://assignbuster.com/marketing-with-social-media-assignment/>

with friends and family, then connecting with friends of friends and family members, the platform enabled users to meet new friends and potential love interests through a network.

It had short-lived popularity, followed closely by Friends in 2002, “ an online community that connects people through networks of friends for dating or making new friends. ” (Borders, 2009). Since its conception, Friends has become well known in the Asian communities, and in the United States newer social media forms have replaced it, such as Namespace, Backbone, Linked and, more recently, Twitter. The popularity of a given social media site and the abandonment of another appears to be connected to a site’s functionality.

Six Degrees gave way to Friends, which was then replaced by Namespace because the earlier social media platforms had slow server speeds, and once the initial novelty of connecting with friends and family wore off, there was little else to do on the sites. With both Six Degrees and Friends, users lost interest. Namespace and, later, Backbone offered more, not only to individuals, but functions that businesses could utilize for little to no cost. Namespace. Mom launched in January 2004, and now has over 65 million users in the U.

S. Alone. According to the creators of Namespace. Com, it is a “ technology company connecting people through personal expression, content, and culture. Namespace empowers its global community to experience the Internet through a social lens by integrating personal profiles, photos, videos, mobile, messaging, games and the world’s largest music community.

” Namespace was the first site to allow users to explore public profiles, and users could utilize it as a virtual bulletin board to post information, pictures, music and video.

Like Friends, Namespace offers its users the ability to customize their personal pages, making the site very popular among teenagers and those in their twenties. As a business platform, bands and filmmakers use the site because of its ability to post material and get instantaneous feedback from known and unknown Namespace users. In less than three years, it became one of the most popular websites on the World Wide Web (Random History, No Author, 2008). “ Tablecloth. Com” also started in 2004 at Harvard University, as a personal network between students.

It quickly extended to other universities and then in 2005, it became Backbone. Com, garnering worldwide recognition. Backbone appeals to a different audience than Namespace, focusing on navigation capabilities and a uniform appearance in contrast to the high degree of variability displayed on Namespace. Users have access to free games, videos, links, and fan pages that continue to grow daily. The company’s overview states, “ Passbook’s mission is to give people the power to share and make the world more open and connected. Millions of people use share links and videos, and learn more about the people they meet. Fan pages are becoming increasingly popular on the Backbone site. This is a page made by a business, cause, or individual that users may connect to as a fan. The fan page is then displayed through an individual’s profile to his connections, and that individual may encourage his connections to also connect to the fan page. A fan page allows for an individual to post information about her

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business separately from her personal page. For users in search of a business networking platform, LinkedIn.com is a professional social media website.

First launched in 2003, users may add business contacts, provide recommendations and create a strong business network. The LinkedIn mission states, “ Relationships Matter” and that mirror professional network of trusted contacts gives you an advantage in your career, and is one of your most valuable assets” (LinkedIn, 2009). LinkedIn provides value to the small business because it allows for an individual to share professional information with people he does business with, and make contacts with an associates network through introductions or an email function. Twitter. Mom is a combination of previous networking sites. It is a mini blog that has the ability of active updating to Backbone, which also has SMS or instant-messaging capabilities. The original concept of Twitter was “ initially inspired by the concept of an ‘ away-message’ merged with the freedom and mobility of [Short Messaging Service] SMS. Twitter began as an experiment in 2006. When value as an instant communication network during shared events like earthquakes, conferences, and festivals emerged, Twitter began to grow’ (Millstone, 2009). The goal of a tweet is to get a point across in 140 characters.

Twitter allows individuals and businesses to broadcast an announcement or status in real time. It enables users to pick who’s information they want to follow, who they want to allow to allow them, and if they want to be a part of any groups that they might find interesting. Namespace, Backbone, LinkedIn and Twitter are just a sample of social media formats available to today’s

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Internet users. Through social media, individuals and businesses find a way to connect on a virtual platform. “ People spend hours surfing pages, checking out other members, and exchanging messages and they reveal a great deal of information about themselves.

Businesses harvest this information to create carefully targeted promotions that far surpass the typical text and display ads found on the web. They also use the sites to interact with potential customers. The ability to deliver digital goods and digital content over the Web has created a new alternative to traditional print publications and broadcast media” (Lauded, 2009, p. 417). For the analysis of how small businesses may use social networking, Namespace, Backbone, Linked and Twitter are the focus in this study.

Discussion of Current Issues Social media is a popular marketing medium for small businesses because it costs little to nothing. A. Gooding, owner of Inspire Fitness, states that she chooses her advertising media based on “ anything that is free. I use Backbone, word of mouth, and I write a column for our local paper. I have handed out fliers at schools, and I have had a booth at a local health fair. I’m also a ‘ contestant’ for Best of Western Washington, personal trainers, and even if I don’t win, it’s great publicity’ (Appendix A). When asked about how he advertises, Rexes James Band’s co-founder, D.

Powell for bands, help you get bids, help you update your calendar. Artist Direct Just recently – currently in BETA – currently free, they have a lot of cool tools to format calendar and they update [Backbone] and [Namespace] for you – one stop hop. ” (Appendix D). For R. Mimicker of Mimicker and

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Associates, “ I chose Twitter because of its phenol-quality and its growth – it’s fairly popular and has the greatest ‘ sticking power’ out of all of them, I think. I chose Linked because it’s a more professional site than Backbone, and conveys the professional information in a way that I can control” (Appendix C).

Small businesses have limited advertising budgets, and social media provides a free venue for marketing. In addition to being free, social media provides an interactive forum for the small business to “ meet” its customers. In rotational advertising, the advertiser broadcasts to an audience, but does not get immediate feedback. Social media facilitates a conversation between the small business and its customers. It is through these conversations that social media provides a business to consumer electronic commerce (BBC).

BBC “ involves retailing products and services to individual shoppers” (Lauded 2009, p. 420). Social media provides a forum where businesses may start a conversation with potential clients, creating a relationship that allows for both the business and customer to decide if and when they will do business together. Unlike large businesses, a small business may not have the capacity to serve a large customer base. When asked about his business growth, Mimicker responded, “ I’ll start from 2004 – I acquire about 7-10 additional customers a year (roughly a 15-20% growth rate) and that’s been fairly consistent.

Growth rate is tricky for a company my size: too much growth and I’d have to hire a staff, and that’s not in my business plan; too little growth and I can’t

keep up with attrition and my competitors. Generally, 20-percent of my customer base are cornerstone assets that I spend my most time with. The other eighty-percent are tangentially new cornerstones... ” (Appendix C). A business like Mimicker and Associates must be able to be selective about who it sends its marketing message to, because the business’s size limits the number of clients who may be helped at any given time.

In traditional advertising, a marketing message is broadcast through radio, television or print. In the past, to prevent an overwhelming response to advertising, a small business may have selected a direct marketing campaign to communicate with past and potential clients. Social media allows businesses to decide whom they want to advertise to, essentially picking out their niche market. On Backbone through a profile they can provide information to friends & family, with the creation of a fan page they can push it a bit further as friends of friends view profiles.

Twitter allows a business to be selective on who gets messages, or a business can join groups to help get their name out there. LinkedIn allows businesses to connect through their colleagues, so that they are only offering their services to those already a part of their network. Growth is not the only element a small business may want to control. If an individual starts a home-based business, the business owner wants to know her clients. Social media provides a means to communicate directly with friends and friends’ friends, rather than casting a wide net.

According to A. Gooding, “ Because I have a gym studio in my house, I am very careful with whom I ‘ hire’ as clients. Therefore, I would much rather

market to those who I know, in hopes they know someone who needs a her friends and family members to connect to the page. As friends of friends also connected to the page, she could learn more about the potential clients by looking at their profile information or asking friends and family about the person. For a small equines that wants more exposure, search engine optimization (SEE) is a benefit of social media presence.

Search engines started on the Internet as “ simple keyword indexes of all the pages they visited” (Lauded 2009, p. 293). In 1998, the launch of Google introduced a new facet to the index, “ This search engine was different; Not only did it index each Web page’s words but it also ranked search results based on the relevance of each page” (Lauded 2009, p. 293). As search engines continue to evolve, small businesses benefit from appearing in uncensored search links (links hat were not paid for), because the more presence a small business has on the Internet, the more likely it will appear in a keyword search.

The Rexes James Band recognizes the benefit of more exposure, “ The more places your music and ‘ keywords’ are on the Internet, the better chance people will find you on the Internet and search engines can correctly categorize your website with the keywords when people do searches, this is all part of a technique that large companies spend millions on each year to increase their search engine ratings... ” (Appendix D). We see this in Russell Mimicker’s experience as well, “ It’s very useful. Content pushes more search engine results my way, making me look like a good authority, and that improves people finding me on the web” (Appendix C).

The small business owners interviewed for this study largely described the benefits of social networking, but there are negative aspects in the utilization of social media. L. Unguent of Vitiates explains why he will not use Namespace, “ There are Just too many ads on that people don’t pay attention to any type of advertisement. I believe people are programmed to filter out any type of ads on Namespace” (Appendix B). The sites, while free for users, need to make money to purport growth and development. One key way the online social media sites make money is through paid advertising.

On Namespace, animated banner ads run along the top and side of a user’s profile. As a result, the user is bombarded with advertisements, and eventually learns to ignore them. Unguent’s concern raises the question regarding how long it will be before Backbone users ignore business fan pages, because the person feels bombarded with marketing messages. Unguent states that he feels multi-level networking is the best business model, but when asked if he would expand his use of social media, he replies, “ My long term advertising strategy is to push more advertisement on forums and blobs that has to do with karaoke, less of social media” (Appendix B).

Another negative aspect of social media is the potential loss of an individual’s privacy because much of the information placed on a social media web site is biblically available through search engines. R. Sicilians, an internet security analyst, writes, “ Privacy issues and identity theft in social media are a growing concern. Most people who post their personal information about themselves do not recognize the potential consequences

of their actions, or maybe they simply don't care if their entire life is an open book" (Sicilians, Huffing Post, 2009).

Gooding mentioned that her use of advertising on Backbone is strictly targeted towards friends and friends' friends, because she conducts business from a home-based gym. However, friends of friends' friends also have the ability to view personal page to promote her business. To limit the information available to those interested in her business, Gooding created an Inspire Fitness fan page. Fan pages allow anyone who is interested to link to a company's profile, but not access an individual's personal information. Finally, there is the risk of misleading or controversial information on social media sites that may present risks to a business.

Social media is largely unregulated. Users of Twitter, for example, may face lost business or legal troubles if a disgruntled client voices an opinion that is defamatory. Entertainer, Courtney Love, is being sued by a clothing designer for posting 140 character rants about the designer, including name calling such as " liar" and " thief". The designer alleges her business has suffered due to Love's posts (Reuters, March 2009). And, while Backbone and Namespace creators encourage users to report " abuse" f the sites, it does not prevent the presence of controversial content. [Namespace has] many teenage subscribers [who] post suggestive photos of themselves and lie about their age. About one-fourth of all Namespace users are registered as minors under 18 years of age, but that number could be larger. Parents, politicians, and police worry that sexual predators use Namespace to stalk potential victims" (Lauded, 2009, 418). Recommendations The interactive

relationships developed between customers and businesses through social media provide businesses with a competitive advantage.

When used wisely, social media enables the small business to gather information about and respond to customer needs faster than through traditional marketing. The key to obtaining and maintaining competitive advantage through social media is to find a medium that is manageable and positively reflects the product or service offered. When a business does not select the correct venue, the advertising may lose value or tarnish a company's image. For the Rexes James Band, Namespace provides a platform for sharing music and allows the band to interact with its fans.

It appeals to a twenty-something audience, as well as other bands and entertainers. But, because of the ability to post messages on a connection's page, businesses that use Namespace and Backbone must monitor their pages frequently, and remove posts that may offend or dissuade potential customers. A high-traffic, highly interactive platform like Namespace or Backbone would not work for a professional service, like Mimicker and Associates, who may desire testimonials, but not a steady stream wall posts that require frequent attention.

Mimicker wisely selected Linked to reflect his business' image of professionalism and uses Twitter as a real-time interactive tool to engage current and potential customers. Once a small business selects an appropriate social media platform, it should make initial connections with people already familiar with the company or product. If a small business asks

current customers to add the fan page to their social media, not only will other customers see it, but their friends and other contacts will see it as well.

This phenomenon of obtaining business through social networking is called “word-by-mouse” rather than word-of-mouth advertising. D. Scott, author of *Viral Marketing Success* explains “Word-of-mouse is the single most empowering tool available to marketers today’ (Scott 2008, p.). He provides an example of how the process worked for the opening of the new Harry Potter theme park for Universal Orlando. C. Gordon, the Vice President of New Media and television or print. “Gordon and her counterpart at Warner Bros. Chose to launch *The Wizarding World of Harry Potter* by first telling the exciting news to a very small group of rabid fan...

These seven [fans] were invited to participate in a top-secret Webmaster held at midnight on May 31, 2007. ” (Scott, 2008, p. 6 & 7). By relaying the announcement through seven die-hard fans, then family and friends, previous customers and bloggers, Gordon reached an audience 350 million through social media. Powell describes how word of mouse benefits Rexes James on Namespace, “You can get new contacts without spending any effort, people will find you if you are participating in the same circles, and with a little bit of effort you can build your friend lists greatly in a short time” (Appendix D).

A business owner must make the decision on how much or how little online exposure he desires to obtain. On Backbone, business owners may elect to steer current and potential customers to a fan page. The fan page gains a following through word-of-mouse networking, and a dedicated business page

will keep the focus on the business, rather than the business owner's personal information. Social media users must also remember that once they publicize their pages, it is open to anyone that performs a web search.

For example, when performing a search for “Inspire Fitness” on Backbone, both the Inspire Fitness fan page and Goodie's personal page appear in the search results. If Gooding prefers to be excluded from the search results, she would need to remove all references to Inspire Fitness on her personal page. Business owners should perform frequent searches on Google and Yahoo search engines to observe what content are in the public forums. A business owner may also elect to receive email or mobile text alerts when their name or their business' name makes a new appearance in a search engine.

For a new business trying to create a presence on social media site, like Twitter, online resources can help. Sparseness's Geek's Guide to Promoting Yourself with Twitter, provides several tips for obtaining followers, and driving followers to the business' web page. When asked if he would explore social media options beyond Backbone, L. Unguent responded, “My long term advertising strategy is to push more advertisement on forums and blogs that has to do with karaoke, less of social media” (Appendix B).

Rather than abandoning social media, Unguent should consider establishing a website and utilize Twitter to drive business to him. A as'. N. Y business owner understands that the social networking mediums are ever-evolving. According to d. Boyd, “Online communities are more like nation-states than technological tools. There is a master behind the architecture, a master who controls the walls of the system and can wage war on her/his people at any

point. People know this. They have to trust that the creators have their best intentions in mind.

They invest a lot of time and energy into creating an identity in the system – they want to believe that it is worth it” (Boyd, 2006). If a social media site fails to meet the changing expectations of its users, people will move on to another medium that serves their needs. For the small business, depending on social media to obtain and retain customers, it is important to watch the interaction between the creators of the media sites and the users. A small business should not count on any one platform to array its marketing message because social media sites will come and go.

Conclusion The initial intent of this study was to find ways social media could help small team realized small businesses do not typically want to compete with larger businesses, but social media gives them key advantages in their target markets. Some of the businesses interviewed had already found appropriate social media platforms, experiencing success in reaching their intended customers. For businesses not connecting with their target audiences to the degree desired, the recommendations resulting from the project team’s research may provide social Edie solutions not previously explored.