



**PEARSON NEW INTERNATIONAL EDITION**  
Social Media Marketing

Tracy Tuten Michael Solomon  
First Edition

# Pearson New International Edition

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PEARSON

Activity	Percent of Internet Users
Download or share files using peer-to-peer file-sharing networks, such as BitTorrent or LimeWire	15
Sell something online	15
Create or work on your own web page	14
Create or work on your own online journal or blog	14
Participate in an online discussion, a listserv, or other online group forum that helps people with personal issues or health problems	7
Visit virtual worlds such as Second Life	4

## Why We Login

Web users increasingly participate in social networks such as Facebook, play online social games (turn-based, multiplayer games designed to be played within social networks) such as Farmville within the network community, comment on the posts of friends, update status messages, and share content. Likewise, brands are joining in on these sites as they add content and try to converse with consumers. What's your motivation for the time you log on social networks? Chances are there are many reasons that drive you to visit these sites. Some of these motives probably seem like no-brainers, but others may surprise you. These are the most common impulses researchers have identified:

- **Affinity impulse:** Social networks enable participants to express an affinity, to acknowledge a liking and/or relationship with individuals and reference groups. When you use Facebook to stay in touch with high school friends and to make new friends, you are responding to the affinity impulse.
- **Prurient impulse:** People may feel a curiosity about others and want to feed this interest—this is known as the prurient impulse. Online, we can satisfy our curiosity by “following” people on Twitter and visiting their profiles. Surely it is the prurient impulse that led nearly 5 million Twitter users to follow Ashton Kutcher's daily tweets while millions of others relentlessly track the ups-and-downs of actress Lindsay Lohan—will she prevail, or crash and burn?
- **Contact comfort and immediacy impulse:** People have a natural drive to feel a sense of psychological closeness to others. Contact comfort is the sense of relief we feel from knowing others in our network are accessible. Immediacy also lends a sense of relief in that the contact is without delay. Do you feel lost without your mobile phone? Do you feel anxious if you haven't checked Facebook recently? When you reply to a message, do you keep checking for a response? These are indicators of your need for contact comfort and immediacy.
- **Altruistic impulse:** Some participate in social media as a way to do something good. They use social media to “pay it forward.” The altruistic impulse is also aided by the immediacy of social media, and this value has been played out in the **immediate altruistic responses (IAR)** of social media users to aid calls during crises such as the earthquake relief for Haiti or Japan.<sup>4</sup> Individuals want to do good and do it quickly—social media makes it easier to contribute in the form of a cash donation or a service to the community.



## THE DARK SIDE OF SOCIAL MEDIA

As people spend more time screen to screen and less face to face, it's inevitable that our relationships will center less on the physical world and more on the online experience. **Contact comfort** refers to the psychological relief we feel when we are assured of the accessibility of companions in our network. The concept is based on the early work of the psychologist Harry Harlow, who found that monkeys were motivated by contact comfort, even more so than by food. A classic experiment involved two groups of baby monkeys that had been removed from their mothers. They were exposed to two types of "surrogate mothers," one made out of terrycloth and one made of wire. Some of these "mothers" provided milk from a bottle whereas others did not. The babies clung only to the wire structures that provided milk—but they attached themselves to the soft terrycloth "mothers" whether or not this resulted in being fed.

Whether it's a soft piece of downy terrycloth or the reassurance that your friends are online to give you advice, what happens when we are deprived of this contact comfort? Some researchers and public policymakers are concerned about the growing threat of **social media addiction**, a psychological dependency and recurring compulsion to engage in social media activity. It is in part characterized by the limited amount of time addicts can go before checking in on their favorite social media sites, suggesting a need for **contact immediacy**. This term refers to the speed at which we can communicate and deliver messages even from afar. The immediacy of social media communication channels have made many of us impatient with the delays we associate with more traditional modes such as email and mail. It remains to be seen how the shortened attention span digital media encourages will impact our ability to absorb information that doesn't include these updates (e.g., traditional college lectures!).

- **Validation impulse:** Social media focuses intently on the individual. You can share as much or as little of your opinions and activities, and comment on those of others. This focus on the self highlights the validation impulse, in other words, feeding one's own ego. Andy Warhol famously said, "In the future, everyone will be world famous for 15 minutes." The legendary artist and visionary understood even way back in 1968 that the media had the power to spotlight almost anybody and everybody. For better or worse, it looks like Warhol was right. With social media, anyone anywhere in the world can earn worldwide fame for a brief time. The only catch is that with social media, the fame probably won't last even 15 minutes.

As attention spans continue to diminish, we focus on one "micro-celebrity" but before you can say "Twitter" we're on to the next. Take for instance, the story of Sarah Killen (her Twitter handle is @LovelyButton). On March 5, 2010, Conan O'Brien announced he would follow one person and only one person on Twitter, whom he would choose at random. That person was Sarah Killen. When Conan first followed Sarah, she had three followers. Within 24 hours, 16,000 people were following her. In that same period of time, she was interviewed by magazines and talk shows ranging from *MTV News* to *New York* magazine. Sarah's fame lasted more than 15 minutes, but not much more—news stories peaked on March 6 and were over by March 10. Still, for those who want a stab at the brass ring, social media activity, especially in the form of publishing one's own content, can validate one's sense of self-importance and ego.

### Learning Objective 4

## Market Segmentation: Slicing the Social Media Pie

Marketers are rapidly adopting social media marketing strategies and techniques, but social media marketing will work only to the extent that these new media platforms can reach the customers organizations want to talk to in the digital space. And, just reaching people isn't the only issue: Not all social media users are the same. Just as there are segments of consumers in the overall marketplace, there are segments within the population of social consumers. For example, we've

already seen that there are important differences between digital natives and digital immigrants. Understanding these segments and how their attitudes and behaviors differ is a critical component to devise an effective social media marketing strategy.

Although it may seem like everyone is online, and most everyone is on Facebook, the extent to which a person's life is digital varies based on their lifestyle, personality, demographics, and even their geographic and economic conditions. These characteristics represent the bases of segmentation marketers use when they divide a population into manageable groups. **Market segmentation** is the process of dividing a market into distinct groups that have common needs and characteristics. Marketers use several variables as the basis to segment markets. Let's briefly review each and try to understand how these variables translate into the online world.

### Geographic Segmentation

**Geographic segmentation** refers to segmenting markets by region, country, market size, market density, or climate. For example, North Face can expect to sell more parkas to people who live in winter climates whereas Roxy will move more bikinis in sunny vacation spots. Geographic segmentation will become increasingly relevant to social media marketers, not only due to location-based targeting based on a business's distribution channel, but also because social media increasingly incorporates **GPS technology**, a satellite system that provides real-time location and time information.

This innovation should aid local businesses who can use the technology to target specific people based on physical presence. Services such as Foursquare (Gowalla is a similar competitor) position themselves as geo-targeted social media. In other words, Foursquare is part social network, part GPS tracking system. Users log in via their smartphones and other Wi-Fi-enabled mobile devices and "check in" to their location. From there they can see if they have friends nearby (both services will import friends from Facebook and other accounts), and also see links to local businesses. This is where segmentation strategy comes into play.



Geographic segmentation via social media is relevant to local businesses that want to increase retail traffic in physical store locations. As Foursquare members check in, local businesses in that area can reach out to them with special offers and interactive promotions such as free drinks or discounts. There are awards for checking in to business venues most recently and most frequently; these instill a sense of loyalty among users. Importantly for the local merchants who use the service, Foursquare offers a business "dashboard" that includes metrics on the number of check-ins, the times of day people check in, the most recent visitors, and the most frequent visitors.<sup>5</sup> Of course, the offers require consumer cooperation—without check-ins, the promotions won't be effective. So are wired consumers checking in? Indeed they are. A recent study from JiWire, a Wi-Fi provider, found that 65 percent of Wi-Fi users said they frequently use apps that require they provide their physical location.<sup>6</sup> When it comes to community merchants, social is local.

### Demographic Segmentation

When marketers employ **demographic segmentation** they utilize common characteristics such as age, gender, income, ethnic background, educational attainment, family life cycle, and occupation to understand how to group similar consumers together. General Mills creates specialized campaigns for different demographic segments, such as when it launched QueRicaVida.com as an online platform for Latina moms.

How can demographic segmentation benefit social media marketers? Let's take a look at a campaign from Huggies, a brand of diapers Kimberly-Clark manufactures. How would you describe Huggies' target market demographically? That's easy—primarily female, between the ages of 20 and 40, and in the parenting (early) years of the family life cycle. Traditionally, a brand such as Huggies would target young mothers with daytime, network television commercials and print ads in magazines such as *Parenting*. If the brand wanted to test the social media environment, it might sponsor a "precious

babies” photo contest where it would ask parents to submit pictures of their babes in Huggies brand diapers on a microsite, and then encourage all participants to vote for the most popular image.

In this case, though, Huggies has taken a very different route; its strategy highlights the importance of considering demographic characteristics. Here’s an overview of the campaign. Huggies® sponsors a MomInspired™ Grant Program that will award \$15,000 grants to mothers with product ideas that address an unmet need of parents.<sup>7</sup> Mothers can share ideas on the Huggies MomInspired microsite, which also features the proposals of other inspired moms, a tweet stream from moms, and detailed resources to ensure inspired mothers understand how to write a winning business proposal. As you’ll see later in the book, brands can use traditional media to activate social media initiatives, or can use social media to activate traditional communications plans. For Huggies, the campaign is 100 percent social: Online publicity, tweets, Facebook updates on its Fan Page, StumbleUpon traffic on its microsite, and a “share” button support the campaign. Huggies relies on mothers in the know to tell other mothers about the opportunity.



Is this campaign an effective way to reach the Huggies’ target market? The approach is clearly targeted to mothers and does so in a way that suggests the Huggies brand really understands the challenges of motherhood. It goes beyond the basic love and pride a mother feels for her child to the underlying motives and needs that face mothers. This is a key component of demographic targeting. It’s about more than the basic facts. The marketer takes the demographic knowledge and uses it to understand the needs of the market.

### Psychographic Segmentation

**Psychographic segmentation** approaches slice up the market based on personality, motives, lifestyles, and attitudes and opinions. These variables may be used alone or combined with other segmentation bases such as demographics. Psychographics tend to provide the richest picture of a consumer segment in that the descriptions of psychographic segments help marketers to know the real person making the consumption decisions. When BMW wanted to understand how different types of people think about cars, its research identified segments such as “upper liberals” (socially conscious, open-minded professionals who prefer the roominess and flexibility of SUVs), “post-moderns” (high-earning innovators such as architects, entrepreneurs, and artists who like the individualistic statements made by driving convertibles and roadsters), “upper conservatives” (made up of wealthy, traditional thinkers who like upper-crust, traditional sedans), and “modern mainstream” (family oriented, up-and-comers who want a luxury brand but likely can’t afford more than the lowest-end model). Using this segmentation scheme as an anchor, BMW created vehicles for several categories and then expanded its product line to capture additional segments via its acquisitions of Rolls-Royce and the Mini Cooper.<sup>8</sup>

Let’s consider a practical application of psychographics in the social media space. The greeting card industry has experienced declining sales for some time now. Today fewer people send holiday greeting cards; many instead send email and e-cards to loved ones on holidays. A large-scale study by Unity Marketing identified four psychographic segments among greeting card buyers. Unfortunately for the greeting card industry, a segment called “Alternative Seeker,” the largest and fastest growing group the study identified, is also the most eager to find an alternative to the traditional card.<sup>9</sup> Alternative Seekers view social media as an answer to staying in touch with friends and family on both a daily basis and on special occasions such as birthdays and holidays.

Unity’s report warns that greeting card companies are at risk as people turn to social media as a replacement to traditional cards. Obviously as consumers’ reliance on the U.S. Postal Service continues to drop, this is not good news for traditional greeting card companies. But this change presents an opportunity for others. Hallmark, the market leader in the greeting card industry, creates new product offers for Alternative Seekers such as the Hallmark Social Calendar, a Facebook application, and the Hallmark Mobile Greetings mobile app. The Social Calendar enables Facebook users to track birthdays and other holidays and get reminders, but it does something even more enticing. With the



## BYTES TO BUCKS

Marathon runners are a special breed. Before the 2010 New York Marathon, the tens of thousands of these dedicated (or crazy?) athletes received an email asking them to participate in a new social networking project spearheaded by actor Edward Norton, who is also an avid runner. They were invited to participate in a fund-raising site he started with three partners called *crowdrise.com*. The platform enables people to easily set up a page for a cause they support and then reach out to others in their social networks to contribute. The actor observed, “The ‘60s were the era of people realizing they could rally together to express their priorities. [Social networking offers] a new way of getting people

together to create power in numbers.” And, he notes that it can help users express themselves through the causes they support. The idea for *Crowdrise* and its partnership with the New York City Marathon both originated during the 2009 Marathon, when Norton ran to raise money for a charity in Kenya. Prior to that event he held daily contests for donors on his Twitter account and raised \$1.2 million for a wilderness reserve. This experience showed him the fund-raising potential of social networking; now celebrities such as actor Seth Rogen and musician Flea (bassist for the Red Hot Chili Peppers) as well as many everyday people use *Crowdrise* to involve people in a variety of causes.<sup>10</sup>

Social Calendar, you can send “Wall Wishes,” virtual gifts, and other greetings Hallmark style! What’s more—it’s free. With Hallmark’s Mobile App, you can send mobile-to-mobile MMS greetings.

### Benefit Segmentation

**Benefit segmentation** groups individuals in the marketing universe according to the benefits they seek from the products available in the market. For example, in the auto industry people who buy hybrids and electric cars look for different benefits from a car than those who buy muscle cars or SUVs.

What benefits do consumers want from their interactions with brands in social media environments? There are competing schools of thought on this issue. Some industry experts argue that consumers want to have meaningful relationships with the brands they use frequently, and particularly with those brands they consider *lovemarks*. This term refers to brands that inspire passionate loyalty in their customers. Kevin Roberts, CEO of Saatchi & Saatchi, originated the concept; his agency looks for ways to deepen bonds with consumers and thus cultivate these *lovemarks*. Saatchi & Saatchi even maintains a website that encourages people to nominate the brands that inspire them in different categories. For example, brands in the beverage category include Guinness, Inca Kola, and Boost Juice.<sup>11</sup> You can nominate your own favorites at [www.lovemarks.com](http://www.lovemarks.com).

If Roberts and others are right, brands can use social media engagement with customers to build the relationship—conversing, sharing, caring, and interacting in each other’s lives over time (just like people do). Do consumers make friends with brands? If we use the growing trend of online “friending” as an indicator, the answer is yes. According to Razorfish, a leading digital marketing agency, 40 percent of online consumers have become a friend or fan of a brand on a social networking site. Even more have interacted with brands in other ways; 70 percent report having read a corporate blog, 67 percent watch branded videos on YouTube, and 65 percent play a branded game online.<sup>12</sup>

Consumers may also seek help from trusted brands to help them manage their lives. The research firm *trendwatching.com* suggests that time-starved consumers who use mobile Wi-Fi-enabled devices turn to brands to help them take care of life’s requirements more efficiently. Brands that can provide this benefit to consumers are called **brand butlers**.<sup>13</sup>

The growing popularity of mobile apps provided by brands, such as the GEICO *Glovebox* app, are examples of how brands can serve as butlers. This app enables customers to view their insurance card with their phone, pay their insurance bill, report accident information, find instructions for what to do in roadside crisis situations, and call for taxis and rental car reservations. By making

activities that are sometimes necessary but always a hassle to consumers easy and accessible, GEICO provides a benefit to its time-starved customers. The idea of seeking out brands to serve in the role of brand butler is consistent with a key principle of marketing—that of offering value to customers. Brands that provide supporting services via social media add value to their product offering.

Besides wanting an emotional bond and valuable services, consumers may also want to simply save money. Razorfish's *Feed* report found that 44 percent of those who follow a brand on Twitter and 37 percent of those who had friended a brand on Facebook did so exclusively to be privy to special deals and offers. The popularity of location services such as FourSquare supports this reasoning; as we've seen, users are rewarded with deals when they check in with local business venues. Brands with successful track records in the social media space often use these platforms to aggressively offer incentives that motivate people to choose the brand because they can save money. Take Jet Blue, for instance. To celebrate its 10th anniversary, it promoted \$10 fares on Facebook, targeting Facebook users who were fans or friends of JetBlue and those who had a vacation-related status message on their Walls.<sup>14</sup>

Jet Blue's campaign is an example of a **sales promotion**; an initiative that seeks to motivate buyer behavior during a limited period of time by offering a discount or prize. Sales promotions are a tried-and-true tool; we see them all around us in the form of coupons, sweepstakes, and contests. The social media space is fertile ground to extend these techniques, though sometimes danger lurks on this road. Ironically, because of the viral nature of social media, marketers can be *too* successful if they offer a promotion that spreads wider than originally intended. A key principle of Web 2.0 is scalability. If a social service or campaign can't scale, it won't be sustainable. That's when brands trade short-term successes for long-term losses. This is exactly what happened to Subway when the sandwich franchise launched a promotion to give away one million free subs. The online campaign drew such a heavy response that the promotion hit the one million mark in just 3 days. The parent company shut down the free coupon registration at that point—but individual franchisees had to deal with irate customers who showed up to claim their free sandwich.<sup>15</sup>

## Behavioral Segmentation

**Behavioral segmentation** divides consumers into groups based on how they act with regard to a brand or a product category. For example, knowing how much of a product a group uses and how often they purchase that product can be useful information—especially because “heavy users” often differ quite a bit from occasional users. And, even though these hard-core customers usually are a minority of the total customers that patronize an organization, they often account for a lot of its sales. In fact, marketers rely on a rule of thumb we call the **80/20 Rule**: Twenty percent of a brand's customers purchase 80 percent of its products. This ratio is not set in stone, but it often is surprisingly accurate.

This idea of a hard-core minority is very important in the social media area. Quite simply it reminds us how key a brand's dedicated fan base can be to success or failure. These heavy users tend not only to use the product; they also are the most likely candidates to blog about it, retweet articles to their network on Twitter, or friend it on Facebook.

Furthermore, in the context of interactive advertising online, behavioral targeting means delivering relevant display ads based on the behaviors we exhibit as we surf the Web. **Behavioral targeting** relies on the use of software and Web analytics, as well as cookies and IP addresses, to create a profile of individual behavior marketers then use to deliver relevant ads. For example, a Facebook user who has just viewed the price of flights to New York City on Expedia might then be shown a display ad that announces discounts on Broadway theater tickets. This strategy is especially useful for brands that advertise within social communities because the community provider is privy to a database of information on user demographics and interests. For instance, Gather, a social network for older intellectuals, targets ads placed on its site using online behavior within the community.