Social spending: Managing the social media mix

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Abstract
There is incessant demand for ‘proof’ of return on investment (ROI) for social media spending, and a significant degree of uncertainty among marketers with respect to allocating effort and budget to social media. In this article, we address these issues by identifying different ways that organizations use social media, highlighting important distinctions in these approaches and describing how to frame the spending decision for social media. Additionally, we identify dimensions that can be used to differentiate important types of social media in a social media mix, and relate this to tactical marketing execution. We also highlight the different nature of social objectives, the ‘backward’ process for meeting them, and the importance of establishing a social media ‘mission control’ as part of that process.

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1. Marketing spend on social media

Organizations both large and small have jumped on the social media bandwagon, feeling their way around to make sense of its usefulness. They have tweeted on Twitter, created fan pages on Facebook, and posted videos on YouTube. Perhaps akin to the development of websites in the latter part of the 20th century, organizations today sense that social media is—and will remain—an important fabric of commerce, and that they must get on board. However, given the frequent demand by management for ‘proof’ of return on investment (ROI), it appears that there is a fair degree of uncertainty with respect to allocating marketing effort and budget to social media, and limited understanding of important distinctions among various types of social media.

This article provides guidance on reducing this uncertainty by describing a lens for strategically thinking about social media, and by identifying important dimensions of social media with respect to tactical execution. First, like Kaplan and Haenlein (2010), we find it useful to clarify the difference in meaning between social media and Web 2.0, two terms used frequently as synonyms—which they are not. Next, we identify different ways that organizations use social media, highlight important distinctions in these approaches, and describe how to frame the spending decision for social media. Finally, we identify dimensions that can be used to differentiate important types of social media, and relate this to tactical marketing execution.

2. Web 2.0 and social media

It still remains geeky cool—at least among marketers or management types; perhaps less so among...
techies—to interchangeably throw about the terms 'Web 2.0' and 'social media' when talking about relatively new online network-related approaches for reaching, listening to, and interacting with, consumers and others. These terms will likely remain popular and be used as synonyms to the extent that they ultimately help identify value or sell a concept, project, or product. We believe that it would be strategically useful to understand the difference in meaning of these two related terms.

Simply, and in a broad sense, Web 2.0 is comprised of computer network-based platforms upon which social media applications/tools (referred to as social media, for short) run or function. Many organizations create their own Web-based platforms which run on the Internet. For example, Facebook, Twitter, and Apple offer their own Web 2.0 platforms, upon which social media—say, mobile iPhone applications or FarmVille—may run. Each platform has a set of 'rules' for writing and running applications, and these applications are developed in accordance with this.

Managerially, the distinction between Web 2.0 and social media is important. Each can be an important conduit to consumers and others (e.g., competitors, employees, suppliers) for a variety of purposes, such as listening, information gathering, and communicating. Further, organizations can assess the strategic implications of developing a platform and/or applications, or of using them in marketing.

Another important distinction is that between marketer- and consumer-generated media, with respect to social media and Web 2.0. The latter is content created by consumers (Kaplan & Haenlein, 2010) appearing in social media (e.g., a tweet on Twitter, a post on a Facebook Wall, a video on YouTube). Marketers/organizations can, of course, create social media content; it’s not necessarily 'paid' media, although in spirit this may be the perception of such content.

3. Approaches to using, and spending on, social media

Let us recognize, up front, an important currency or skill set for effective social media implementation that is elaborated upon in other articles within this special issue: Whether you are using social media to communicate directly with consumers, or to influence others to carry a message related to your brand, effective use of social media can benefit greatly from a personal touch that is relationship oriented. This is comprised of several important qualities, such as authenticity, being conversational and ‘human,’ reciprocity, ceding at least some control, and fighting the urge to explicitly and constantly close a sale (Parise, Guinan, & Weinberg, 2008). In this article, we make reference to this critical skill set.

In our conversations with, and observations of, organizations engaged in social media, we’ve identified three general approaches toward using social media, varying in extent to which the approach is traditional or emergent (Berthon, Hulbert, & Pitt, 2005) in nature (see Figure 1). At one extreme is a method that is traditional in marketing nature, treating—in spirit—social media channels much as long-established media channels (e.g., television, radio, print), and using tried and true metrics with a focus on deriving a predictable response (from an associated social-media related action) on established critical ends in marketing (e.g., awareness, recall, purchase) and assessing return on investment (ROI). Another approach is experimental in that it involves testing and learning to discover important factors/critical-ends associated with social media (e.g., conversation, engagement, evangelism); and, it is traditional as well, in that efforts are made to associate social media decisions and actions to ROI—albeit one that could be referred to as, perhaps, 'social ROI.' A third approach also entails experimentation, leading to discovery of factors inherent in, or distinct about, social media (e.g., communicating with a more ‘human’ voice than a ‘corporate’ voice). However, rather than necessarily trying to relate these factors to established or new ends of marketing success—or, perhaps, any measure of success—organizations allow for the emergence of structures or processes brought about through the practice of social media, where the end effects may be transformational and could impact significantly a firm’s culture (e.g., more open/flat structures with respect to a power, control, and spanning of influence and interaction).

There are several key differences in each approach with respect to guidance for marketing spend. We believe that relatively few organizations using social media place significant emphasis on emergence, for a variety of reasons (e.g., due to organizational or industry structure, or degree of

![Figure 1. Spectrum of approaches to using social media](image-url)
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