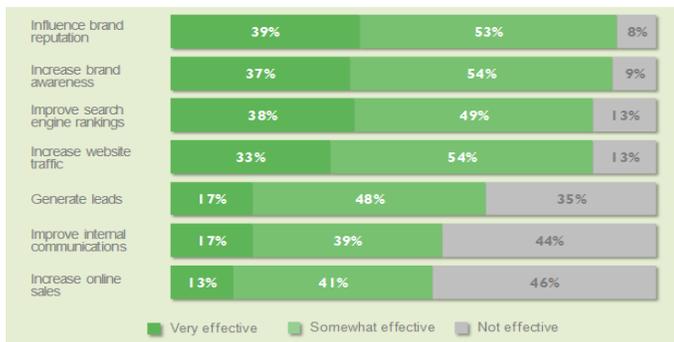


RESEARCH BRIEF: The Impact of Social Media Marketing

Social Media is conversation, which can be used as an effective tool to listen, engage and respond to discussion surrounding brands, products or services. Consumers are going to talk about brands — whether or not a marketer decides to partake in the dialogue determines how the conversation can be leveraged.

When planned and executed properly, a Social Media strategy can produce several marketing benefits, creating wide-spread impact across multiple channels.

Social Media Marketing Benefits



Source: Marketing Sherpa, Social Media Marketing and PR Benchmark Survey, 2009

Areas Where Impact Can Be Seen

Social Media measurement is crucial. By analyzing consumers' engagement, participation, interaction, interest, and conversation volume, invaluable insights and business knowledge can be gained. These metrics work to influence and build brand awareness, which can ultimately drive company/product growth.

Even negative sentiment and feedback can lead to business improvements by providing an opportunity to address consumer concerns at the source.

- Website Visitors
- Impressions
- Click-throughs
- Delivered Emails
- Coupons Distributed
- Employment Applications
- Positive Press
- Negative Press
- Twitter Followers
- Re-tweets
- YouTube Visits
- Facebook Friends
- Blog Comments
- Positive Word-of-Mouth
- Negative Word-of-Mouth
- Visitors to Brick & Mortar Stores



"Conversations about brands, products, and services are increasingly woven into the interactions of social networks as a means to connect with others, and these conversations have great influence even though people aren't consciously asking about brand opinions." - Shiv Singh, VP and global social media lead, Razorfish

Case Study: Best Buy Brought Its Products to Customers

Until late August 2009, Best Buy had 27,000 Facebook fans who were primarily company employees. The retailer decided to run an ad for 24 hours to create awareness of its fan page. **The ad triggered a jump in fans, and a further viral effect boosted the fan base to over 800,000 in just 1.5 weeks.**

After years of inattention, the retailer refocused on its Facebook page, knowing its core consumer is a heavy Facebook user. Best Buy decided to see what would happen if it put on its Facebook page the entire Best-Buy.com product catalog and assets such as ratings and reviews. This meant customers could do everything as if they were on the retailer's Website—short of making a purchase, which will come soon.



Search Engine Marketing Impact

"While engaging in Social Media alone can provide impressive results, properly planned Social Media tactics can have a positive impact on your search results." - Elliance (eMarketing tools and services company)

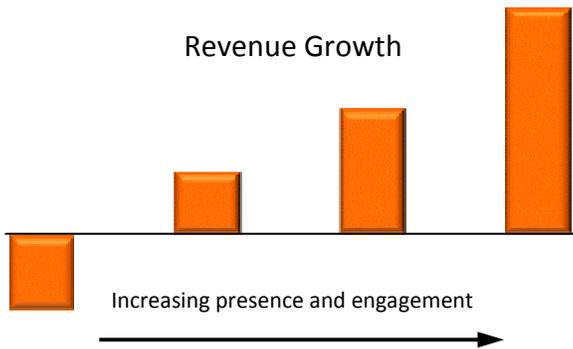
Blog posts, brand mentions, link-sharing, and tweets are examples of Social Media content which have an influence on increasing organic search rankings.



Source: Search Illustrated: The Impact of Social Media on Search Results, July 2008

Financial Impact

Social Media has generally been seen as a branding tool. Yet positive influence can ultimately affect the bottom line. Although the impact of Social Media cannot be directly linked to ROI, the top 100 global brands have seen revenue growth in proportion to higher levels of Social Media presence and engagement.



Purchase decisions are influenced by Social Media across a number of sources. The majority of consumers turn to their family and friends for a trusted opinion. However, additional influential groups exist across the social sphere. With the growing availability of product review/rating platforms, consumers have the ability to consult existing discussions surrounding a product or service before buying.

Social Media Sources that Heavily Influence* Purchase Decisions According to US Social Network Users, by Buying Phase, Q1 2009 (% of respondents)

	Awareness	Consideration	Action
Close family and friends	78%	42%	79%
Independent bloggers	59%	23%	21%
Contributors to YouTube, etc.	49%	49%	18%
Corporate bloggers	46%	20%	17%
Anonymous peer reviews	34%	43%	43%

Note: n=1,000; *respondents who chose 4 or 5 on a scale of 1-5 where 1="no influence" and 5="heavy influence"
Source: Razorfish, "Fluent: the Razorfish Social Influence Marketing Report," July 12, 2009

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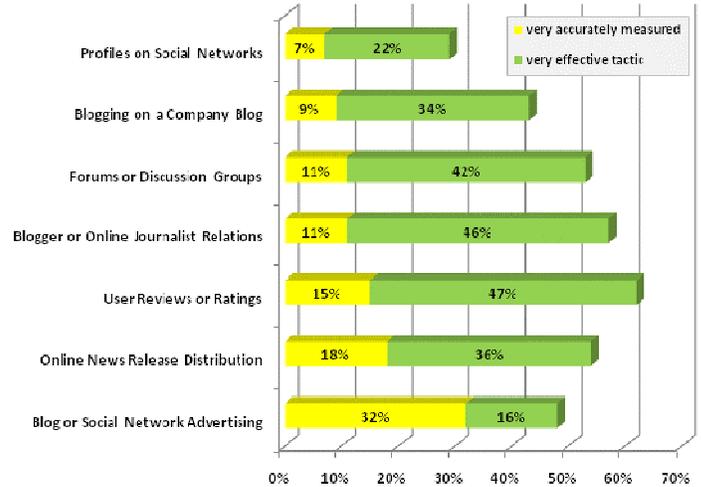
www.eMarketer.com

Tactic Measurability Vs. Effectiveness

Although some Social Media tactics do not lend themselves to precise measurement, these tactics remain key components of a social media strategy due to their effectiveness.

For example, forums/groups and user reviews/ratings allow for unbiased discussion surrounding a brand, product or service, and provide an opportunity for marketers to listen and respond to their most influential consumers. However, it is challenging to measure how this dialogue ultimately influences users' actions.

Measurability/Effectiveness By Tactic



Source: Marketing Sherpa, Social Media Marketing and PR Benchmark Survey, 2009

Case Study: Starbucks Asked Customers What They Wanted

What was Starbucks' Approach?

In March of 2008, Starbucks launched mystarbucksidea.com as a way to include their customers in the future of the company. This site allowed users to promote, review and vote on their own ideas for the Starbucks brand and stores.

Results:

- 3 million unique visitors
- Over 70,000 ideas submitted
- Several hundred thousand comments
- 460,000 votes
- Approximately 50 changes implemented

A Few of the Changes Made:

- In-store music
- Store hours
- Product flavors
- Rewards/loyalty programs



Additional Resources

BitBriefs.com—Marketing Trends, News & Stats
<http://bitbriefs.com/category/social-media/>

MediaPost—Social Media Insider
http://www.mediapost.com/publications/?fa=Archives.showArchive&art_type=66