

CUNE - Social networking

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Social Networking

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1. Introduction

The consumer's behaviour is influenced by social networks among other social factors. Armstrong et al. (2015) define online social networking as '*online communities where people socialize or exchange information and opinions.*' (Armstrong et al., 2015).

According to Armstrong et al. (2015) social networking communities range from blogs to social media sites and even communal shopping sites such as Amazon.com or eBay. The social media sites most used today are Facebook, Twitter, YouTube, LinkedIn and Pinterest. Over the past years, social media networks have significantly increased, and businesses have seen this an opportunity to advertise through creating ads within these social media platforms or create brands spaces that enable the customers to interact with the brand. These consumer-to-consumer (C2C) and business-to-consumer (B2C) activities have big implications for marketers that take these opportunities to promote their products and brands and to build closer customer relationships.

Parsons and Lepkowska-White (2018) state that social media enables the marketers to establish engagement and to be interactive for starting and participating in customer conversations and listening to their feedback.

Social media networking is immediate and timely (Armstrong et al, 2015) and can be used to reach consumers anywhere and anytime with relevant marketing content and current promotions. The goal of the social networking businesses is to create opportunities for consumer to get involved with their brands and know their products, and then help them share their experiences with other consumers in both real and virtual world (Armstrong et. al, 2015).

Billions of people use social networking sites today and the number is increasing, as these people 'invite' contacts, acquaintances and friends to connect with them. Businesses are learning that having a presence on the social networks to keep relevant and valuable content for the audience and to respond positively to feedback from customers is a key factor in promoting online reputation (Ryan, 2014). The brand image of the company will relate with the business content that is promoted and social networks together.

2. Social media networking

Social networks sites facilitate users to share their ideas, digital photos and videos, and to inform other users about activities and occurring events.

Businesses are targeting their ads based on the profile information of the users and their activity, therefore social networks are increasingly offering paid flexible advertizing options for these companies. Ryan (2014) notes that is important to consider the context in which the ads will be seen by the social networks' audience as the audience's primary activity on these platforms is to socialize not to shop. It is also important for businesses to engage with the followers and to inform and entertain them rather than just promoting ang selling.

Chaffey and Smith (2013) address the Microsoft's fundamental principle that helps content created by advertisers to resonate with social networkers is to behave like the best social networkers through: 'being creative, being honest and courteous, being individual, being consciousness of the audience, updating regularly' (Chaffey and Smith, 2013).

Facebook



Today, Facebook is the leader of social media platforms, with nearly 2.5 billion monthly active members worldwide. Founded in February 2004, the company's mission is to '... give people the power to build community and bring the world closer together. People use our products to stay connected with friends and family, to discover what's going on in the world, and to share and express what matters to them' (Facebook Newsroom, 2019).

More than just a social platform where users connect together to virtual meet, Facebook has become a space for businesses to advertise and promote themselves through

interacting with customers. Facebook allows businesses to sell and promote their products and services to the target market, which is determined by the Facebook search engines that analyse the preferences of the consumers when pressing the 'Like' button. Facebook Newsroom (2019) states that more than 140 million businesses use the Facebook apps, including Instagram and WhatsApp, companies acquired by the massive platform in 2012 and 2014.

According to Ryan (2014) a report in Pew Center published in 2013 stated that today Facebook users are among those over 65s who are keeping in touch with family and friends, as teens and youngsters tend to use new social media sites that keep them out of the parents sight.

LinkedIn



LinkedIn represents another giant social platform where companies can have a presence. The website is used for professional networking where employers advertise jobs and employees advertise their CVs through creating profiles and connections between each other. Present members can invite anyone to become a connection on their online social network. LinkedIn is 'like a resume or business card' (Duermyer, 2019) and represents an essential marketing tool that helps in building strategic relationships between companies and professionals. The LinkedIn website is a great platform to do B2B marketing.

TripAdvisor



Today consumers share experiences and product opinions freely across social media platforms and buyers interested can find reviews alongside the products and the overall experiences. TripAdvisor is a specific review travel website, founded in 2000, where mostly catering and hospitality companies promote and advertise their business, and travellers share their experience with these businesses. According to Kinstler (2018) about 456 million people worldwide access TripAdvisor.com to assess a trip or plan their travels. As a sharing experiences platform, bad reviews have a negative impact on the business whilst positive reviews can radically transform the company's fortunes.

Social media and review websites, such as TripAdvisor.com tend to be very damaging, thanks to the user's anonymity or that site owners refuse to show the identity of those posting negative content on the business. A study has suggested that in 2015 more than half of the businesses in the UK have been affected by criticism and bad reviews on the social media platforms (The Telegraph, 2015).

3. Uber – Marketing strategy on social media

Uber is a hiring car service that depends on smartphone technology to provide services to its customers. The company's concept is to connect riders and drivers using the smartphone app that makes the most of the networking. The app is designated to make the ride easier for the clients that can pay right in the app using their credit or debit card.

Uber is the perfect example of using the social media marketing to successfully engage its customers. Uber's marketing strategy focuses on the online followers and community to support increasing revenue. In 2019, the company's Facebook page has more than 22 million followers, a big community where Uber relays its discounts, riding arrangements and deals (like the ones that permit riders to share their Uber codes to get free rides). The consistent engagement with consumers online has helped the company grow significantly throughout the last ten years, since the company was founded in 2009. Uber's social media performance and strategies, over the month of October 2019, on Facebook and Twitter is presented in figure 3.1, according to Unmetric (2019).

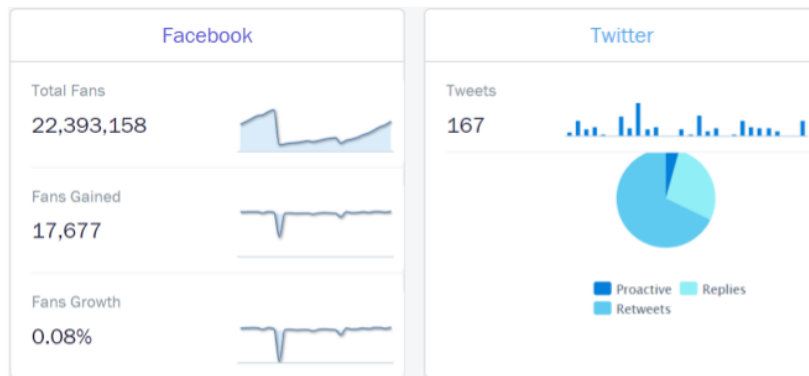


Figure 3.1. Uber's key metrics on Facebook and Twitter from October 2019 (*Source in Unmetric, 2019*)

4. The marketing mix in the Internet era

Advancements in technology and the internet has influenced the overall marketing strategy that outlines which consumers the company will address and how will create value for these consumers (Armstrong et al. 2015).

Today apps and widgets add a valuable dimension to the traditional marketing mix (the 4Ps: product, place, promotion, price) because they improve the customer experience (product), deliver the experience wherever the customer is (place) and of course promotes the product (promotion). The e-commerce giant retailer, Amazon has revolutionary changed the way customers shop.

Product

The product is the unique value proposition that the company offers to its customers. Amazon expanded its product line from books (late 90's) to "Anything" with a capital A'. The company's website enables millions of products to be sold by third party sellers and by itself, including own products and services, such as Kindle e-readers, Fire tablets and Echo Dots. For Amazon, an essential step in becoming the successful retailer from nowadays, was to make sure that the products and the entire customer chain related to them was right from the start.

Place

The absence of physical stores has allowed the company to relay on on-line channels due to its business operations (Dudovskiy, 2018). Customers order products from the millions of items an Amazon.com and receive it in the next days or in the same day (Prime members). This rapid delivery process time is enabled by the strategically located distribution centres.

Promotion

When talking about social media, promotion represents a marketing key factor. Amazon uses special offers and discounts on the website in order to persuade customers to purchase products and services. Amazon uses seasonal events like 'Prime Week' and 'Black Friday' whereby retailers offer customers lower and bargain prices (Oakley, 2016).

Price

According to Ryan (2014) pricing on the Internet is critical and transparent. Selling only online in the early days of e-commerce has been a key contributor for Amazon's revenue growth.

Figure 4.2. is a representation of the 4Ps of Amazon.



Figure 4.2. An example of the 4Ps of Amazon (Source in Oakley, 2016).

Amazon itself represents a form of social media networking as customers can share experiences and give feedback on purchased products. This kind of networking represents a word-of-mouth influence as people are often influenced by the opinions of other buyers rather than the promotion of the actual product on the website. Most word-of-mouth influence happens when customers start chatting about a brand or product they use or have a strongly opinion in one way or another.

Armstrong et al. (2015) state that 'A company must design its marketing mix to make prospects aware of and knowledgeable about its brand. It should carefully identify consumers' sources of information and the importance of each source' (Armstrong et al., 2015, p.178).

5. Conclusion

Ever since the Internet was invented information is delivered at an incredibly fast level. In the last decade social networking has significantly modified the marketing concepts and businesses have seen this opportunity to advertise through creating ads within this social media platform or create brands spaces that enable the customers to interact with the brand and know their products.

Social media became a popular source of information and can be used as an efficient channel for customers to address concerns and businesses to respond to them. Facebook, LinkedIn, Twitter, TripAdvisor are ones of the huge social networking platforms where businesses can see exactly what they customers want and how they behave by analysing their activities. It is important to examine the context in which the ads on social networks will be seen by the followers and to offer more information and entertain them rather than just selling. Today companies are learning that is essential for the success of their businesses to offer valuable and relevant content to the social networks audience and to respond positively to feedbacks from them. For example, Uber, the hiring car service, has become a successful business by using social media accounts as effective marketing tool for customer engagement. Uber increases its revenue by focusing on the online followers and community.

The apps and widgets used by all the consumers ad a significant change to the traditional marketing mix: product, place, promotion and price, by delivering and improving the customer experience anywhere, everywhere.

Social networking is used to reach customers anywhere and anytime with relevant marketing content and current promotion thanks to its immediate and timely characteristics. Businesses create opportunities on social networks for customers to get involved with their brands and to get to know their products, as well as sharing their experiences with other customers. Social networking is constructed around communities and allows users to interact with their favourite brands, representing a powerful key on building brand engagement.

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