COURSE BOOK



## Social Media Marketing

DLBMSM02-01



### Learning Objectives

Introduction 11



This **Social Media Marketing** course gives you an overall grounding in the most important topics and current developments in the field. You will learn how a medium for private communication became a mass medium that companies now use as an integral part of their digital marketing mix. This course covers both the strategic superstructure and the operational procedure for looking after social media channels on a day-to-day basis.

The strategic component covers the topics of how social media channels can be strategically positioned and integrated into a company’s overall marketing and communication mix. Channels such as Facebook, Instagram, and Pinterest are examined more closely from an operational point of view. The course also covers innovation management, legal aspects, and the basics of a content management strategy.

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# Unit 1

## Basics of Social Media Marketing

##### STUDY GOALS

On completion of this unit, you will be able to…

… describe how social media marketing has developed as a special type of marketing.

… demonstrate the social implications of social media.

… identify the areas where social media marketing can be applied.

… present the different classifications of social media users.

… describe what activities social media users engage in.

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### Basics of Social Media Marketing

#### Case Study

Julia Albing works in the marketing department of a large global cosmetics company. She has several employees and a large budget for marketing activities, and she decides to use Facebook as the main channel for keeping in contact with customers digitally. Holger Berendt runs a medium-sized arts and crafts business in a rural area. Together with his team, he posts on Instagram daily describing his everyday work, which helps him to attract new customers. Kim Cirian has also launched her own business as a wedding planner. She acquires her customers through Pinterest.

Although Julia Albing, Holger Berendt, and Kim Cirian all work in completely different industries, the three have one thing in common: they use social media marketing to target customers and support their company’s goals. In order to take full advantage of social media services, it is important to first understand the basic terminology of social media marketing and how the field has come to evolve. On the one hand, this involves considering the different categories of social networks, and on the other hand, appreciating the social implications of social media and how the platforms work.

#### The Development of Social Media and the Concept of Social Media Marketing

In 2003, a college student posted pictures of female students on the internet without asking for their permission. The site would present two randomly selected photos and ask other students to rate which one was more attractive. In response to large protests, the site was shut down a few days later. The name of the student who launched the site was Mark Zuckerberg, who would later found Facebook.

Facebook has existed in its current form since 2004. The concept was originally based on the yearbooks of American universities, which present students together with their name, photo, and a short caption. Initially, the portal was only accessible to Harvard University students, before being expanded to other elite American universities. The platform then gradually became accessible to the global public. In the third quarter of 2020, Facebook reported that it had around 2.7 billion monthly active users worldwide (Facebook 2020).

Facebook paved the way for social media marketing as we know it today. Social networks can trace their roots back to the 1980s. Even back then, groups of users exchanged information and data simultaneously on platforms such as Bulletin Board and Usenet.

Basics of Social Media Marketing

**Social networks** enable various users to communicate with each other using computer-based networks. Users have the opportunity to get to know each other personally, but they do not have to (Gabriel/Röhrs 2017, p. 12). **Social networks** were long considered to be overly hyped in the marketing world. In the beginning, users only actively used Facebook to chat with friends. Only gradually did companies recognize the relevance of **social networks** for achieving their corporate goals.

Social media marketing is a form of online marketing. The use of **social networks** for marketing allows companies to communicate directly with their target audience. Social media marketing uses the facilities for interaction and modes of presentation offered by **social networks** to strengthen customer loyalty, increase brand awareness, and reach new customers. Social media marketing is not a short-term fad: it is a new type of marketing that has joined the marketing mix (Pahrmann/Kupka 2020, p. 11). Social media has become firmly established in companies as a communication and marketing medium.

###### The Variety of Social Networks

Social media is divided into different areas. Gronau differentiates between five groups or application types in social software systems (Gronau, 2016):

* Social networking: professional contact networks that can be established and maintained using **social networks**, such as Facebook and LinkedIn.
* Social communication: blogs and podcasts that encourage knowledge sharing and video calling services, such as Zoom, that serve to promote communication within a community.
* Social tagging: services such as social bookmarking that help users to share resources and tag and organize them using categories.
* Social collaboration: **wikis**, such as Wikipedia, which encourage collaboration using the internet and the establishment of collaborative projects.
* Social navigation: systems that make it easier to search the internet by making suggestions based on the usage behavior of other users.

While the communication between customers and companies in TV commercials, print ads, radio spots, and other channels is primarily one-way, passing from the company to the customer, **social networks** offer users the opportunity to interact directly with the company.

In order for the interaction to be successful, the content and target audience that is addressed by social media marketing must be tailored to the social network at hand. Each network is subject to its own rules, and interactions can play out differently depending on the network. Social media marketing thrives on creative ideas from companies that stand out from the crowd and grab the attention of users. Given the large number of offers, it is not easy for organizations to attract users purely on the basis of their content and

Social Networks Social networks afford internet users space for communication. Most social networks require users to register for accounts and create a profile.

Wiki

A wiki is a website whose content can be edited by visitors themselves: the underlying system allows users to collectively compile information.

Organic

Reach The reach of a social network that occurs naturally, without paid advertisements, is considered to be

organic.

thus on the basis of **organic reach**. Many companies place advertisements on social networks in order to reach customers through paid advertising. This type of marketing is called performance marketing.

Companies can increase their **organic reach** by identifying specific users who constitute a target audience, developing creative content, and practicing good community management. In social media management, the focus is on the strategic orientation of the channels. Social media managers evaluate which channels, such as Facebook or Twitter, the company should actively utilize. The overall content campaign and the coordination of the marketing campaigns are also the responsibility of social media management. Community managers, on the other hand, are responsible for building up the community and for directly interacting with the target audience. Companies use comments and messaging features in order to exchange messages directly with customers. Social media and community management teams in Germany often consist of small groups or single employees, meaning that, in practice, one person is often assigned both areas of responsibility (Clauss et al. 2019).

#### Social Implications of Social Media

Social media now forms a part of everyday life. According to an ARD/ZDF online study, 94 percent of the German-speaking permanent resident population aged 14 and above used the internet in 2020, and 72 percent of them did so daily (ARD/ZDF 2020). The use of social networks permeates all sections of the population and all ages. This gives companies the ability to reach a large number of users from different target audiences.

Social networks offer their users various features for interacting with each other. When a user sees posts by other users or companies…

* … they can comment on them and enter into dialog with others as a result.
* … they can mark the post with a symbol, thereby expressing their opinion. For example, Facebook offers six reaction symbols in addition to the well-known thumbs up. Most services, such as Twitter and Instagram, use a heart symbol as a sign of approval.
* … they can share the post with their own group of contacts and thus make it accessible to a new target audience.

Due to the daily flood of posts, most social networks use an **algorithm** to help them decide which content is displayed to which user. If users react to a post frequently, e.g., by leaving comments on it, liking it, or reposting it, the **algorithm** classifies these posts as more relevant than others and displays them more frequently.

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###### Social Media Permeates All Areas of Life

Online media has a major inﬂuence on all areas of life, including on how we engage in discussions with friends and other users, communicate with companies, consume news, and behave as consumers.

Gathering information and consuming news play a major role on social networks. According to a study by the Reuters Institute, in January 2020, social media was used just as frequently as television as a way of consuming the news for the first time in Germany. The *Spiegel* website, online news published by ARD (including tagesschau.de), and t-online are the most used online news media (Newman et al. 2020). Unlike in traditional media, where journalists act as **gatekeepers**, on social networks every user can post whatever, whenever, and wherever they want. In traditional media, journalists research and write articles; decide what information to present, classify statements, and verify facts. Social media, on the other hand, allows everyone to share information with the public on the internet, regardless of journalistic or specialist knowledge and without demanding technical expertise (Schmidt 2018, p. 11). Every user can spread unfiltered information and thus try to inﬂuence public opinion. Information is not fact-checked or organized.

This leads to a lot of conspiracy theories and misinformation being spread online. Social network users often come across this false information, which is also known as **fake news**. Facebook deleted around 1.7 billion fake user profiles, known as fake accounts from its platform between July and September 2019 alone (Bünte 2019).

Likewise, consumer and shopping behavior is inﬂuenced by social networks and online rating portals. Recommendations from friends still carry the greatest inﬂuence, but consumers today primarily use the internet to gather information before making a purchase. The opinions on review portals about products and services play a significant role for users (University of Lucerne 2020, p. 32). They consider different opinions and reviews from different portals before making a purchasing decision. A study by PricewaterhouseCoopers found that social media inﬂuences the purchasing decisions of young people in **Generation Z**, especially in the areas of fashion (56 percent), technology (42 percent), and travel (31 percent) (PwC 2020). The inﬂuence of mass media on consumer shopping behavior is increasingly being replaced by the inﬂuence of social media. The focus here is on recommendations and dialog on social networks (Pein 2020, p. 304).

Algorithm

An algorithm is a clear rule of action that can be executed by a computer program, for example. The algorithm automatically decides which content is displayed to which user based on defined criteria.

Gatekeeper

Gatekeepers occupy positions that have a filter function.

Fake News Information that is mostly spread over the internet and makes untrue claims. Fake news is often spread deliberately for manipulative purposes.

Generation Z This term (often abbreviated as “Gen Z”) refers to people who were born between approximately 1997 and 2012. The exact chronological boundaries of the generation are disputed, but it usually begins in the

mid-1990s.

Lead Generation Leads are data records that refer to the prospective customers of the company or product in question. Lead generation is an important marketing activity that is used to acquire new customers.

#### The Features, Types, and Areas of Application of Social Media Marketing

Social media marketing is not about sending out every press release or advertisement on a new channel. Social media marketing is used for initiating direct customer dialog, communicating with the target audience, and strengthening customer loyalty and customer support. In addition to the information that the company wants to convey to its users, the needs and wishes of the users are always the focus of marketing activities.

Social media marketing is directed at prospective, new and existing customers, as well as potential employees. According to Pahrmann/Kupka (2020, p. 13), the goals that can be achieved with social media marketing include:

* raising awareness,
* improving image,
* building reputation,
* improving customer service,
* strengthening customer loyalty,
* building and improving the brand image,
* **lead generation**,
* crisis management,
* employer branding,
* internal corporate communication,
* market research, and
* crowdsourcing.

According to a study by the German Federal Association of Community Management (Clauss et al. 2018), increasing the reach of social media and community managers to address external target groups is the main goal of using social networks. The companies also enter into direct dialog and discussions with the target audience. Communication does not take place exclusively in the sense of “one to many”, which is a message sent by a sender to several recipients, but in the sense of “many to many”. Many different participants communicate directly with each other, including both private individuals and companies.

In the marketing mix, a distinction is made between “owned”, “paid”, and “earned media”.

“Owned media” means the company’s own channels. The organization uses these to decide which topics should be addressed. “Paid media” refers to all of the company’s paid marketing activities. “Earned media”

designates the content that other editorial media or users create and distribute without being commissioned to do so by the respective company. Successful social media marketing requires a mix of all three areas. According to a study, 78 percent of the companies surveyed actively use social media marketing for their corporate communication (DIM 2018).

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#### Classification and Activities of Social Media Users

The use of social networks enables companies to achieve a large reach encompassing different target audiences. In practice, the content only reaches a fraction of the intended target audience. The average **organic reach** on Facebook in Germany is 6.9 percent. If a company has 100 **followers** on Facebook, posts that are not ad-promoted are only displayed to seven people, on average (Kemp 2020, p. 118).

For many people, using social networks is an activity that they do almost incidentally. Instead of concentrating entirely on the content, many users only take in the content in passing, scrolling through the individual topics, texts, and images until a particular post or keyword catches their attention. In Germany, people most often use social media while also watching TV or streaming content (Bitkom 2018). The use of social media is therefore often referred to as the **second screen**.

Users mainly use social networks to stay in touch with their friends or to follow certain topics and people. Therefore, companies are never more than guests on users’ social networks.

A basic principle of user typology can be described using the 90:9:1 principle. This states that out of 100 users, 90 percent only watch, nine percent participate from time to time, and only one percent actively contribute content (Pein 2020, p. 184). Depending on the social media channel, users can enter into contact with the company in different ways. They can like and comment on company posts, they can create their own posts on the company’s website, and they can enter into dialog with the organizations via direct message.

Summary

Followers

Subscribers to a company page or person on a social network are referred to as

followers.

Second Screen The growing trend of users to use a second screen,

usually their smartphone, in addition to watching a TV program is called the *second screen*

or also multi-screen use or social TV.

In addition to achieving these positive effects, social networks also promote the creation and spread of **fake news** and conspiracy theories, since they enable their users to publish information without a **gatekeeper**.