Social Media Marketing

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Line 6
Line 6?
What is Social Media?

• A shift in how people discover, read, create and share news, information and content

• A fusion of sociology and technology, transforming monologues into dialogues
Ten Types of Social Media Platforms

1. Blogs and Microblogs
2. Forums
3. Social Networks
4. Multimedia Sharing
5. Social Tagging
6. Reviews and Opinions
7. Community Q&A
8. Collaborative Publishing
9. Events
10. Virtual Worlds
Objectives before Platforms
(or said differently, what you want to do will determine where you want to be)
Line 6 Objectives

1. SHOW THE WORLD: Solicit and highlight rich media to leverage Line 6 and customer content

2. SPREAD WORD-OF-MOUTH: Create, facilitate and encourage evangelists

3. SUPPORT THE COMMUNITY: Facilitate communication among artists, customers and prospective customers

4. HUMANIZE THE BRAND: Help give the brand a voice and a personality

Line 6 Platforms

(And lots of domain specific musician forums)
Social Media Growth
In January 2005...

YouTube didn’t exist

Twitter didn’t exist

Facebook was restricted to college students
Today... 

24 HOURS 

The amount of video uploaded YouTube every minute
Today...\n
ONE BILLION

Number of YouTube videos viewed *every day*
Today...

500 MILLION

Number of people on Facebook
Things are changing faster than ever.

17

The number of times the Celtics have won the NBA championship.
Why is this happening?  
(the social media stuff, not the Celtics)

• Our email inboxes are overcrowded. We’re bombarded with advertising messages. We want information but we don’t want it all just pushed on us.

• We don’t trust the media like we used to. Instead, we trust people who we perceive not to have an agenda
Who is fueling it?

Groups include consumers participating in at least one of the indicated activities at least monthly.

- Creators 24%
  - Publish a blog
  - Publish your own Web pages
  - Upload video you created
  - Upload audio/music you created
  - Write articles or stories and post them

- Conversationalists 33%
  - Update status on a social networking site*
  - Post updates on Twitter*

- Critics 37%
  - Post ratings/reviews of products or services
  - Comment on someone else's blog
  - Contribute to online forums
  - Contribute to/edit articles in a wiki

- Collectors 20%
  - Use RSS feeds
  - Vote for Web sites online
  - Add "tags" to Web pages or photos

- Joiners 59%
  - Maintain profile on a social networking site
  - Visit social networking sites

- Spectators 70%
  - Read blogs
  - Listen to podcasts
  - Watch video from other users
  - Read online forums
  - Read customer ratings/reviews
  - Read tweets

- Inactives 17%
  - None of the above

Base: US online adults

Source: North American Technographics® Empowerment Online Survey, Q4 2009 (US)
*Conversationalists participate in at least one of the indicated activities at least weekly.

Source: Forrester Research, Inc.
How can Social Media be used by companies?

- Sales/Lead Acquisition
- Product Development
- Customer Support
- Employee/Human Resources
- Executive Leadership & Visibility
And, of course, marketing...

- 90% of consumers trust advertising.
- 14% of consumers trust social recommendations.
- 28% of December 2009 shoppers were influenced by social media.

Source: Nielsen Global Consumer Study, comScore
Can we really blame consumers for not trusting advertising?
Evolution of marketing communications

Broadcast
(one to many)

Viral
(one to many...to many)

Social
(many to many)
For Don Draper, this is scary stuff

- Loss of control over the organization’s branding and messages
- Personality vs. organizational voice
- Dealing with negative comments
- Fear of failure (or at least poor ROI)
  - Is it even possible to affect social networks and word of mouth?
  - How will we know if we’re successful?
  - How will I measure and report on it?
Traditional Marketing vs. Social Media Marketing

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<thead>
<tr>
<th>Traditional Media</th>
<th>Social Media</th>
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<tr>
<td>$</td>
<td>People</td>
</tr>
<tr>
<td>Media buy</td>
<td>Ongoing activity</td>
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<tr>
<td>Centralized message</td>
<td>Decentralized conversations</td>
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Implications:
- Need to budget and staff for social media
- Requires permanent, dedicated resources
- Need to cede control of the message and “walk the walk” with products and services
Brand Implications

• Social media creates transparency between the internal company and the external world.

• ‘Brand’, therefore, isn’t something that can be artificially created by marketing. Instead, it’s the combination of a company’s:
  – Vision (management)
  – Culture (employees)
  – Image (stakeholders)

• Marketing’s challenge is to align these three components

• This also means that any employee is a representative of the brand – whether you want them to (e.g. Zappos)........or not...
The Chipotle Incident

1) Jocelyn is a manager of a Chipotle. She posts this on her personal page:

![Image of Facebook post]

Jocelyn Rivas: Soo I just ran over a white cat on my way home...oops!! Not my fault!

![Image of Facebook comment]

Jocelyn Rivas: Glad you like my status Claire lol...one less cat...don't like em!!

2) It's copied to Chipotle's page.

3) Chipotle does nothing for 24 hours...then does all the wrong things:

- Claims the page was hacked (Rrright....)

- Deletes negative posts (which enragies people more)

- Tries to drown the conversation with a string of 'new store' posts (which enragies people more and leads to users creating a “Chipotle hates cats” page that Chipotle can’t manage)
Chipotle Lessons

• Be honest and authentic. Immediately and always.

• Do not delete posts, try to drown them out or ask people to limit the discussion. You can’t.

• If you don’t engage, the conversation will move elsewhere…and continue to grow without you.
Legal and Ethical Implications of Social Media
Legal implications

• With the start of Facebook and Twitter – litigation jumped 70% in the U.S. alone.

• The FTC updated its advertising and endorsement related guidelines to cover social media.

• Even the small stuff can cause unnecessary problems.
**Goal:** Illuminate hidden relationships between advertisers and endorsers

- Endorsers *and* advertisers must disclose "material connections“
- A “material connection” is one that might materially affect the weight or credibility of the endorsement
- Ask – is the connection reasonably expected by the audience?
Regulated Endorsement or opinion?

EXAMPLE:
Alice decides to try a new type of dog food, and writes in her blog that she thinks the brand is superior to her previous brand. Opinion. The statement falls outside the Guides' scope, and would not consider it an endorsement.

BUT....WHAT IF:
Alice is part of the dog food company's marketing program. The dog food co. sends Alice free samples and asks her to write about them if she likes them/wants to? Endorsement. Any statement or review made by Alice would be considered an endorsement under the Guides.

REQUIRED DISCLOSURE:
Post: “I receive free products from [dog food co.]”
Twitter: use a "hash tag" e.g. #Paid
Real life litigation example

Whole Foods CEO did some anonymous blogging

“rahodeb”

- Unfair Competition lawsuit
- FTC investigation
- SEC investigation

What would they gain? OATS locations are too small.”

Wild Oats’ management “clearly doesn’t know what it is doing.” The company “has no value and no future.”
Ethical Considerations
(which, IMHO, is also just good social media marketing)

• Disclosure
  – Who are you?
  – Are you paid or compensated?
  – Is this your honest opinion based on real experience?

• Be honest and authentic

• Embrace transparency and differing opinions
Ethics Quiz: User Reviews
what would you allow?

1) Invite customers who bought products to write reviews?

2) Give products to customers and ask them to write reviews?

3) Compensate customers for writing reviews?

4) Reward/compensate customers for writing good reviews?

5) Hire people to write reviews
Going Global with Social Media
Global Considerations

• Network differences
Global Considerations

• Network differences

• Language and cultural differences
  – Do you understand and can you appropriately engage with the community?

MIXI

- Invitation only
- Valid Japanese cell phone # required to complete registration
- Privacy is respected
Global Considerations

• Network differences
• Language and cultural differences
• Do you want to consolidate or disperse your communities?
Types of Metrics

• Reach (# of followers, subscribers, etc.)

• Content (# of views, inbound links, ratings)

• Engagement (# of comments, content sharing, retweets)

• Sentiment (net promoter surveys, # positive brand mentions)

• Sales (cost per lead, conversion rate, cost per conversion)

Which you choose depends on your social media strategy and objectives....
Summary

• Social Media represents a shift in how people discover, read, create and share news, information and content.

• Consumer reliance on social media recommendations requires companies to incorporate social media marketing strategies.

• The choice of platforms, tactics and measurements is dictated by the overall company objectives.

• Participation in social media marketing has additional brand, legal and ethical implications.

• While it has risks, at least from this marketers perspective it’s a whole lot more fun, transparent, powerful and rewarding than ‘traditional’ marketing.
Questions? Comments?