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The Social Media Environment

Learning Objectives

When you finish reading this chapter, you will be able to answer these questions:

1. What are social media? How are social media similar to, yet different from, traditional media?

2. How does the Social Media Value Chain explain the relationships among the Internet, social media channels, social software, and the Internet-enabled devices we use for access and participation?

3. What are the major zones of social media that make up the channels, modes, and vehicles for social media participation?

4. What is social media marketing? What marketing objectives can organizations meet when they incorporate social media in their marketing mix?
Greetings, Digital Native

When you woke up this morning, what was the first thing you did? Sure, you may have taken a moment to gulp down some juice or coffee, but odds are you also checked your mobile for texts that came in overnight. Maybe you set your Snapchat Story. Perhaps you scrolled through a few tweets or reviewed your Flipboard to see what’s going on in the world. You certainly aren’t alone: One recent survey of people from 31 countries reported 96% of them use their smartphone within an hour of waking up, often before they get out of bed.¹

Face it—you’re a digital native. If you’re a typical student, you probably can’t recall a time when the Internet was just a static, one-way platform that transmitted text and a few sketchy images. The term digital native originated in a 2001 article by Marc Prensky titled “Digital Natives, Digital Immigrants.”² He tried to explain a new type of student who was starting to enter educational institutions. These students—students like you—were born in an era in which digital technology has always existed. You and your fellow digital natives grew up “wired” in a highly networked, always-on world. It’s an exciting time—but it continues to change so constantly that we need to study it carefully.

Today the Internet is the backbone of our society. Widespread access to connected devices like personal computers, digital video and audio recorders, webcams, smartphones, and wearables like “smart watches” ensures that consumers who live in virtually any part of the world can create and share content. Worldwide, there are about 3.77 billion global Internet users today—that’s roughly 50% of the world’s population. Most Internet users, about 37% of the world’s population, are active on at least one social network. That’s nearly 2.8 billion people.³ Of course, penetration does vary by global region, with the lowest penetration rates reported in Central Asia, Africa, and South Asia. Even these areas are expected to experience growth, at least in part due to Internet access via mobile phone. Mobile penetration is 108% worldwide and 34% of mobile users are active on social media via mobile applications. Curious about social media usage in a specific country? WeAreSocial, a global social media marketing agency, provides data on every country in the world in its Digital Yearbook.⁴ Odds are you already participate in this wired world.

Information doesn’t just flow from big companies or governments down to the rest of us; today each of us communicates with huge numbers of people by a click on a keypad, so information flows across people as well. This fundamental change in the way we live, work, and play is characterized in part by the prevalence of social media. Social media are the online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities, and organizations enhanced by technological capabilities and mobility.⁵ Does that sound like a complex definition? It is ... because social media exist within a complex and rapidly advancing environment. We’ll dive deep into the social media environment, but first let’s explore the makings of a social media life—your life.

Living a Social (Media) Life

The Internet and its related technologies make what we know today as social media possible and prevalent. Every day the influence of social media expands as more people join online communities. Facebook, a social utility that offers synchronous interactions (which occur in real time, such as when you text back and forth with a friend) and asynchronous interactions (which don’t require all participants to respond immediately, such as when you
email a friend and get an answer the next day), content sharing of images, video, music, games, applications, groups, and more, has as of the time of this writing more than 2 billion active users worldwide. What’s more—more than 1 billion of those users are mobile users. If Facebook were a country, it would be the most populated in the world. Do you wonder why we called Facebook a social utility? A community that got its start as a social network, Facebook offers functionality far beyond basic relationship building. It not only competes with social channels ranging from video and photo sharing to blogs. Its Facebook Live, Marketplace, and Campaigns ensure it competes with e-commerce sites, news sources, and other advertising media channels. Facebook also owns the top two social messaging services, WhatsApp and Facebook Messenger, as well as the top photo and video-sharing network, Instagram.

People aren’t just joining social communities. They are contributing, too! Let’s take YouTube as an example. YouTube users (YouTube has over 1 billion users) upload more than 300 hours of video every single minute of every day. That’s roughly equivalent to 1,500,000 full-length movies uploaded weekly. YouTube hosts local versions in more than 88 countries and users can navigate YouTube in 76 different languages. It’s perhaps not surprising then to learn that YouTube users watch more than 3 billion hours of video each month (and more than half watch on mobile devices). Google the phrase “social media stats” and you’ll see

![Figure 1.1 Fun Facts about Social Media's Most Popular Sites](image-url)

Designed by: Mike Doherty
mind-boggling facts and figures about the number of people who use social media, what they're doing (and when) with social media, and their reach and influence. We've done that for you in Table 1.1. And take a look at Figure 1.1, an infographic that highlights fun facts about some of the most popular social sites.

Table 1.1 Mind-Boggling Social Media Stats

- It took radio 38 years to reach 50 million listeners. TV took 13 years to reach 50 million users. The Internet took 4 years to reach 50 million people. In less than 9 months, Facebook added 100 million users.a
- Just over 13% of Facebook users are in North America; more than a third of users are in the Asia-Pacific region.b
- 94% of companies use LinkedIn as their primary recruiting tool.c
- The top YouTubers, like PewDiePie and Lily Singh, earn millions of dollars each year.d
- Gen X (ages 35–49) spend the most time on social media – 6 hours and 58 minutes per week. Millennials (ages 18–34) come in second, spending 6 hours and 19 minutes of their time per week on social networks.b
- Only about $\frac{1}{5}$ of internet users worldwide use social media.e
- While Facebook dominates in size and penetration worldwide, Instagram dominates in user engagement. It averages 70 interactions per post per 1,000 users, while the other major social networks average under 10.b
- QQ, WeChat, and QZone, social networks with heavy user bases in Asia, are more popular than Tumblr, Instagram, Twitter, and Pinterest.b

Sources:

Social Behavior and the Philosophy of Participation

When we introduced the definition of social media earlier, we admitted it’s a complicated idea. It’s difficult to fully capture the realm of social media because of the expansive nature of sites, services, and behaviors that are a part of this rapidly expanding digital universe. There are simply too many social websites, too many things we can do online, and increasing access using a variety of devices to grasp it all at once.

More generally, however, we can think of social media as the way digital natives live a social life. To sum things up, it’s all about a culture of participation; a belief in democracy: the ability to freely interact with other people, companies, and organizations; open access to
venues that allow users to share content from simple comments to reviews, ratings, photos, stories, and more; and the power to build on the content of others from your own unique point of view. Here’s just a brief look at some of the things you might do with social media:

- Share and document an event using live video.
- Watch television while discussing the program on social media.
- Create a blog to share your favorite recipes.
- Coordinate a book club meeting and negotiate a group discount on the book's purchase price.
- Mobilize a group of people to protest against an unpopular policy on your campus.
- Instant message or voice chat with friends to carry on a synchronous conversation online.
- Share an infographic with your friends.
- Locate the best vegan restaurant in a city you’re visiting for the first time based upon reviews by other vegans.
- Make your own animated video and share it.
- Keep a travel diary of a trip abroad complete with photos, videos, journal entries, and destination ratings.
- Raise money for a charity or even find backers for a startup company who are willing to fund part of your costs.
- Find people you used to know and reconnect with them.
- Entertain yourself and your friends with short social games.

This list could go on and on. Our point? Social media enable active participation in the form of communicating, creating, joining, collaborating, working, sharing, socializing, playing, buying and selling, and learning within interactive and interdependent networks. It’s an exciting time to be around!

The Infrastructure of Social Media

The environment of social media is like a volcano that suddenly erupts without warning. Within a few short years we’ve seen an ever-expanding domain of activities, channels, technologies, and devices that are changing how we think about our lives (e.g., in the old days a “friend” was someone you actually knew in person!). As a student of social media marketing, recognizing the parameters of the field and how the pieces of the puzzle fit together will benefit you as you develop skill at devising social media strategies and tactics. The **Social Media Value Chain**, shown in Figure 1.2, organizes this complex environment into its core components.

The value chain illustrates the core activities of social media participants and the components that make those activities possible. As a social media user, you are empowered to participate in any way you’d like, from just “lurking” on a site to scripting, filming, and uploading your own video stories. Those activities are made possible by the underlying *infrastructure* of social media’s techno-social system. Just as in the physical world where we need infrastructure in the form of roads, railroads, TV transmitters, and trained people...
to operate and maintain these structures, in digital environments the pieces that make up
the social Web are crucial. These include the Web, the social channels and vehicles, the
software that provides the programming we need to carry out these activities, the devices
(iPads, smartphones, computers) we use, and of course the participants—the people and
organizations whose contributions provide the content we all access. Let’s take a closer
look at each of these elements.

![Diagram](image)

Figure 1.2  The Social Media Value Chain

The Web as Platform

Just as the Internet is a foundation for the Web, the Web is the foundation for social media. Because social media are not possible without this infrastructure, it is the first supporting
component we identify in the Social Media Value Chain. To put it simply, the Internet is
a network of connected data servers. Initially, the Web (what we now call Web 1.0) was a
network of connected information. People browsing the Internet were merely consumers of
the Internet’s mostly static contents. Web 1.0 was the era of cognition, in which a network
of data producers served information to primarily passive consumers. Web 2.0 marked a
major shift by connecting networks of people in addition to networks of information.10 Tim
O’Reilly, founder of O-Reilly Media and the first to define Web 2.0, explained Web 2.0 as
“developments in online technology that enable interactive capabilities in an environment
characterized by user control, freedom, and dialogue.”11 Web 2.0 offered a cost-effective
solution that provides access to rich data; the collective wisdom of its users; access to micro-
markets; software that operates on multiple platforms (mobile phone, PDA, computer) and
beyond (cloud computing); and user interfaces that are easy, accessible, and interactive.

From these advances blossomed the “social Web” and an era of communication, in which
networks of networked communities have members who participate as consumers, creators,
and co-creators. Each additional user adds value for all users. Economists refer to this as a
network effect. Amazon’s ability to recommend books to you based upon what other peo-
ple with similar interests bought in the past gets better as it tracks more and more people
who enter search queries and make purchases. When you’re visiting a new city and want
to find a great restaurant on Yelp, you feel more comfortable with a place that 1,000 diners recommend than one that only ten users rate. You get more value from Facebook as more of your friends also use the network. Network effects enable organizations to leverage the value of **crowdsourcing**, a process that harnesses the collective knowledge of a large group of people to solve problems and complete tasks. Organizations use crowdsourcing to benefit from the collective wisdom of crowds, but the network effect ensures that there is sufficient participation for the crowdsourced solution to be a good one.

Web 3.0, the **Semantic Web**, is the expected next stage. First envisioned by Tim Berners-Lee, this iteration of the Web makes it possible for people and machines to collaborate. The Web will be a universal medium for data, information, and knowledge exchange. It will mark an era of collaboration—not only of people, but also of people and machines.

In other words, devices (yes, machines!) will be contextually, socially, and network aware and be able to dynamically create social connections between each other and connected people in order to offer services to each other and to jointly solve problems. In other words, social media will eventually serve to support **collective intelligence**. While some elements of Web 3.0 exist—especially the presence of services made possible by social software, the capture of user-generated data, and the mining and processing of big data—it is not yet fully realized. We remain in a stage known as Web 2.x.

**Social Software**

So far we’ve learned that the social media environment supports many activities. But much of our experiences and what we are able to create or do online is due to a host of **social software** applications. These are computer programs that enable users to interact, create, and share data online. For virtually everything you'd like to do online, there is a social software program (or several) that can help you. Interested in planning an event? Use an event planner and invitation service like eVite.com. Want to keep a notebook of wedding ideas that you can share with your bridesmaids? Use Evernote.com, or create a board of hot new wedding gown styles on Pinterest (watch out for those hideous bridesmaids’ dresses). Need to keep a news feed of all the latest happenings at your school? Use Paper.li or Google Alerts. Social software can facilitate interaction, content creation, sharing, syndicating, saving, analyzing, filtering, sorting, and searching data online. Such tools are certainly useful to individuals, communities, entrepreneurs, and businesses. Examples include Mixlr (for producing live radio shows and podcasts), Xtranormal (for video production), and Prezi (for presentations).

You’ve heard the phrase, “There's an app for that!” It’s no wonder given that there are currently more than 1.2 billion apps available through digital stores like Google Play. Those **apps**, also known as **widgets** (usually downloadable or embeddable), are types of social software. In addition to apps, social software also encompasses application service sites that we call **social services**. Importantly, social software exists to facilitate **all** social media channels. There are applications for social community activities, publishing, entertainment, and commerce. Importantly, these apps largely enable mobile connectivity to our social spaces and activities. Blurring things further, open application programming interfaces (APIs) and other platform technologies have enabled countless third-party websites to integrate with social network sites. A more recent development is the **chatbot**, an artificial intelligence computer software program that simulates intelligent conversation via written or spoken text using a chat interface, such as Facebook Messenger or WeChat. Chatbots can provide a number of conversational services ranging from functional to fun.
EXHIBIT 1.1

Chatbots
The best way to understand chatbots is to try them. Message these bots on Facebook Messenger (say “Hi!”) to experience them yourself.

- CNN—me/cnn
- The Wall Street Journal—me/wsj
- Poncho Weather—me/HiPoncho
- Sequel Stories—me/storiesonsequel

Social software also operates behind the scenes in ways that affect your social media experience. Social sites use complex mathematical formulas called algorithms to personalize the content you see in your news feed, recommend friend connections, and more. Dominique Cardon, author of What Are Algorithms Dreaming Of?, likens algorithms to a recipe in that they are a series of instructions that produce a desired result. When you browse nearby restaurants on your phone, view movie recommendations on Netflix, or check YouTube for how-to videos, algorithms likely played a role in the outcome.

Devices
Devices are pieces of equipment we use to access the Internet and the range of activities in which we participate online. We utilize hardware devices like tablet PCs, smartphones,
smartwatches, Internet-connected game consoles, traditional laptops and desktops, and even televisions for social media access. As a consumer, we may focus primarily on connected devices like smartphones and other smart devices, especially those that provide mobile access to social media. Globally, 85.5% of social media users participate using a mobile device.16 Today’s smart devices also include refrigerators, thermostats, and even cars. Wearables are smart devices that can be carried or worn on one’s body. They measure and capture data which can then be stored, shared, and further processed. Fitness wearables like Fitbit, which measure activity levels and share the information with online communities, have experienced the most adoption thus far, but they represent a small portion of wearable devices. For instance, Snapchat Spectators, camera-equipped sunglasses, enable users to take video and upload it to Snapchat with the touch of a button.

Even devices that aren’t “smart” on their own can become so by using an Internet of Things gateway. The Internet of Things (IoT) refers to a paradigm in which all the objects around us could be connected anytime and anywhere.17 Gateways are devices that can facilitate connection for objects without network capabilities. So far most applications are industrial, but expect to see consumer applications in surprising areas. Absolut, the vodka company, is experimenting with manufacturing its bottles as IoT-enabled objects! Smart devices are a first step in the evolution toward connecting machines as users, alongside people in social media.18 Ultimately, social connection among machines will transform them from passive data-collecting devices into active members of a thriving digital ecosystem, capable of creating social connections, solving problems, and offering services.

People

Social media work only when people participate, create, and share content. Journalists, editors, and publishers still matter in social media, but so do everyday individuals. You see this visualized in Figure 1.2 as a series of activities typical in social media participation. This is why we hear so much about citizen journalists (amateurs who post about newsworthy events) and citizen advertisers (people who share their views about a product or service even though they’re not affiliated with the company). Bloggers represent a unique hybrid form of “netizens” in that they may create and share content professionally or personally. Publishing a blog is surely a bigger commitment to sharing content than is posting a status update to your Facebook wall, but both actions generate content and add value to the social media environment. Still, people aren’t the only actors in social media. As a techno-social system, other participants include businesses and brands, government organizations, community groups, media companies, content producers, and so on.19

Our coverage of the Social Media Value Chain isn’t complete without a review of the social channels and related vehicles in and through which social media participation takes place. We address these channels, known as the zones of social media, next.

The Zones of Social Media

The word media has multiple meanings, but for our purposes we’ll simply use it to refer to means of communication.20 The media we use range from mass media (means of communication that can reach a large number of individuals) such as broadcast, print, and digital channels, to personal media (channels capable of two-way communication on a small scale) such as email, surface mail, telephone, and face-to-face conversations. Social media cross
the boundaries of mass and personal media, so they enable individuals to communicate with one or a few people as well as to thousands or even millions of others.

Communication travels using a **medium** (or channel) such as word-of-mouth, television, radio, newspaper, magazine, signage, Internet, direct mail, or telephone. Within each medium, marketers can choose specific **vehicles** to place a message. For instance, within the medium of television, marketers may choose *The Walking Dead* as one vehicle to broadcast their message. *Cosmopolitan* and *Fast Company* are vehicles for the magazine medium. Social media are socially enabled online channels, and like other media, there are numerous vehicles within each channel.

Part of the complexity of social media is due to the sheer quantity of channels and vehicles, with new ones coming online all the time. These options are easier to compare and contrast if we group similar channels together. In so doing we can conveniently organize the social media space into a compact space that consists of what we call the four **zones of social media**. Figure 1.3 illustrates the four zones of social media channels, and we've organized the book around these groupings:

- Zone 1 is Social Community.
- Zone 2 is Social Publishing.
- Zone 3 is Social Entertainment.
- Zone 4 is Social Commerce.

![Figure 1.3 The Zones of Social Media](image)

You'll note, as we discuss various uses of social media for personal and commercial purposes, that some areas overlap two or even more zones. That's the squishy nature of social media. All social media are networked around relationships, technologically enabled, and
based on the principles of shared participation. The four zones framework isn’t set in stone for this reason—but it is a very useful way to cut through the clutter and focus upon the most important functions of each social media platform—including those that haven’t been invented yet.

Zone 1: Social Community

Social communities describe channels of social media that focus upon relationships and the common activities people participate in with others who share the same interest or identification. Thus, social communities feature two-way and multi-way communication, conversation, collaboration, and the sharing of experiences and resources. All social media channels are built around networked relationships, but for social communities the interaction and collaboration for relationship building and maintenance are the primary reason people engage in these activities. Many of the channels in which you already participate likely reside in this first zone. The channels in the social community zone include social network sites, message boards and forums, and wikis. All emphasize individual contributions in the context of a community, communication and conversation, and collaboration.

Social networks (SNS) are online hosts that enable site members to construct and maintain profiles, identify other members with whom they are connected, and participate by consuming, producing, and/or interacting with content provided by their connections. Profiles enhance the ability of members to develop a social identity when they add a profile picture or avatar, basic information about themselves, and other customizable options. Members maintain a social presence in the community that may indicate their availability, mood, friend list, and status. Connections, whom we might call friends, followers, or fans, communicate and share content in a variety of ways including direct messages (akin to email within the social network site), wall posts (posts to a profile, visible to others), and chat or instant messaging (IM) options. Thus, SNS offer both synchronous and asynchronous forms of communication, and the resulting content may be either permanent or temporary. Snapchat’s surge in popularity is largely attributed to its disappearing messages. SNS add value to users by offering and/or enabling applications. Facebook offers thousands of apps, ranging from games to dating to weather forecasts to safety check-ins. Though the services provided by app functionalities heighten user engagement, the focus of SNS is on the individual communication and collaboration within the context of connections in the community. We’ll delve deeper into these characteristics and uses of SNS and social communities in Chapter 6.

Given the dominance of Facebook and the other major players, it’s easy to assume that there are only a small number of social networks. In fact, there are hundreds of SNS vehicles operating at present. You’ve surely heard of Instagram, Snapchat, LinkedIn, and Pinterest. But are you familiar with Steemit, DriveTribe, Whisper, Houzz, or Thumb? SNS exist to meet the needs of their users and many provide niche communities.

Forums are perhaps the oldest venue of social media. Essentially they are interactive, online versions of community bulletin boards. They focus entirely on discussions among members. Members establish profiles as they do in SNS and participate by posing content including questions, opinions, news, and photos. Others then respond and extend the conversation as they post responses; this results in a threaded discussion. There are thousands upon thousands of forums active online, most oriented around a common interest. For example, RC Universe (www.rcuniverse.com) is a vibrant community of remote-control hobbyists.
Wikis are collaborative online workspaces that enable community members to contribute to the creation of a useful and shared resource. Wikis can be about anything and everything. A wiki could be created by a family community to share and update family history, or by an appliance manufacturer that is trying to develop the perfect user manual. The software that supports the wiki enables multiple members to collaborate, edit, make comments, and share a variety of content.

Zone 2: Social Publishing

Social publishing is the production and issuance of content for distribution via social publishing sites. Social publishing sites aid in the dissemination of content to an audience by hosting content while also enabling audience participation and sharing. While social networks met the need for online communities, social publishing made it possible for people to share their content, user-generated content (UGC), without the barriers and gatekeeping of traditional publishing and broadcast models. It is a key reason we associate social media with democracy in that social publishing democratized content production and dissemination. That said, today, individual users are not the only social publishers. Professional content creators like journalists, traditional media organizations like newspapers, and brands develop content for and publish on social publishing sites. We categorize social publishers into four use groups: 1) individual users, 2) independent professionals, 3) professional contributors associated with organizations such as news media, and 4) brands. Brands use social publishing as a distribution and/or promotion mode in content marketing campaigns.

The channels of social publishing that we will feature in Chapter 7 include blogs, microsharing sites, media sharing sites, and social bookmarking and news sites. Social publishing channels enable participation and sharing, just as social communities do. The distinction between these two zones is in the primary orientation. The orientation of social communities is networking while that of social publishing is knowledge-sharing.

Blogs are websites that host regularly updated online content; they may include text, graphics, audio, and video. Blogs may be maintained by individuals, journalists, traditional media providers, or organizations, so they feature a wide range of topics. Thus, there are blogs that operate much like an online news source or magazine, a tabloid, or simply as an online personal diary. Blogs are social because they offer social share tools, and they are participatory because they include the option for readers to leave comments that can result in threaded discussions related to specific posts. Several services are available for formatting and hosting, including Blogger, WordPress, Squarespace, and Weebly.

Microsharing sites, also called microblogging sites, work much like blogs except that there is a limit to the length of the content you can post. A microshare could include a sentence, sentence fragment, embedded video, or link to content residing on another site. Twitter, the most well-known microsharing vehicle, limits posts to 140 characters. Others include Plurk and identi.ca.

Media sharing sites, like blogs, host content but also typically feature video, audio (music and podcasts), photos, and presentations and documents rather than text or a mix of media. Media sharing sites host content searchable by the masses, but within each vehicle are options for following content posted by specific people. Thus, media sharing sites are also networked. Here are some prominent vehicles within different types of media:
Zone 3: Social Entertainment

The zone of social entertainment encompasses events, performances, and activities designed to provide the audience with pleasure and enjoyment, experienced and shared using social media. The distinction between the zones of social publishing and social entertainment is the orientation: Knowledge-sharing versus entertainment-sharing. The topic of Chapter 8, these include social games, social music, video and social television. The social media channels supporting this zone include communities dedicated to entertainment like Spotify, as well as multi-zone social networks like YouTube and Twitter. At this stage in the development of social media, social games are by a substantial margin the most advanced channel in the social entertainment zone. These are hosted online and include opportunities for interaction with members of a player’s network as well as the ability to statuscast (post updates to one’s status) activities and gaming accomplishments to online profiles. Examples of social game vehicles include Candy Crush and Mafia Wars.

Zone 4: Social Commerce

Our fourth zone is social commerce. The topic of Chapter 9, social commerce refers to the use of social media in the online shopping, buying, and selling of products and services. Social commerce encompasses social shopping, social marketplaces, and hybrid channels and tools that enable shared participation in a buying decision. Thus, social commerce enables people, both networks of buyers and sellers, to participate actively in the marketing and selling of products and services in online marketplaces and communities. Social shopping is the active participation and influence of others on a consumer’s decision-making process, typically in the form of opinions, recommendations, and experiences shared via social media. Channels include reviews and ratings (on review sites like Yelp or branded e-commerce sites), deal sites (like Groupon), deal aggregators (aggregate deals into personalized deal feeds), social shopping markets (online malls featuring user-recommended products, reviews, and the ability to communicate with friends while shopping like Wanelo), social storefronts (online retail stores that sometimes operate within a social site like Facebook with social capabilities), community marketplaces (peer-to-peer sites like Etsy), and social networks with sales conversion functionality. In addition, organizations can socially enable aspects of their traditional e-commerce websites by using tools such as Facebook Connect (a Facebook tool that allows users to log in to other partnering sites using their Facebook identities) and share applications (tools that let users share what they are buying). Figure 1.4 illustrates the four zones of social media along with several vehicles prevalent in each zone at this time.
Monetization and Social Media

As wired individuals, we've come to rely on many of the social sites and services available online. And for marketers, social media have created one of the most exciting and efficient opportunities to reach target audiences. But have you ever thought about how those social sites earn revenues? Most sites still feature free access and a buffet of valuable tools and services. Yet those organizations have invested in potentially extensive development costs and time, hosting costs, and ongoing maintenance. Though it's standard business practice to invest capital to pave the way for future profitability, how do these organizations earn revenue if many of the platforms are free to use?

Business Models and Monetization

Just like other businesses, social media providers (whether they are social communities, utilities, software providers, or game and app developers) need a **monetization strategy**. **Monetization** refers to how a business earns revenue. It must make money if it is to survive. If a system requires substantial new investment as users adopt it, the break-even point for return on investment (ROI) is delayed even as it appears to be a success. This plan is part of a company’s overall **business model**—the strategy and format it follows to earn money and provide value to its stakeholders. For example, Google derives most of the revenue from its widely used search engine (where you “google” a term to locate relevant online links) from the fees it charges advertisers to put their messages on the results pages. In contrast, eBay makes most of its money by taking a cut of the proceeds each time a seller fills an order.
order from a buyer on its merchandise pages. Two different business models; both ways to return value to the sponsoring organization.

For decades now, media providers (e.g., the big networks, ABC, NBC, CBS, and Fox) and media conglomerates (e.g., Disney, Viacom, and Time Warner) relied heavily on a business model we call the interruption-disruption model. The goal is to create programming that is interesting enough to attract people to watch it or listen to it. Then, when they have your attention, they interrupt the programming to bring you a commercial message. They sell ad space to marketers who want to gain the attention of a targeted audience, and the audience allows this to happen in return for access to programming they want. The monetization strategy relies upon attracting as many people as possible to the content; the more who pay attention (or who at least tune in even though they may not be paying attention), the more the programmer can charge for the right to insert messages in that vehicle.

Many social media sites still use this same strategy of earning revenues from selling ad space (did you notice the text ads delivered alongside your Facebook news feed today?). Though some companies have other revenue streams (or source of income), typically through subscriptions to premium versions or fees for data, these are unlikely to replace the model of “ad space as revenue.” Despite the value of services and content found online, the culture of the Web is one of open and free access.

Psychic Income

Should you have to pay for online content? Believe it or not, way back in the old days (i.e., before 1999) it never occurred to consumers that they should not pay for content. That’s when a college student named Shawn Fanning introduced the Napster site that enabled music lovers to share tracks for free. That party lasted only two years before legalities caught up with the service, but by then the cat was out of the bag. Now, many people (not to point fingers, but especially college students) believe that “information wants to be free,” and they gravitate toward technology that enables them to download songs, newspapers, and, yes, even textbooks without cost.

As attractive as that sounds, in the long run an entirely free world probably isn't feasible. Remember the old expression, “there’s no such thing as a free lunch”? At the end of the day, someone has to pay for content and services. Music artists and novelists (and, yes, even textbook authors) can’t create and receive nothing in return (for long, anyway). However, the currency that we exchange doesn’t necessarily have to be money. For example, if you post a restaurant review on Yelp you won’t get a check in the mail for your comments. But you may get “paid” by the satisfaction of sharing your foodie opinions with the uneducated masses. You may even receive a rating on some sites that designates you as a star reviewer. These are forms of psychic income (perceived value that is not expressed in monetary form) that help to grease the wheels of social media. Also referred to as social currency, people and brands need to earn a reputation for providing high value—whether that value comes from information, relevance, and/or entertainment.26

Social Media Marketing

Let’s take a step back: marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers,
clients, partners, and society at large.\textsuperscript{27} The classic view is that organizations accomplish these goals through a \textbf{marketing mix} that includes the so-called Four Ps: Product, Price, Promotion, and Place (or distribution).

As social media marketing techniques continue to sprout around us, today we need to add a fifth P: Participation. It's fair to say that just as social media are changing the way consumers live on a daily basis, so too these new platforms transform how marketers go about their business. Whether our focus is to improve customer service, maintain customer relationships, inform consumers of our benefits, promote a brand or related special offer, develop a new product, or influence brand attitudes, new social media options play a role. \textbf{Social media marketing} is the utilization of social media technologies, channels, and software to create, communicate, deliver, and exchange offerings that have value for an organization's stakeholders. We can see this definition play out in emerging trends in social media. While social media marketing initially influenced brands' promotional plans, more recent business applications include social funding (e.g., Kickstarter for funding new business ventures) and social indexing (e.g., preference data from social users from sources like Google+).\textsuperscript{28}

\section*{Marketing Communication: From Top-Down to Bottom-Up}

Just as the horizontal revolution changed the way society communicates, the advent and adoption of social media change the way brands and consumers interact. Traditional marketing focuses on \textbf{push messaging} (one-way communication delivered to the target audience) using a large dose of broadcast and print media to reach a mass audience. There are minimal opportunities for interaction and feedback between customers and the organization, and \textbf{boundary spanners} (employees who interact directly with customers) mediate these dialogues. The brand message is controlled in a top-down manner by brand leadership within the organization.

Even as digital technology developed in the 1990s and beyond, marketers still essentially applied the traditional Four Ps model to reach customers. Over time they embraced the Internet as an environment for promotion and distribution. \textbf{E-commerce} began to blossom as an alternative to other forms of promotion such as television or radio. Consumers increasingly began to learn about products online—and to purchase them online as well. E-commerce sites are websites that allow customers to examine (onscreen) different brands and to conduct transactions via credit card.

This explosion in e-commerce activity was a boon to manufacturers, retailers, and non-profit organizations because it offered greater speed, cost efficiencies, and access to \textbf{micromarkets}. A micromarket is a group of consumers once considered too small and inaccessible for marketers to pursue. Suddenly it became feasible for even a small company that offered a limited inventory to reach potential customers around the globe. The Internet enables efficient access to these markets, and in turn allows customers to search for very specialized products (e.g., music tracks by bands that recorded bass line music in Sheffield, England, between 2002 and 2005, or steampunk science fiction novels written by K.W. Jeter). This allows marketers to offer \textbf{niches products} that appeal to small, specialized groups of people.

As it became clear that the Internet was not going to go away, marketers flocked to cyberspace. However, most of them still applied the familiar model of the Four Ps to the digital domain. This form of marketing, \textbf{tradigital marketing}, is characterized by improvements
in interactivity and measurement, but it retains the primarily vertical flow of power in the channels of communication and distribution. Digital online messages made it possible for consumers to respond directly to an online display ad by clicking through to the e-commerce website. Search advertising grew during this time too, making it possible for online advertising to target both mass and niche audiences. Direct marketers widely adopted email marketing as a complement to direct mail and telemarketing.

Despite these developments, modes of communication were still primarily vertical, one-way “mass communication,” largely impersonal, and delivered from one to many. Whether you read the front page of the *New York Times* online at www.nytimes.com, on the New York Times app on your phone, or peruse the physical newspaper at your kitchen table, the content from the publisher is delivered vertically through the channel of communication.

Both traditional and tradigital marketing work on the basis of the interruption-disruption model we discussed earlier. This means that the source of a communication delivers messages to audiences whether they want to receive them or not, and regardless of whether these messages are directly relevant to their unique needs. By design, an advertising message interrupts some prior activity: a commercial for L’Oréal mascara suddenly appears during the latest episode of *Real Housewives*, or perhaps a pop-up bubble asks you to click on a link to learn more about low rates on car insurance while you browse a website.

Why would Internet users tolerate these disruptions as they surf the Web? For the same reason television viewers and radio listeners have for decades. The ad as interruption that provides a stream of revenue for the media provider, also enables this sponsor to provide the content of interest at little or no cost to the audience. Television programming exists to draw audiences, which enables the network to sell space to advertisers who wish to reach that audience. The audience in turn accepts the presence of the advertising in order to consume the desired programming. This “you scratch my back and I’ll scratch yours” relationship also describes traditional Internet advertising: before you can watch a full episode of *The Walking Dead* on your laptop, you might sit through a 15-second ad for Verizon Wireless.

In contrast, social media empower consumers. It isn’t enough to interrupt the consumer experience and steal a few moments of attention. With social media marketing, the ability for consumers to interact and engage with brands is greatly enhanced. Social media channels give consumers unparalleled access. Consumers discuss, contribute, collaborate, and share—with brands and with each other. The culture of marketing has shifted to an informal one focused on the belief that customers are in control. Marketing guru Peter Drucker once famously said, “The purpose of a business is to create a customer.” With the reach and community influence of social media, we can expand this definition: the purpose of a business is to create customers who create other customers. *That participation in the process is the new fifth P of marketing.*

In the few years of social media’s existence, social media marketing has expanded rapidly as much for its efficiency given its low absolute costs as for its potential business applications as a tool for garnering customer attention, managing customer relationships, developing new product ideas, promoting brands, driving store (online and offline) traffic, and converting consumers to customers. Social media are not a substitute for traditional marketing communications, but they are also more than a complement to traditional methods, as you’ll see throughout this book. This shift from traditional to tradigital to social media is illustrated in Figure 1.5.
Social Media Achieves Marketing Objectives

As social media marketing has accelerated over the last few years, the objectives organizations can accomplish have also expanded. Figure 1.6 shows the percentage of marketers using social media marketing to accomplish objectives across a range of marketing activities that include promotion and branding, customer service, relationship management, retailing and commerce, and marketing research. Just as the digital lives of consumers intersect across the four zones of social media, brands reach consumers in those same spaces to build awareness, promote themselves, and encourage users to try them. Let’s take a closer look at some of the ways they do this.

Promotion and Branding

Marketers have many possible techniques to promote goods, services, ideas, places, or people. Though there are potentially dozens of specific promotion objectives marketers may seek to accomplish, there are two overarching objectives relevant to the use of social media marketing as part of a brand's promotional mix:

1. Extend and leverage the brand’s media coverage.
2. Influence the consumer throughout the decision-making process.

When it comes to acquiring space in media to distribute brand messages, marketers have access to three core types of media: (1) paid, (2) owned, and (3) earned. Marketers
are assessed monetary fees for paid media, including purchasing space to deliver brand messages and securing endorsements. Paid media are traditionally the purview of advertising, defined as the paid placement of promotional messages in channels capable of reaching a mass audience. Public relations, the promotional mix component tasked with generating positive publicity and goodwill, may also utilize paid media in the form of sponsorships. Television commercials, radio ads, magazine print ads, newspaper ads, billboards, Internet display ads, and search engine marketing (SEM) all represent examples of paid media that may be incorporated in a brand’s promotional plan. As we’ll see in later chapters, other emerging formats include paying for messages in online games like Happy Pets or offering branded virtual goods to inhabitants of virtual worlds. And traditional sales promotions such as coupons and contests get a new life on social media platforms.

**Owned media** are channels the brand controls. Corporate websites and e-commerce sites, corporate blogs, advergames, and alternate reality games (ARGs) all represent forms of owned media. Just as Zara’s brick-and-mortar retail stores are owned and controlled by the organization, so is its website.

**Earned media** are those messages that are distributed at no direct cost to the company and by methods beyond the control of the company. Word-of-mouth (WOM) communication (called influence impressions in social media) and publicity are important forms of earned media. Companies release content through press releases and paid channels, participate in community events and causes, create stunts designed to generate media attention and buzz, and offer exceptional service quality, all with the hope that a brand message will spread. Table 1.2 explains the forms of paid, earned, and owned media possible in each of the zones of social media marketing.
Do you notice a category missing? That’s right. There are forms of marketing that are truly controlled by a social vehicle but that are not paid, earned, or owned. David Armano of Edelman PR calls this media location, “social embassies.”

For instance, a brand’s Facebook profile content is controlled by the brand. Does that sound like owned media? Think again. Facebook dictates the type of content that can be posted. This distinction when the media source is “free” has become more relevant of late as Facebook and other social network sites have favored paid advertisers in news feed announcements over organic posts. We’ll talk

Table 1.2  Types of Media

<table>
<thead>
<tr>
<th>Zone</th>
<th>Paid Media</th>
<th>Earned Media</th>
<th>Owned Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Social Communities</td>
<td>- Ads</td>
<td>- Conversations in communities</td>
<td>- Brand-owned social networks</td>
</tr>
<tr>
<td></td>
<td>- Native ads</td>
<td>- Shared content</td>
<td></td>
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<tr>
<td></td>
<td>- Paid influencers</td>
<td>- Influence impressions</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Likes, followers, fans</td>
<td></td>
</tr>
<tr>
<td>2: Social Publishing</td>
<td>- Endorsements</td>
<td>- Embeds</td>
<td>- Corporate blogs</td>
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<tr>
<td></td>
<td>- Sponsored content</td>
<td>- Comments</td>
<td>- Branded content</td>
</tr>
<tr>
<td></td>
<td>- Branded channels in media sharing sites</td>
<td>- Shares</td>
<td>- Brand-controlled media sharing sites</td>
</tr>
<tr>
<td>3: Social Entertainment</td>
<td>- Ads in games or on social entertainment sites</td>
<td>- In-game interactions</td>
<td>- Advergames</td>
</tr>
<tr>
<td></td>
<td>- Sponsored social entertainment experiences</td>
<td>- Engagement in social TV</td>
<td>- Branded ARGs</td>
</tr>
<tr>
<td>4: Social Commerce</td>
<td>- Sales promotions</td>
<td>- Reviews and ratings</td>
<td>- Branded entertainment</td>
</tr>
<tr>
<td></td>
<td>- Retargeted ads on social sites</td>
<td>- Recommendations and referrals</td>
<td></td>
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<td></td>
<td></td>
<td>- Group buys</td>
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</tr>
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<td></td>
<td></td>
<td>- Social shopping interactions</td>
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<td></td>
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Figure 1.7  Marketing Applications Across the Social Media Zones

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more about this in Chapter 6. But for now, this lack of control is why social media experts advise against building your brands on rented land. It's also why it's important to recognize forms of media that do not fall neatly in our buckets of paid, earned, and owned media.

A major objective related to using social media marketing for promotional purposes is to assist in moving the consumer through the purchase process. Marketers target various stages of this cycle to increase brand awareness, enhance brand liking and image, build brand equity, incite desire, and move consumers to action. They can influence consumer attitudes and movement through the process with promotional messages targeted throughout the social media channels. Figure 1.7 illustrates how marketers can use each zone of social media.

Let's take a brief look at how social media marketing works at each stage of the purchase process:

1. **Increase awareness**: brands can increase awareness with social media marketing by maintaining an active presence in the social spaces where target consumers “live” and by integrating social media into the marketing mix. Unilever brand Knorr’s #LoveAtFirstTaste campaign matched singles with similar food preferences, then set them up on dates, where they had to feed each other (and agree to be recorded). The campaign included an interactive flavor-profile quiz, a campaign landing page and a series of social videos, including a popular YouTube video.

2. **Influence desire**: social media promotions can be used much like advertising, catalog marketing, and feature events to persuade consumers to recognize a sense of desire. The fashion brand Lilly Pulitzer posts each new collection on Facebook, Flickr, and YouTube. Visitors can tour pictures of its designs, fresh from each photo shoot. It’s like being in the pages of Vogue.

3. **Encourage trial**: social media can even be used to support sampling and loyalty programs. **Sampling** means to offer a free trial of a product; these are usually mailed to consumers’ homes or distributed in stores or on the street. Social media can be used to recruit interested prospects to qualify for samples. Celestial Seasonings used this approach to distribute 25,000 samples of its new tea flavors. Called Share The Magic, Facebook followers were asked to share how tea adds magic to their day and, in return, Celestial Seasonings sent a free sample and a coupon.

4. **Facilitate purchase**: social media serve as a distribution channel and venue for many sales promotion incentives, including deals and group offers. Many customers “like” or follow brands in social networks in order to qualify for special deals. Here’s a recent tweet from Taco Bell: “We’re on @Snapchat. Username: tacobell. Add us. We’re sending all our friends a secret announcement tomorrow! #Shhh.” Friends were rewarded with coupons.

5. **Cement brand loyalty**: social media venues offer engaging activities for consumers that can ensure they spend more time with the brand, hopefully resulting in higher levels of brand loyalty. Look no farther than social games that offer rewards for the most loyal visitors. That’s just what grocery chain Lidl accomplished in the UK with its ingenious Social Price Drop campaign on Twitter. The campaign was designed to let its social media followers control pricing for select products during the holiday season. The more followers talked about an item on Twitter, such as the “Christmas lobster,” the more that item’s price dropped.
Customer Relationship Management and Service Recovery

Despite all the hype we hear constantly about social media being the “new advertising,” there are in fact other applications where these techniques will play an increasingly important role. For one, customer relationship management, or CRM, also finds a home here. CRM practices focus on what we do with a customer after the first sale; it’s far more difficult (and expensive) to attract new customers than to keep old ones. That’s why many organizations work hard to maintain contact with their customers and to provide additional products and services to them over time. Often they rely on sophisticated databases that keep an ongoing record of what a person buys and other pertinent information so that he or she will receive customized follow-up messages and offers that are likely to meet unique needs. Salesforce.com is among the leading business solutions for social CRM.

MINI CASE STUDY

American Express Innovates with Social Media Marketing

American Express (AMEX) is a leader when it comes to social media marketing. Despite targeting consumers, businesses, and merchants, AMEX is social media savvy. It leverages three zones of social media marketing—social community, social publishing, and social commerce. The brand has too many social media marketing campaigns to review them all, but let’s take a look at some of its campaigns in each zone.

Among its most successful social media marketing initiatives is its efforts for small businesses including the development of Small Business Saturday and its Open Forum community. Small Business Saturday developed as a campaign to drive traffic for merchants to help them compete against large retailers during Black Friday, which is the busiest shopping day of the year. Not only did AMEX successfully create and brand the Saturday following Black Friday as a day to shop in local small businesses, it also lobbied for the day to become an official day. Part of the strategy included providing resources like marketing toolkits to help small businesses succeed so AMEX created Open Forum. Open Forum is a collaborative social community American Express created for small business owners. Members can access how-to guides, articles, and research provided for community members, contribute content, and engage in discussions with other members. While American Express is also active on Facebook, Twitter, YouTube, and other social networks, Open Forum is its own social community. Branded communities are one of the strategies discussed for companies using the zone of social community. The content published in the Open Forum belongs to the zone of social publishing and it includes UGC (user-generated content) and branded content from contributors and American Express.

AMEX develops engaging content for its brand fans and shares that content across its social network profiles. For instance, the #AmexArchive initiative told visually exciting stories of the brand’s heritage and values, leveraging an extensive bank of digitized archive content. An #AmexArchive image of the first purple paper American Express Card from 1958 got the most likes the brand ever received on Instagram. For its 163rd birthday, American Express celebrated with a virtual Twitter party, using the hashtag #163Candles. American Express created and shared images of birthday cake personalized with fans’ and followers’ names to those who wished the brand a “Happy Birthday” or tweeted with the #163Candles hashtag.12 The brand also encourages people to use its campaign hashtags, some of which are tied to specific American Express products. For example, the hashtag #everydaymoments is tied to promotional efforts for the American Express Everyday credit card.

AMEX has been especially innovative in the zone of social commerce. One of its most successful social commerce efforts is its @AskAmex Twitter profile for customer service requests. It also developed a social app and program called Link, Like, Love. Once card members registered for the app on Facebook, they would receive special offers like discounts. When they accepted an offer, American Express asked if they wanted to share it with
their Facebook friends or Twitter followers. The app facilitated brand awareness as people saw Facebook and Twitter postings about their friends’ use of American Express and Link, Like, Love. It facilitated purchase through the sales promotions offered via the Facebook app. It also achieved advocacy from users in that the posts were akin to a testimonial.

Encouraged by the powerful business results generated by the Link, Like, Love program, American Express released GoSocial, which allowed merchants to draw up their own offers and distribute them through American Express’ social channels. Then, American Express provided participating merchants with data on the number of redeemed offers, the average purchase value, and the total amount of sales.

The latest social commerce initiative by AMEX is its own Facebook Messenger bot! AMEX Bot provides real-time notifications on balances and benefits and services, all delivered via Facebook Messenger. The messages will also seek to help customers streamline purchases like restaurant recommendations paired with hotel reservations.

**Results and Outcomes**

How effective is American Express when it comes to social media marketing? The metrics suggest these campaigns have been powerful for the brand. For instance, the Twitter birthday party resulted in nearly 6 million impressions on Twitter and more than 500 mentions of @AmericanExpress in just the first six

![Graph](https://iStock.com/adamdodd)

**Figure 1.8** Tweet Volume by AMEX Campaign


Reproduced with kind permission of Morgan Johnstonbaugh, Crimson Hexagon, an enterprise social media analytics company (www.crimsonhexagon.com)

(Continued)
Because of this digital focus, it’s not surprising that CRM lends itself to social media applications. Social CRM embraces software and processes that include the collective intelligence of a firm’s customers to more finely tune the offer and build intimacy between an organization and its customers. When brands embrace social CRM, they use social media as they were meant to be used. Why do we make this claim? Just as we learned that earned media can result from creative and interactive social messages, companies that do a good job of maintaining strong brand-to-customer relationships will benefit from earned media, as those customers in turn share information and recommendations with their networks.

But this is a sword that cuts both ways. It’s ideal when all of our interactions with customers are positive. Unfortunately, things sometimes go wrong. When they do, today’s social consumers won’t hesitate to share their nasty experiences with others on social platforms. They’ll vent their frustrations in the most public of ways. A great example is the sad story of one man’s plane trip that resulted in a busted guitar that went viral on YouTube (“United Breaks Guitars” video on YouTube). After he tried unsuccessfully to get United Airlines to repair or replace his guitar, this disgruntled passenger created his own version of the story and set it to music—the video he uploaded about his experience was viewed nearly 10 million times. Obviously this was not a happy event for the airline. This illustration of the potential negative impact on a firm’s image underscores how important it is for organizations to take customers’ complaints seriously (especially those who are inclined to post about their experiences). It is also vital to have a plan in place to initiate service recovery when things do go wrong (and they will). This term refers to the actions an organization takes to correct mishaps and win back dissatisfied customers. One helpful set of guidelines that some companies use is known as the LARA framework:

- **Listen** to customer conversations.
- **Analyze** those conversations.
- **Relate** this information to existing information within your enterprise.
- **Act** on those customer conversations.

Service recovery typically has to happen quickly if it's going to have any impact. A firm that can identify a problem in the system (e.g., a product recall, a snowstorm that will ground flights) can nip it in the bud by letting customers know that it's aware of the issue and is taking steps to address it. That's a big reason why social media can play such a big role in CRM: the platforms they can use allow them to communicate quickly and efficiently to large groups of customers or to customize messages to individuals who require follow-up. For example, companies such as Carphone Warehouse, Zappos, Best Buy, and Comcast have turned to Twitter.
to conduct their social CRM: they can monitor trending topics and pre-empt problems if they find that a lot of people are tweeting about them (in a bad way). If necessary, they can send their own tweets to explain what happened and provide solutions.

Marketing Research

Social media open exciting new windows for marketing research. Whether to collect insights for the discovery stage of the creative process or to gather ideas for new product development, social media provide new tools to listen to customers as they discuss their lives, interests, needs, and wants. In fact, this social media marketing activity is called **social listening**. Social listening may be used for social CRM, service recovery, competitive analysis, or even ideas for new product development. We'll learn more about conducting research with social media in Chapter 10. Which channels of social media are relevant for social media market research? Potentially all of them, but profile data, activities, and content shared in social communities and content shared via social publishing vehicles are especially valuable for researchers.

Retailing and E-Commerce

The last major application for social media marketing is that of retailing and e-commerce. We've already shared ways that brands can incent trial and purchase using social media promotions. If you are like most consumers, you've used your share of online ratings and reviews before you made a purchase decision. But did you know that you can go shopping in social storefronts or browse on e-commerce sites that enable real-time chat with your friends? That's right. Groups of friends can shop together even when everyone is online—and not necessarily in the same physical location. When brands use social media marketing as a retailing space, create a venue for and/or encourage consumer reviews and ratings of products, and enable applications that help friends shop together online, we’re solidly in the social commerce zone. This will be our focus for Chapter 9.

**CRITICAL REFLECTION**

**How Algorithms Influence Reality**

Algorithms are instructions for solving a problem or completing a task. Recipes are algorithms, as are math equations. Computer code is algorithmic. The Internet runs on algorithms and all online searching is accomplished through them. The apps on your smartphone are algorithms. Computer and video games are algorithmic storytelling. Anytime you are offered automated suggestions—whether people you may wish to friend on Facebook, programs to watch on Netflix, products to consider on Amazon, possible romantic matches on Tinder, restaurant recommendations on Yelp (we could go on)—algorithms are responsible.

Algorithms help gadgets respond to voice commands, recognize faces, sort photos, and build and drive cars. Algorithms are mostly invisible aids, augmenting human lives with convenient knowledge delivered on demand. However, sometimes the application of algorithms created with good intentions leads to unintended consequences. As you might have guessed, criminals exploit algorithms for hacking and cyberattacks. Algorithms are also blamed for unfortunate issues in the currency and stock markets.

*(Continued)*
But algorithms are the subject of this critical reflection feature because of the effect they may have on your experience using social media—and ultimately on your life. In fact, some are calling this the Age of Algorithms. Algorithms are primarily written (by coders) to optimize efficiency and profitability without much thought about the possible societal impacts of the data modeling and analysis. A study of experts by Pew Research explained that in algorithmic design, humans are viewed simply as an "input" to the process, rather than as real, thinking, feeling, changing beings. This is already problematic, but is likely to become more so as algorithms begin to write the algorithms. At that point, the robots will decide the rules by which the algorithms produce solutions.

Bart Knijnenburg, a professor at Clemson University, explained: "Algorithms will capitalize on convenience and profit, thereby discriminating [against] certain populations, but also eroding the experience of everyone else. The goal of algorithms is to fit some of our preferences, but not necessarily all of them: They essentially present a caricature of our tastes and preferences." He went on to say, "My biggest fear is that... it will be simply too convenient for people to follow the advice of an algorithm [or, too difficult to go beyond such advice], turning these algorithms into self-fulfilling prophecies, and users into zombies who exclusively consume easy-to-consume items."45

Perhaps zombie is an exaggeration but the risk of living in a filter bubble is real. What is a filter bubble? Akin to living in a bubble, unable to experience the world, algorithms can limit our exposure to new information and different experiences, while influencing our beliefs and emotions with the content that is served to us.46 Is this risk real? In fact, it’s already happening. Your news feed in Facebook is controlled by an algorithm designed to personalize the content you see based on your preferences and past behavior. There are benefits—it means you see more of the stories you have liked in the past, from people and brands you’ve interacted with most, with the goal of enhancing your experience. It is this filtered access to our social network that inspired the question, “Is social media even social anymore?”

Do you see the flaw? The flow of content you see isn’t random or even in real time. It is filtered such that you are increasingly less likely to see stories from people with whom you haven’t engaged for a while. You will see more stories from people you agree with and less from people who might have a different opinion. Over time, you could adopt a very distorted view of the world. You also will be limited in new experiences. The information presented by algorithms will never surprise you with something you never thought you’d do, watch, or see because the solutions are based on your past behavior.

That is, unless the solutions are manipulated. What’s that? You trust the information you get online? Not so fast. Facebook scientists collaborated on an experiment called the Contagion Experiment. One sample of Facebook users were served consistently negative stories and another sample saw positive content. Did the content influence the recipients? You bet it did. Those in the negative group began posting content that suggested they were in a bad mood and those who saw positive content posted happier messages. In other words, not only may our experiences be influenced by algorithms, our perception of our experiences may as well.
Careers in Social Media

Now you’ve seen how individuals and organizations including businesses, non-profits, and governments use social channels. As organizations learn the value of social media for marketing, new jobs come online every day to accommodate the need for skilled social media marketers. Interested? Consider the list of social media jobs in Table 1.3.

Table 1.3 Jobs in Social Media

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media Marketing Manager</td>
<td>Develop and execute plans to engage and acquire superior recommendations/content for services via grass roots recruiting of influencer and social engagement strategies. Ensure timely delivery of superior answers/recommendations to users by working closely with influencers and local experts. Execute the viral marketing plan, engage bloggers and neighborhood leaders, as well as drive word-of-mouth programs. Support the active outreach program to recruit local influencers, local experts, bloggers and brands to add their recommendations and invite their customers to endorse them on Romio. The ability to select the very best sources of superior best of the best service recommendations.</td>
</tr>
<tr>
<td>Social Media Insights Analyst</td>
<td>Listen, monitor and analyze social media content to create reports which include metrics and insights which help the client to make business decisions and drive strategies. Present reports and measurement frameworks to clients. Create reporting templates based on client requirements. Get sign off from clients on the templates. Support development and deployment of new social media measurement frameworks and KPIs. Assist in training and mentoring new team members and client service teams in their understanding of social media measurement/insights. Maintain familiarity with social media tools. Create advanced queries to glean insights for research reports. Add value to the existing deliverables by bringing in new methodologies and processes.</td>
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(Continued)
Table 1.3  (Continued)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Duties</th>
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<tbody>
<tr>
<td>Social Media Assistant</td>
<td>Write awesome social media posts. Work closely with and report directly to the Social Media Marketing Manager. Stay current with emerging digital marketing and social media trends and best practices. Report on the team’s awesome work with Google Analytics and other tracking tools. Create beautiful Instagram imagery. Brainstorm – contribute thoughtful ideas during team meetings. Assist with other agency projects. Assist with managing vendor relationships. Leverage social media tools to streamline your day. Create and upload content into Wordpress websites.</td>
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<td></td>
<td>Basic skills needed:</td>
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<tr>
<td></td>
<td>You have a mega ton of intellectual curiosity Digital marketing is your dream job You are passionate about social media You don’t see obstacles, you see opportunities Organized Great writing skills Knowledge of Photoshop, WordPress website structure, technology platforms Interested in analytics, metrics and KPIs Deadline-driven Strategic, creative and proactive Skilled at Excel, Powerpoint and/or Keynote, Numbers, Pages Happy, sense of fun</td>
</tr>
<tr>
<td>Social Media Marketing Specialist</td>
<td>Develop social media content for a variety of clients in a wide array of fields. Work with our design and web team to conceptualize and bring to life amazing social media creative campaigns. Work with the web development team to create content for pages. Offer strategic input for campaign execution. Create Facebook &amp; Instagram ad campaigns.</td>
</tr>
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CHAPTER SUMMARY

What are social media? How are social media similar to, yet different from, traditional media?

Social media are the online means of communication, conveyance, collaboration, and cultivation among interconnected and interdependent networks of people, communities, and organizations enhanced by technological capabilities and mobility. Like traditional media, social media include several channels, and within each channel there are specific vehicles. For example, television is a broadcast media and is a vehicle within the medium of television. Social communities are a channel of social media and LinkedIn is a vehicle.

How does the Social Media Value Chain explain the relationships among the Internet, social media channels, social software, and the Internet-enabled devices we use for access and participation?

The Social Media Value Chain explains that social media are made up of core activities and supporting components. The core activities include the things people do with social media such as converse, share, post, tag, upload content, comment, and so on. The support components include the Web 2.0 infrastructure, social media channels, social software, and the devices we use to interact with social media.

What are the major zones associated with social media that make up the channels, modes, and vehicles for social media participation?

The major channels of social media include social communities, social publishing, social entertainment, and social commerce. Each channel incorporates networking, communication functionality, and sharing among connected people, but they each have a different focus. Communities are focused on relationships. Publishing features the sharing and promotion of content. Entertainment channels are geared to fun and shared uses of social media. Commerce addresses the shopping functionality of social media applications.

What is social media marketing?

Social media marketing is the use of social media to facilitate exchanges between consumers and organizations. It is valuable to marketers because it provides inexpensive access to consumers and a variety of ways to interact with and engage consumers at different points in the purchase cycle.

What marketing objectives can organizations meet when they incorporate social media in their marketing mix?

There are several marketing objectives achievable utilizing social media marketing techniques. Branding and promotion, research, and customer service and relationship management objectives are all viable using social media.
REVIEW QUESTIONS

1. How do you define social media? Social media marketing?
2. What are the supporting components of the Social Media Value Chain?
3. What role did Web 2.0 play in the development of social media?
4. What is crowdsourcing?
5. What is social software? Give two examples.
6. How are devices and the Internet of Things (IoT) related?
7. What are the four zones of social media? How do social media compare to traditional media?
8. Explain the concept of psychic income, also known as social currency.
9. How can brands use social media to develop earned media value?
10. What is social CRM? How is it different from traditional CRM?

EXERCISES

1. What is a monetization strategy? Visit Twitter.com and explain how Twitter monetizes its business. Do the same for Snapchat.
2. Should online services like Facebook and Google Docs be free? Poll your classmates and friends (including your social network) to find out what they think should be free. Use the polling features available on Facebook to conduct your poll. What do the results say about the possible monetization strategies available to social media providers?
3. Watch the Ted Talk in which Eli Pariser explains the risk of a world lived in a filter bubble. Do you think the convenience of algorithmic solutions warrant the risks to human experience? Is social networking even social anymore? You can find the video on the Ted Talks site at www.ted.com/talks/eli_pariser_beware_online_filter_bubbles?language=en
4. Create an account at About.Me. Your account will serve as the basis for your social footprint. Begin to link your existing social media accounts to your footprint page. Identify other social communities in which you should develop profiles. Even for channels you choose not to use, you may wish to reserve your profile name.
5. Brands include social media lingo in ads designed for traditional media. The practice is known as borrowed interest. For example, an ad using this tactic might leverage the word “like” and a thumbs-up symbol or include the word “hashtag” in conversation. Are these “ripoffs” of social media culture effective? Explain.
6. Social funding sites like Kickstarter promise to use crowdsourcing to fund worthy projects. Visit Kickstarter and assess the participation in a project. What do you think spurs participation in the funding process?
CHAPTER NOTES (access all weblinks listed here at: https://study.sagepub.com/smm3e)


4 Ibid.

5 There are several definitions of social media proposed by experts in the field. In preparing this definition, we’ve aggregated the most commonly referenced characteristics of social media and also sought to align the definition with those of traditional media.


17 Pticek, Podobnik, and Jezic, “Beyond the Internet of Things: The Social Networking of Machines.”

Fuchs et al., “Theoretical Foundations of the Web.”


29 Ibid.


35 Heine, “AmEx’s Social Data Shows That Nostalgia Is Just Swell.”
38 Beyond The Arc, “Can Social Media Become a Platform for Social Commerce?”
42 Ibid.
45 Cited in ibid.

Visit https://study.sagepub.com/smm3e for free additional online resources related to this chapter.