



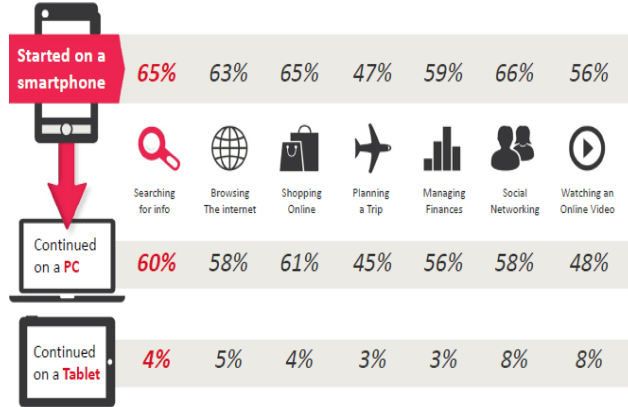
# **Global Marketing**

**Alessandra Bucci**

# Chapter 14

Using Social Media for Global Marketing





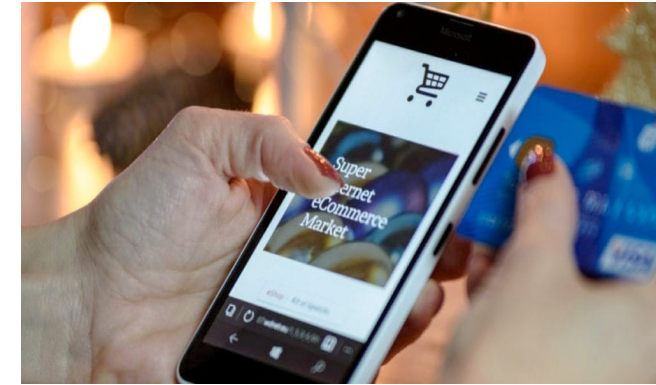
**The smartphone is the main gateway to products and services**

Thanks to smarthphone technology, the internet becomes always on, Pocket-sized and very personal.



**Social media as a channel for self-expression**

Social media allow the user to express themselves as a producer and not just a consumer of content.



**The Internet is the essential channel in the pre-purchase phase.**

Over 78% of worldwide consumers the web is the main source for finding information on products and services.

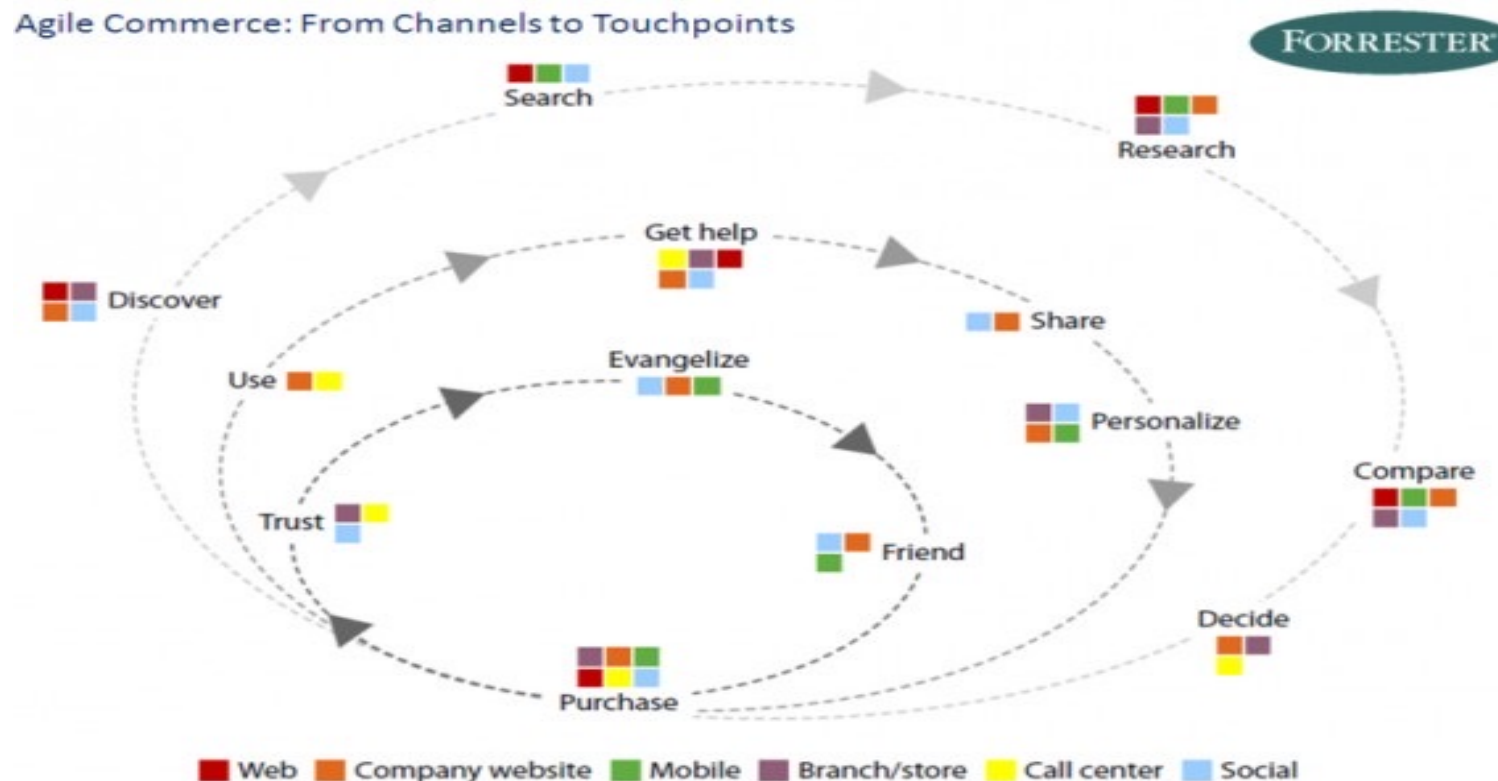
Thanks to the technological diffusion in terms of devices, **multi-channeling** is confirmed as a mass phenomenon.

The customer is increasingly **multidevice** (pc, smartphone, tablet, smart TV ..) and **multitasking** (subject to continuous solicitations).





In the **multi-channel approach**, the challenge is to take into account the plurality of channels with which users carry out their activities and to differentiate engagement strategies thanks to the use of the various tools available to the consumer.



# The paradigm shift > the customer-centric approach



The digital world teaches us to divert business orientation **from the product to the customer**

Connectivity leads to the sharing of opinions, comments, experiences, preferences of end customers

Marketing managers must immerse themselves in the world of customers, thanks to the data that technology can offer, the company can learn to interpret their world, their requests and needs.

The step is:  
FROM  
producing and selling things that  
people want  
TO  
**make people want what we sell**



Customer  
centricity



Customer experience

Customer life cycle

Customer  
satisfaction

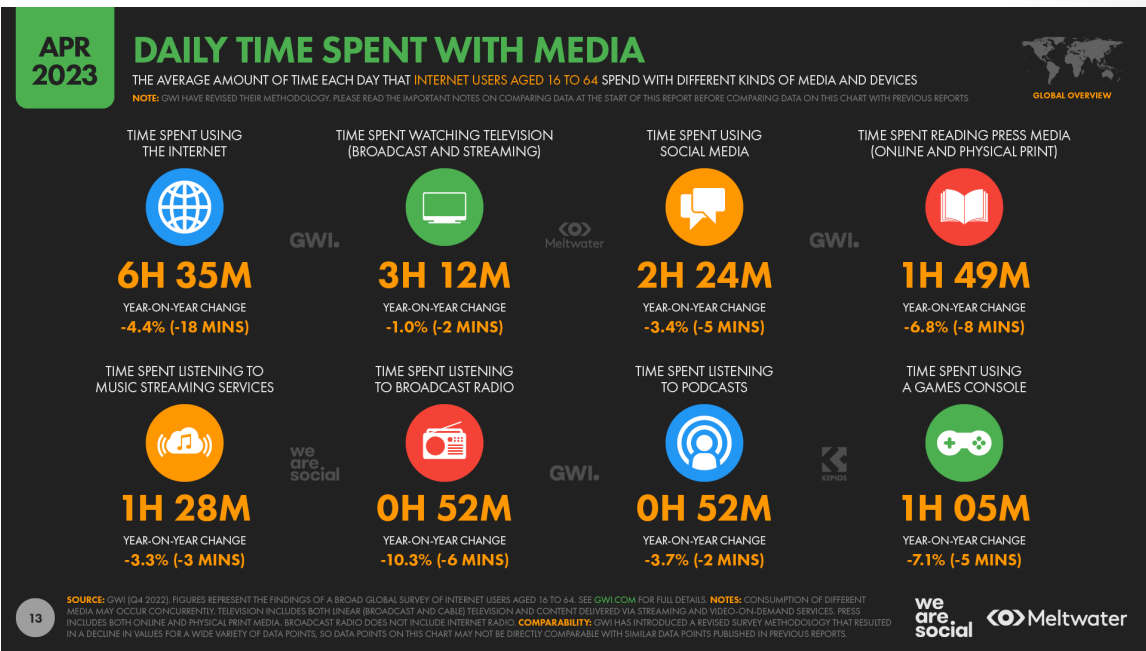
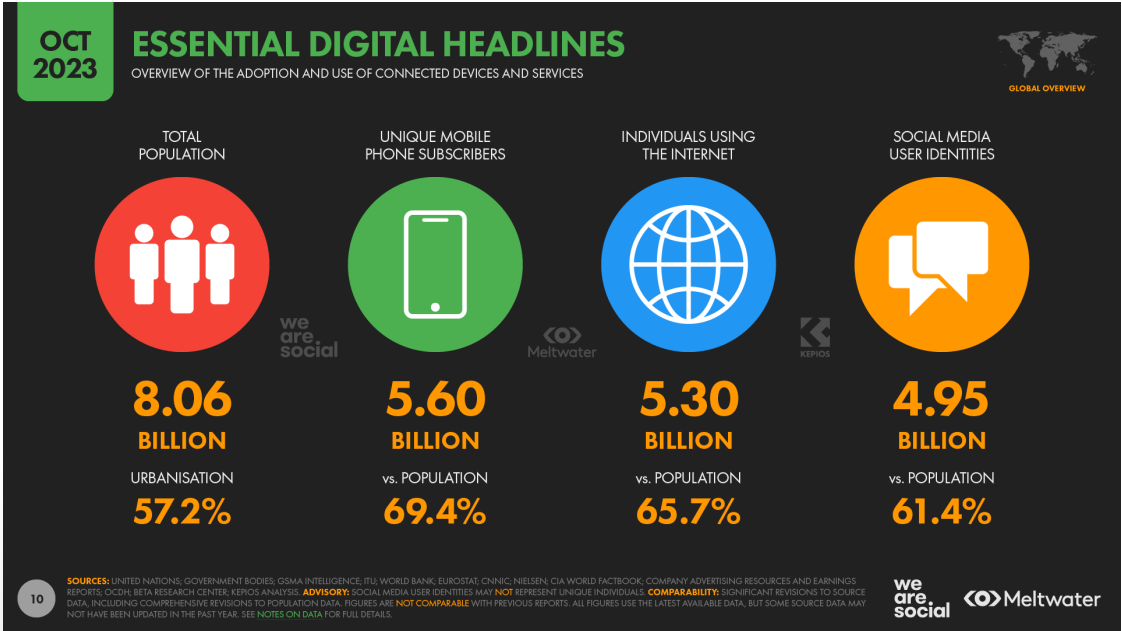






2020 worldwide

Almost **5.3 billion people** are connected to the internet today and about half of the world population, 4.95 billion people, regularly uses social networks





# An introduction to Social Marketing and Social Media

- **1971** –Kotler and Zaltman: Social Marketing (SM) defined as “the design, implementation and control of programs calculated to influence the acceptability of social ideas and involving considerations of product planning, pricing, communication, distribution, and marketing research”.
- **2002** – Kotler, Roberto and Lee: SM as “[determining] the needs, wants, and interests of target markets and to deliver the desired satisfactions more effectively and efficiently than competitors, in a way that preserves or enhances the consumer’s and the society’s well-being.”
- The **Social Marketing Institute**: SM as the planning and implementation of programs designed to bring about social change using concepts from commercial marketing. Non-profit institutions adapt modern marketing techniques to advance social marketing objectives.

# An introduction to Social Marketing and Social Media

- **2010** – Kaplan and Haenlein: Social Marketing as a “group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content.”





# Social media marketing: recent definition

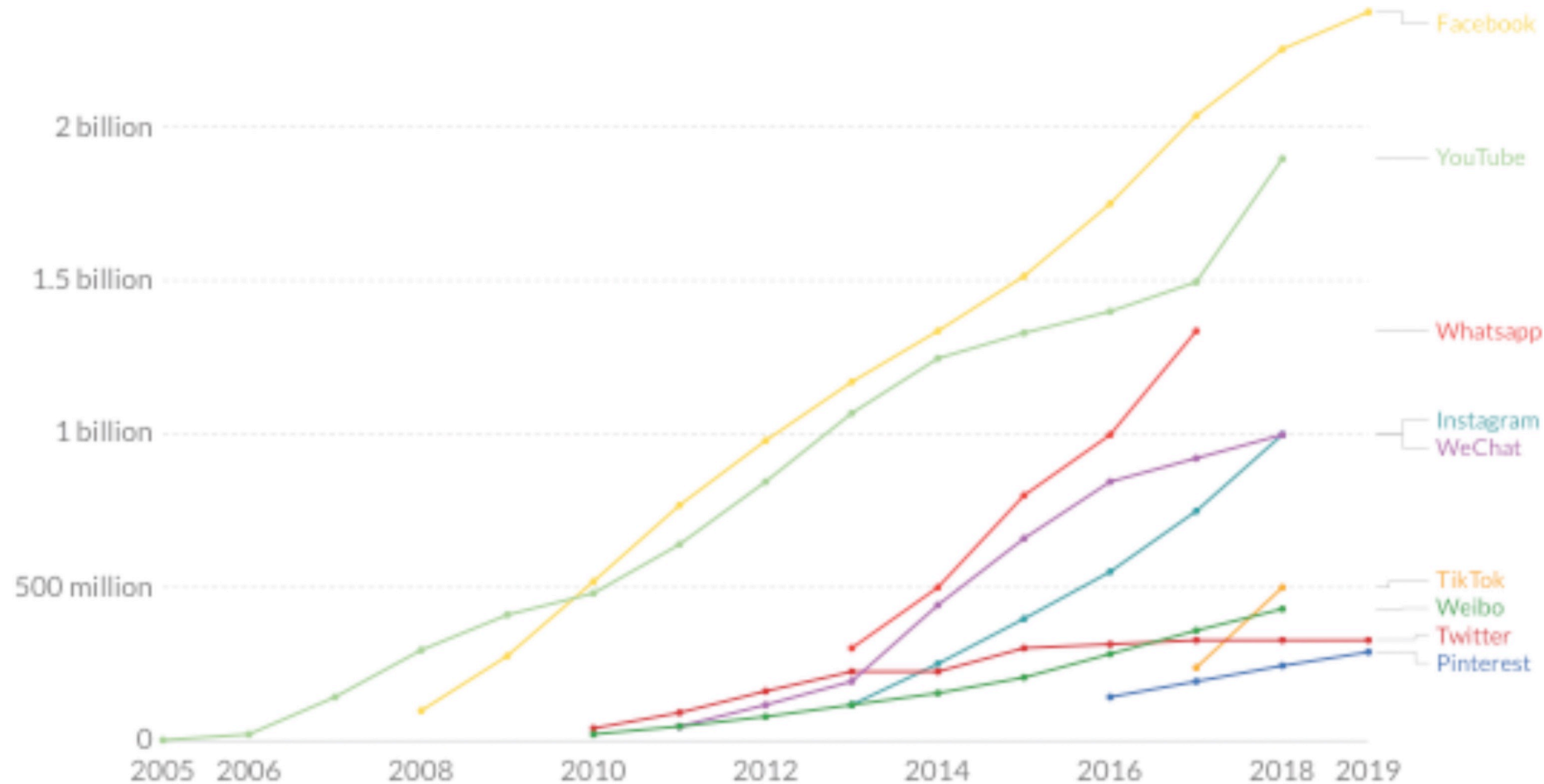
- the branch of marketing that deals with **generating visibility on social media, virtual communities and aggregators 2.0 for companies, public bodies, associations, personalities. S**
- Social Media Marketing encompasses a series of practices ranging from the management of **online relationships** (PR 2.0) to the **optimization of web pages** made for social media (SMO, Social Media Optimization).
- The term is, in fact, commonly used to indicate the management of integrated communication on all the different platforms that Web 2.0 has made and continuously makes available (social network services, photo, video and slide sharing sites, 2.0 communities, wikis, etc. ).
- The purpose of social media marketing is to **create conversations with users / consumers and establish what is called affinity**. The company, through its corporate blog or social network, is in fact enabled to a 1: 1 relationship that brings sender and recipient closer.

# Social Media

- One of the most important characteristics of social media is that it gives **power to the consumer through user-created content that allows for multiple possibilities for evaluation to increase trust.**
- Social media changes communication from one-directional to two-way interaction.
- Definitions of what constitutes social media center around three aspects:
  - Content
  - Communities
  - Web 2.0.
- Overall, the use of social media has been growing across all countries and people spend a lot of time on social media, sharing information and connecting to each other
  - In the east, the Chinese 'super app' Wechat has generated an impressive user base within the country and impresses with huge functionality, whereas most social media from the West are blocked or subject to censorship in China.

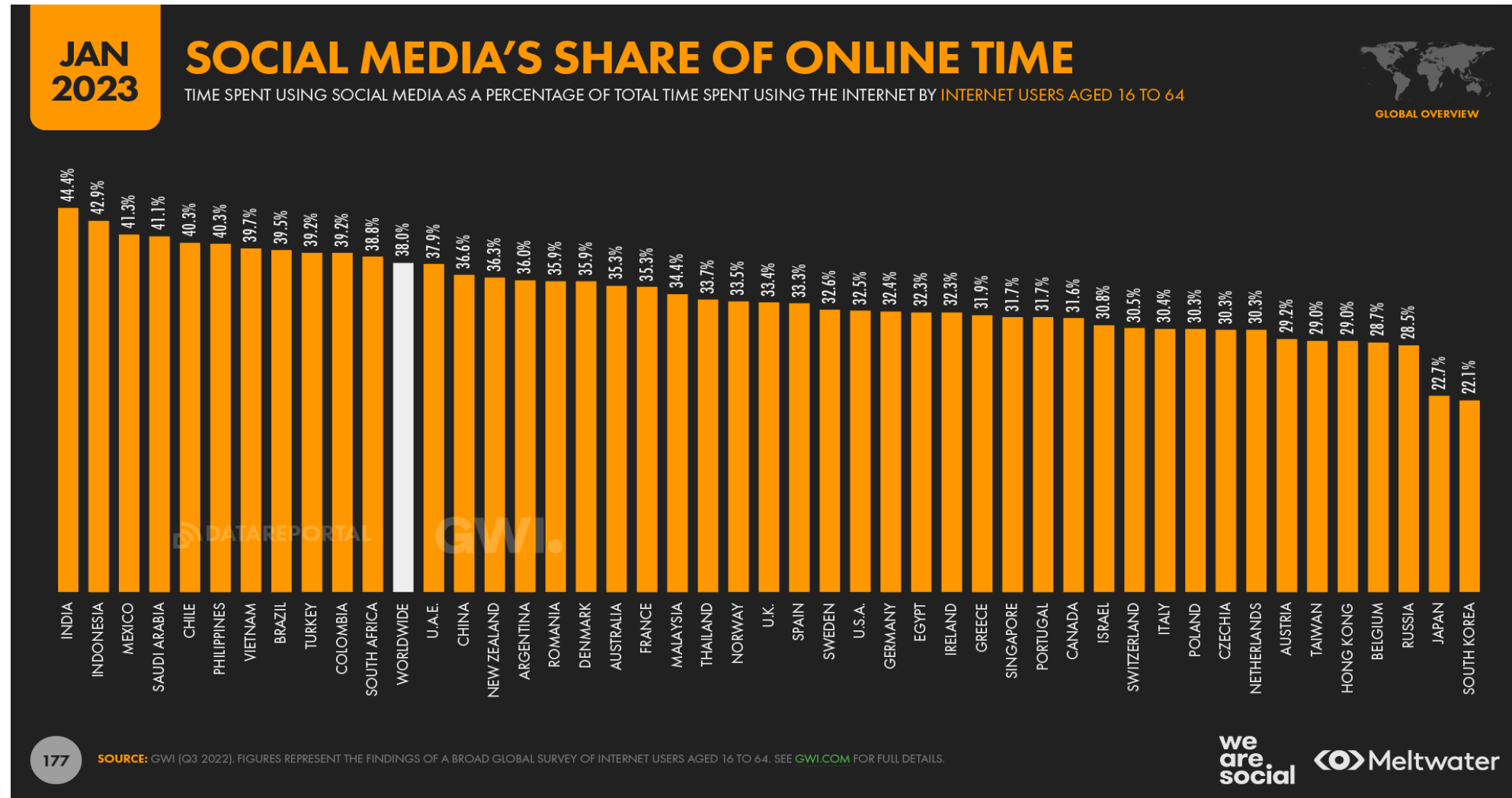


# Number of people using social media platforms

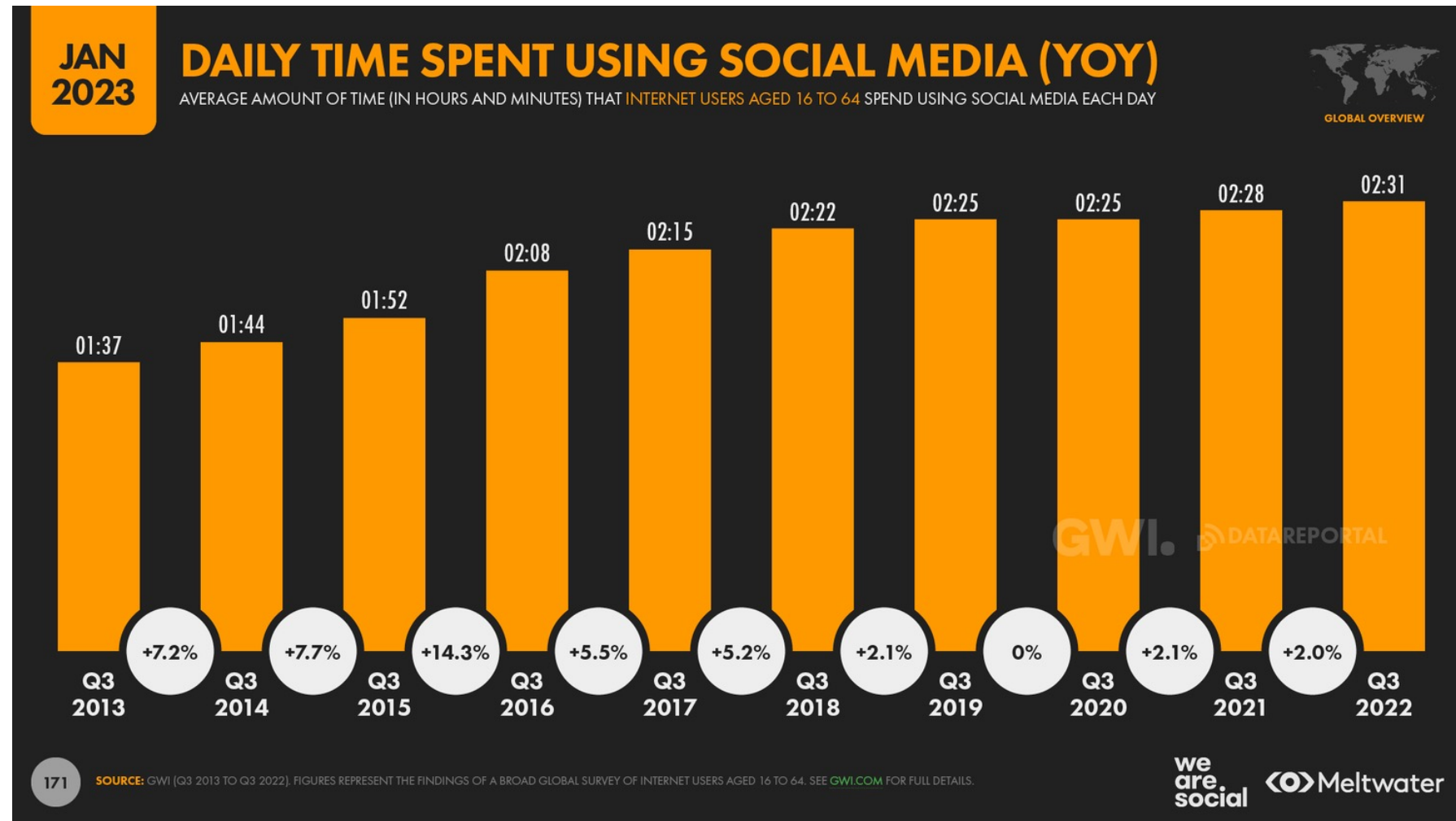


Source: Adapted from Ortiz-Ospina (2019); data: Statistica and TNW (2019)

# a global phenomenon....



# increasing....



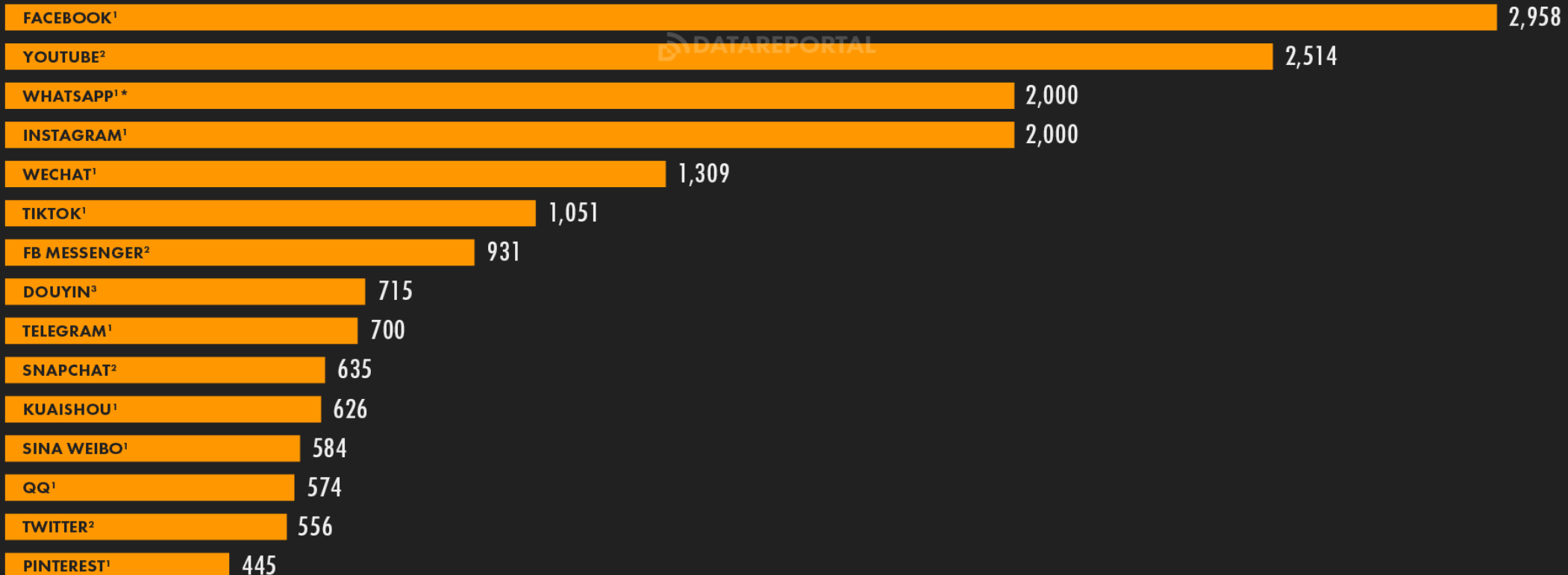


# the most used SM

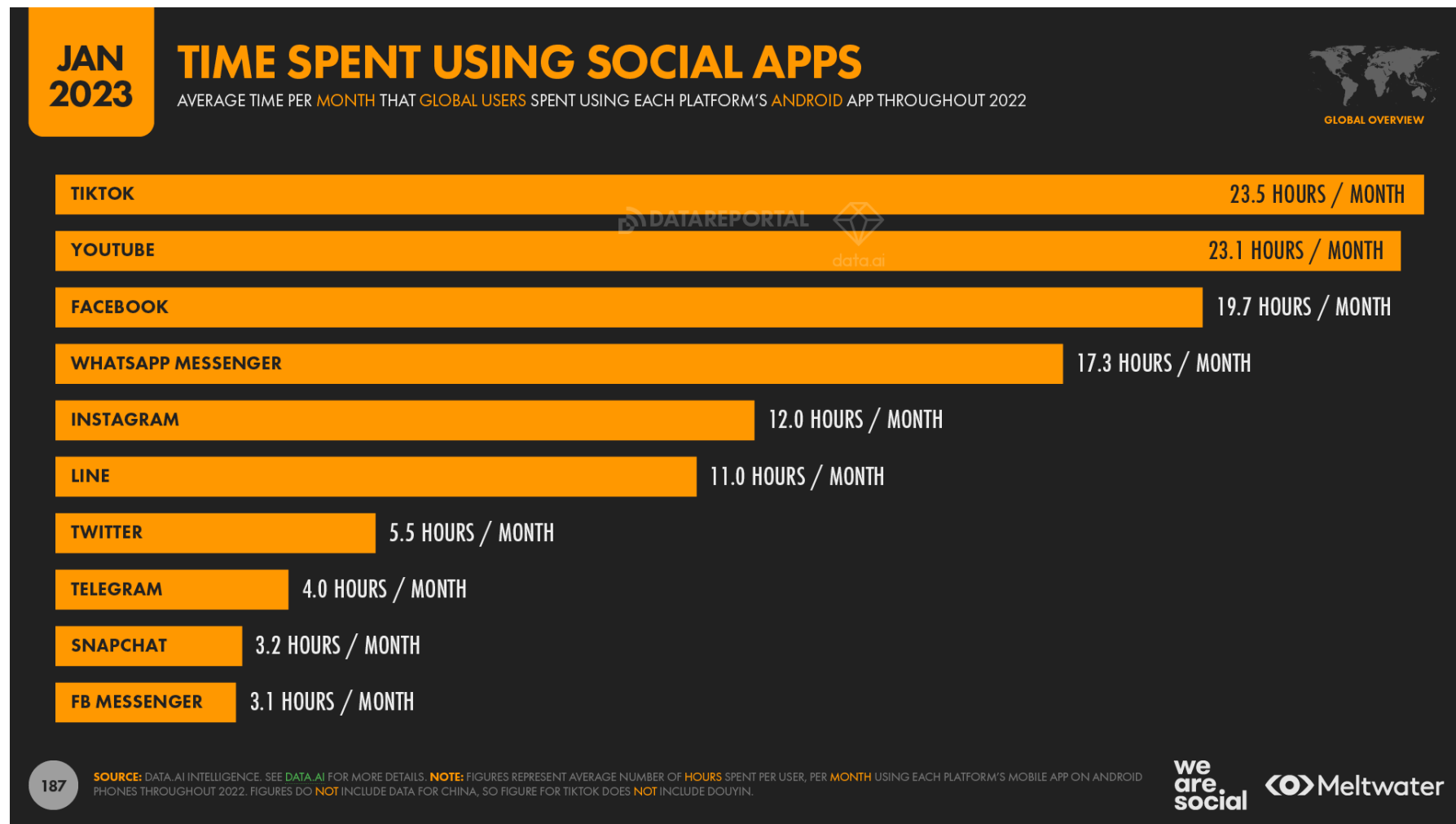
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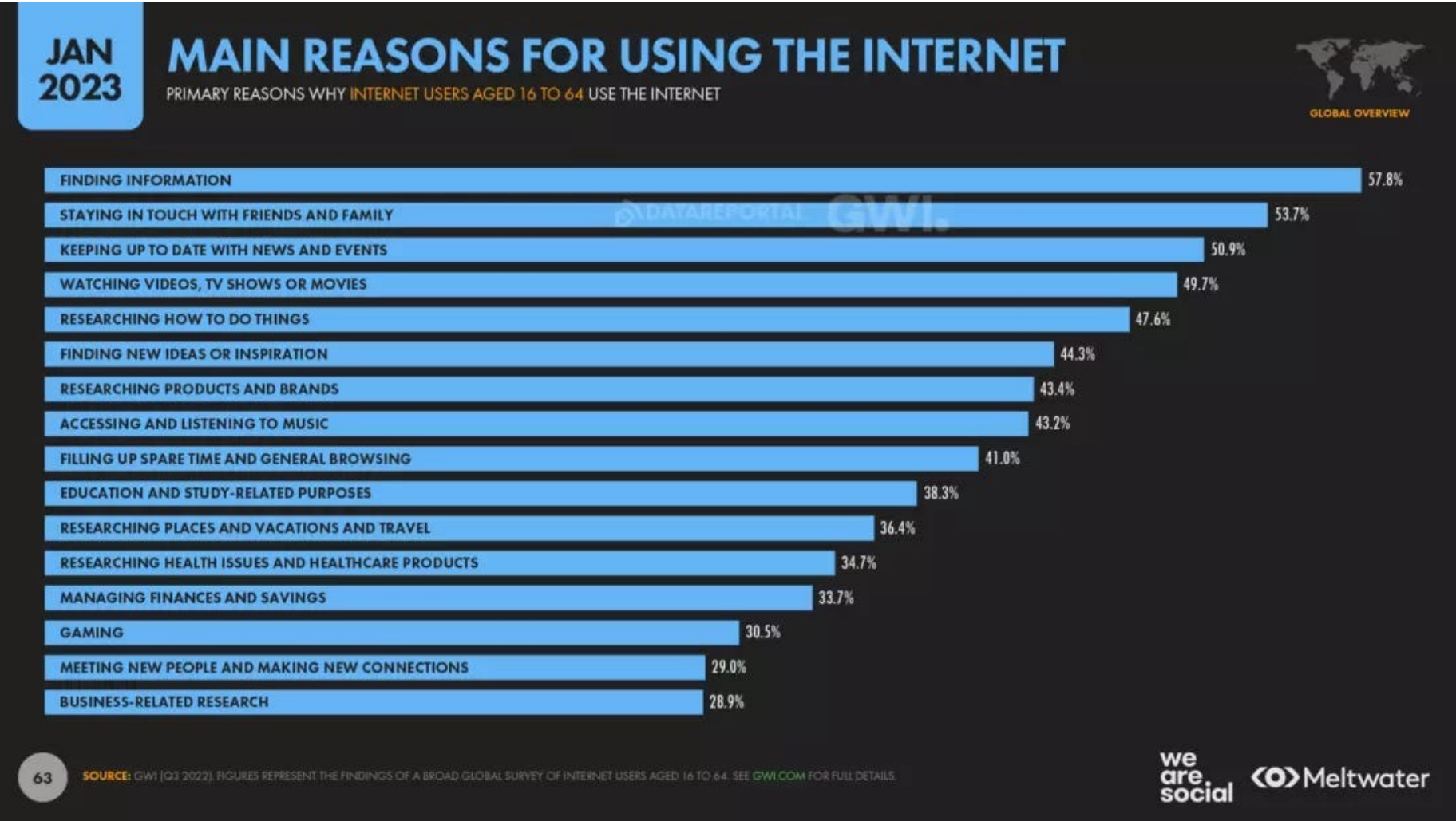
## THE WORLD'S MOST USED SOCIAL PLATFORMS

RANKING OF SOCIAL MEDIA PLATFORMS BY GLOBAL ACTIVE USER FIGURES (IN MILLIONS)

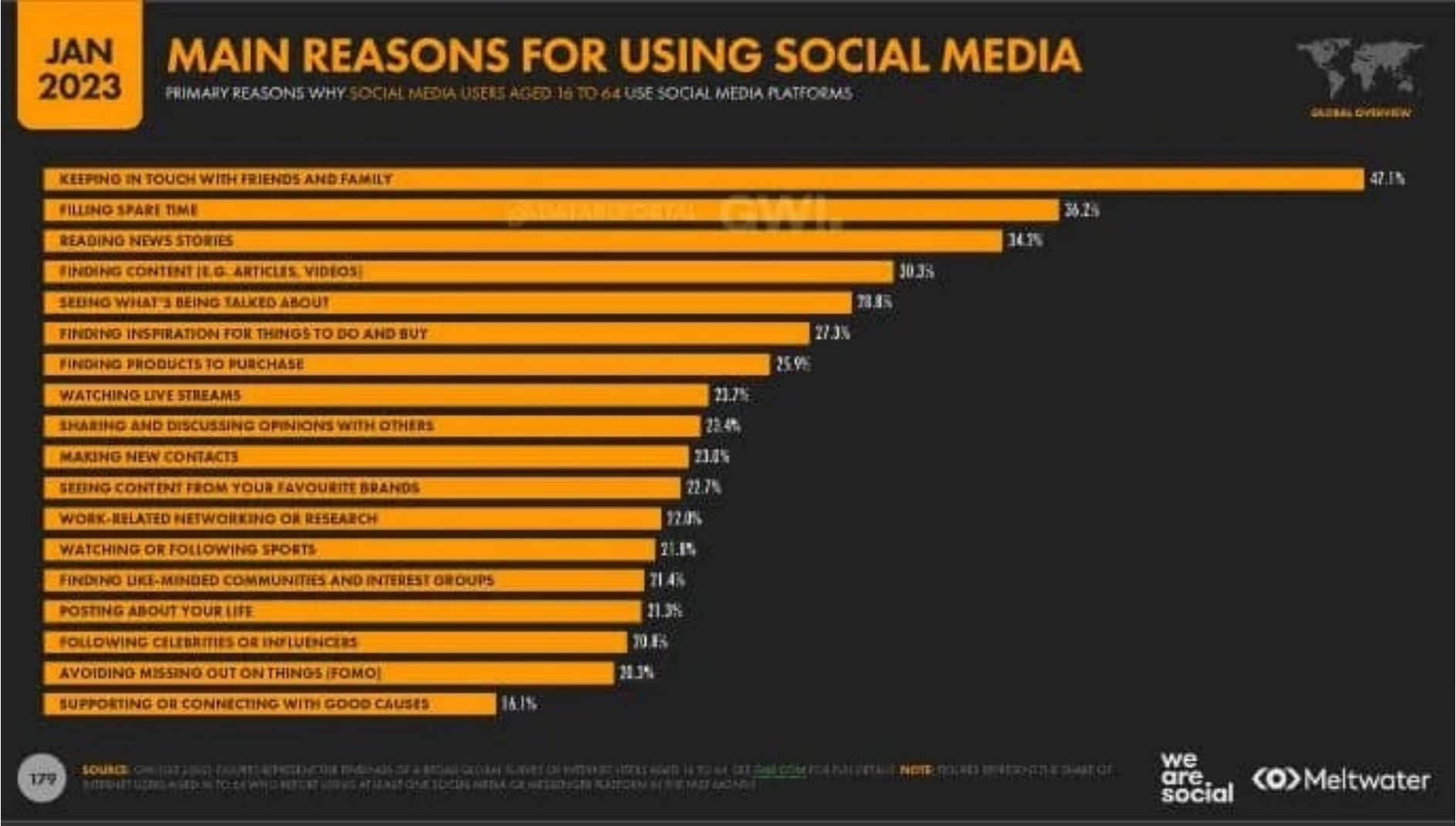


# time spent in apps...









every minute of the day



# Social Networks and online communities

- Social networks have revolutionized the use of the internet. Instead of just using the internet to search for information, people are now **connecting with others who have similar interests and habits**.
- The connection is made via social network media such as **Facebook, Twitter, Myspace, and Tinder**. People can be connected **not only locally but also regionally or globally**.
- **Facebook and Twitter have become truly global social networks**. Twitter has become so popular because it also allows texting with complete strangers. This element is interesting not only for the users but provides **trending analysis** for commercial and political users and analysts as well.
- Two-thirds of the world's internet population connects to a social network or blogging site and **the sector now accounts for almost 10% of all internet time**.



# Classification of Social Media Sites and Networks

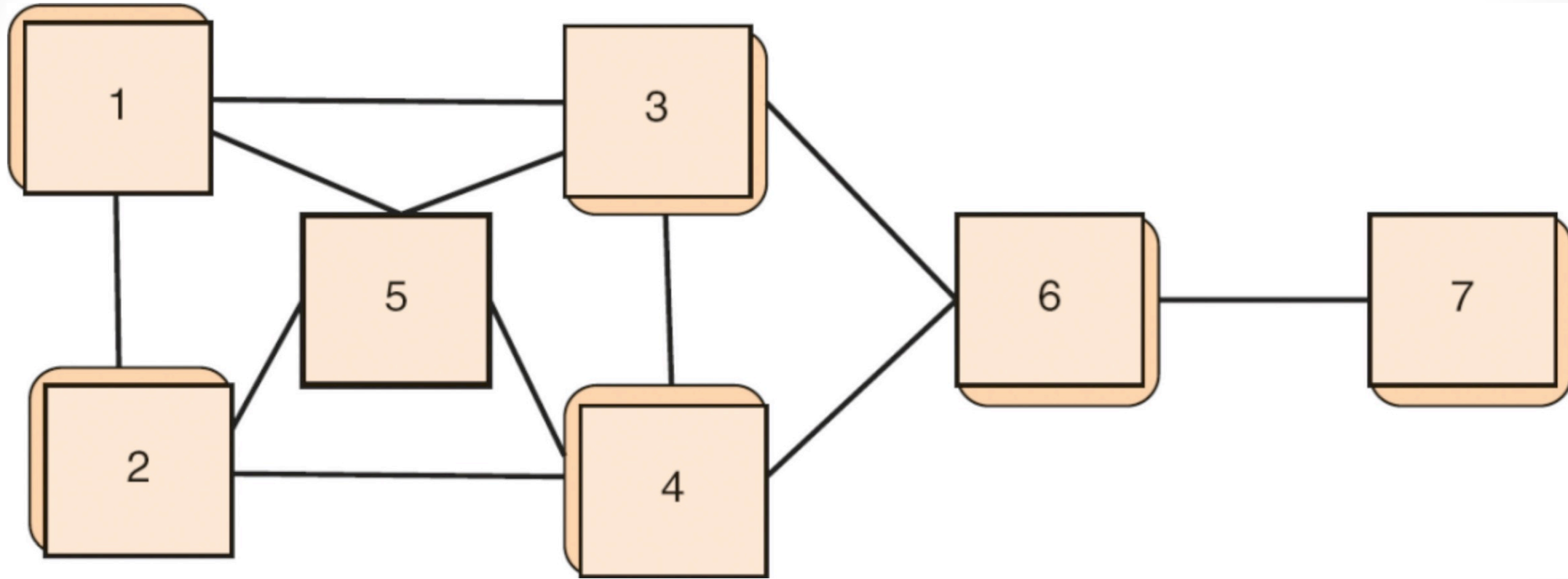
Examples	Category	Activity
Blogs, Twitter, Wikipedia	Microblogging, Blogging Wikis	Publishing
YouTube, Flickr, Slide Share	Content sharing such as music, video, and photos	Sharing
bbPress, Disqus	Discussing	Bulletin boards, comment management systems
Foursquare, Google places	Locating	Tracking locations or revealing personal locations
LinkedIn, Facebook	Networking	Professional and social networking sites
Pogo, Playfish	Gaming	All gaming sites and applications

*Source:* Iyer, E. K. (2018). “How social media will impact marketing media. In Heggde, G. and Shainesh, G. (eds.). Social media marketing. Singapore: Palgrave McMillan, pp. 37–50.

# Behavioral implications of Networks

- Network analysis (Social Network theory) is the **study of how the social structure of relationships** around a person, group, or organization affects beliefs or behaviors. Network analysts believe that how individuals are tied into the larger web of social connections can influence their lives.
- Social networking often involves grouping specific **individuals or organizations** together.
- Different from face to face communication the internet has provided the opportunity to communicate with a **much larger group that can also be enlarged over time**.
- A number of social networking websites focus on **particular interests** (for example, LinkedIn), while there are others that do not (for example, MySpace).
- **A network is composed of actors**, represented as nodes, and the relations among them are represented as edges, or paths, while the links show relationships or flows between the nodes: “**six degrees of separation**” concept and “**three degrees of influence**”.
- In each network it is possible to identify some **leaders or “influentials”** and an organization wishing to maximize its reach in a given social network would best direct its message through them.
- Leadership depends on **number of connections and intermediary role**.

# A social network



*Source:* © Author.

# Social marketing strategies

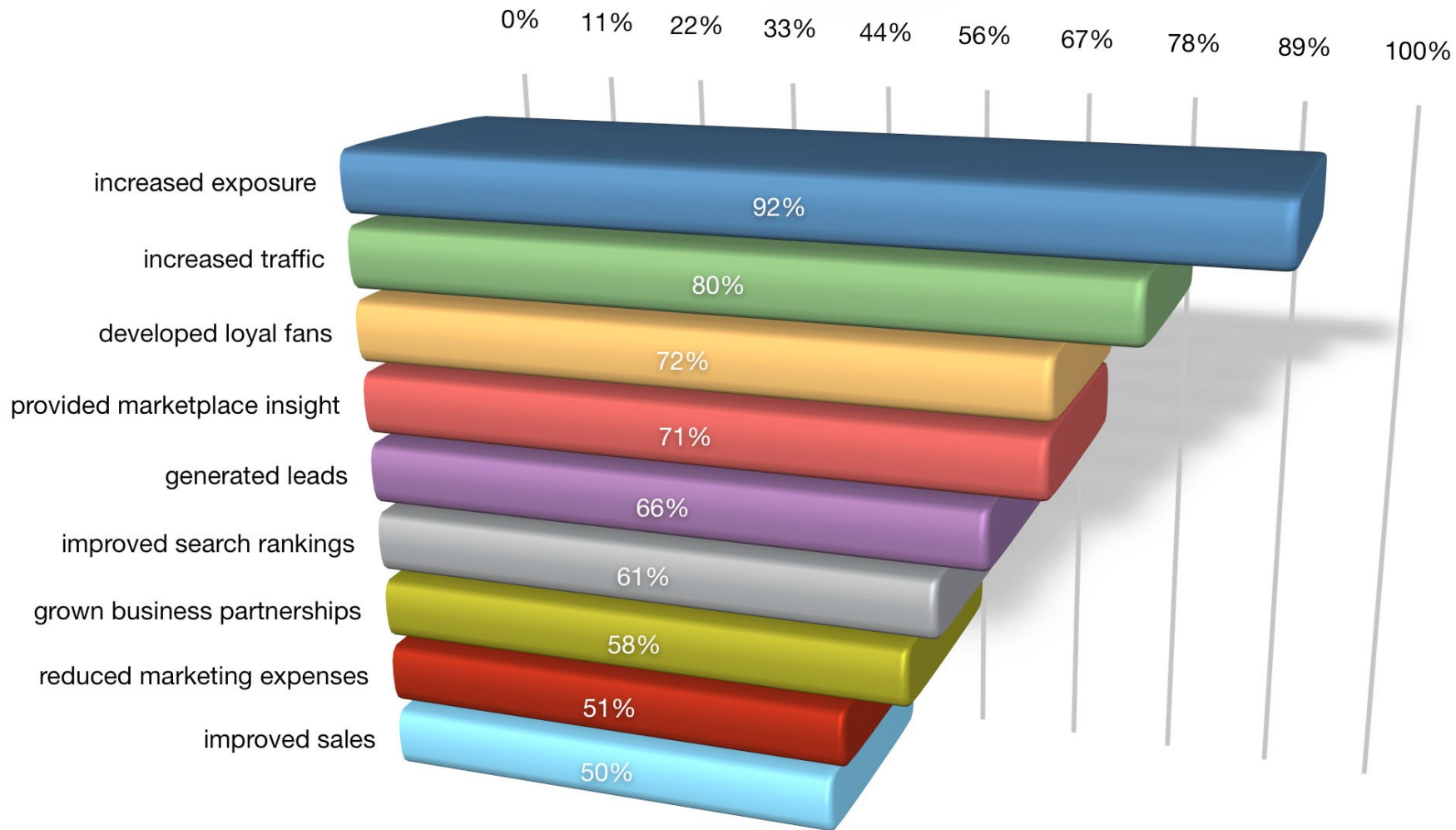
1. **Focusing on people with large numbers of connections** within a network
2. **Reducing the density of a network** in which risk behaviors are concentrated
3. **Understanding the members of a network who are most attentive and responsive to the behaviors of others** (or more easily influenced or persuadable) and providing them with protective or alternative behaviors to prevent adoption
4. **Enhancing the salience and attractiveness of the 'out group'** [positive deviants] by positioning these practitioners of desired behaviors in a way that attracts imitation or modeling.



# The Networked Enterprise – New challenges

- Growing use of Social Networks by business firms. The main benefits are:
  - **Internal,**
  - **Customer – Related,**
  - **Working with External Suppliers and Partners.**
- In both internal and external categories, the benefits include:
  - **increasing speed of access to knowledge,**
  - **reducing communication costs,**
  - **increasing satisfaction of employees, suppliers, partners and external experts.**
- **Customer related benefits** include:
  - increasing the effectiveness of marketing,
  - increasing customer satisfaction and loyalty
  - reducing marketing costs and acquiring marketing data
- **Challenges:**
  - Security/privacy
  - Shift of the traditional advertising strategy into a two-way communication between consumer and marketer

# Use of social marketing by companies



Source: Social Media Marketing Industry Report © 2014 *Social Media Examiner*

# The Networked Enterprise – New challenges

## The Starbucks Fan page

- Starbucks has created a social network called a fan page on Facebook that is aimed mainly at people in the United States but also is localized for foreign markets.
  - Starbucks' fan page has become the largest on Facebook, with six million in the United States and additional but smaller numbers in other countries.
  - Promotions and messages are localized for individual markets.
- A major advantage of such an approach allows Starbucks to not only aim its advertising globally where possible, but also to **measure its effectiveness across target markets.**
- The benefit of social networks became even more obvious as every community provides a platform for brands to reach out to various customers. The networked enterprise also facilitates the bonding of customers, shores up brand experience stories, and creates strong word of mouth.



Cerca su Facebook



Alessandra



10



**Starbucks** ✓

@Starbucks · Azienda di cibo e bevande

Invia un messaggio

Home

Video

Foto

Punti vendita

Altro ▾

Mi piace



## Informazioni

Mostra tutto

- To inspire and nurture the human spirit — one person, one cup and one neighborhood at a time.
- Come on in. This space is not so different from your neighborhood Starbucks. It's a place where people from all over come together for conversation an... **Altro...**
- 36.575.000 persone hanno messo "Mi piace" a questa Pagina
- 35.468.826 persone seguono questa Pagina
- 38.848.428 persone si sono registrate qui



Crea un post

Foto/video

Registrati

Tagga i tuoi amici



**Starbucks** ✓

27 aprile alle ore 17:00 · 🌐



Iniziamo la giornata in modo luminoso. 🍷 Espresso freddo cioccolato e mandorla al latte scuoato

⚙️ · [Vedi l'originale](#) · [Valuta questa traduzione](#)





# use of SN for business


facebook.com

Frecciarossa

Prenota subito Mi piace Messaggio

Visualizza altri 2 commenti

**Video** [Mostra tutto](#)



**Il Giro-E è iniziato! E tra i gareggianti, vi...**

27 Visualizzazioni: 656 · un giorno fa


**Trasparenza della Pagina** [Mostra tutto](#)


Ti stiamo mostrando queste informazioni per aiutarti a comprendere meglio lo scopo di una Pagina. Vedi le azioni eseguite dalle persone che gestiscono e pubblicano contenuti.




Pagina creata - 12 settembre 2017

**Aggiungi la tua azienda su Facebook**

Mostra il tuo lavoro, crea inserzioni e connettiti

**Frecciarossa** 5 maggio alle ore 17:07 · 

Per spostarti fra Torino e Roma scegli di viaggiare con noi: la comodità e la velocità di Frecciarossa collegano queste città nel modo più green. Non lo sapevi? Guarda tu stesso  <http://bit.ly/FrecciaGreen>

6.5 K g	25.0 K g	34.2 K g
 CO2 CO2	 CO2 CO2 CO2	 CO2 CO2 CO2 CO2

Fonte: ecopassenger.org

67 Commenti: 28 Condivisioni: 8

# use of SN for business

facebook.com

Coca-Cola

Invia un messaggio Mi piace

Pizza e Coca-Cola è la combo perfetta, ...  
1019  
Visualizzazioni: 616.474 · 13 settimane fa

**Trasparenza della Pagina** Mostra tutto  
Ti stiamo mostrando queste informazioni per aiutarti a comprendere meglio lo scopo di una Pagina. Vedi le azioni eseguite dalle persone che gestiscono e pubblicano contenuti.  
Pagina creata - 30 dicembre 2014

**Aggiungi la tua azienda su Facebook**  
Mostra il tuo lavoro, crea inserzioni e connettiti con clienti e sostenitori.  
Crea una Pagina

Informazioni sui dati di Insights della Pagina · Privacy · Condizioni · Pubblicità · Scegli tu! · Cookie · Altro · Facebook © 2021

Coca-Cola  
9 febbraio ·  
Pizza e Coca-Cola è la combo perfetta, l'unica in grado di mettere tutti d'accordo. Festeggia insieme a noi il Pizza & Coca-Cola Day! 🍕

Oggi festeggia con noi  
IL PIZZA&COCA-COLA DAY

1019 Commenti: 173 Condivisioni: 116  
Mi piace Commenta Condividi  
Più pertinenti

Coca-Cola Australia

Invia un messaggio Mi piace

Video Mostra tutto  
When you can't decide, so you just get ...  
147  
Visualizzazioni: 556.652 · 9 settimane fa

**Trasparenza della Pagina** Mostra tutto  
Ti stiamo mostrando queste informazioni per aiutarti a comprendere meglio lo scopo di una Pagina. Vedi le azioni eseguite dalle persone che gestiscono e pubblicano contenuti.  
Pagina creata - 19 dicembre 2008

**Aggiungi la tua azienda su Facebook**  
Mostra il tuo lavoro, crea inserzioni e connettiti con clienti e sostenitori.

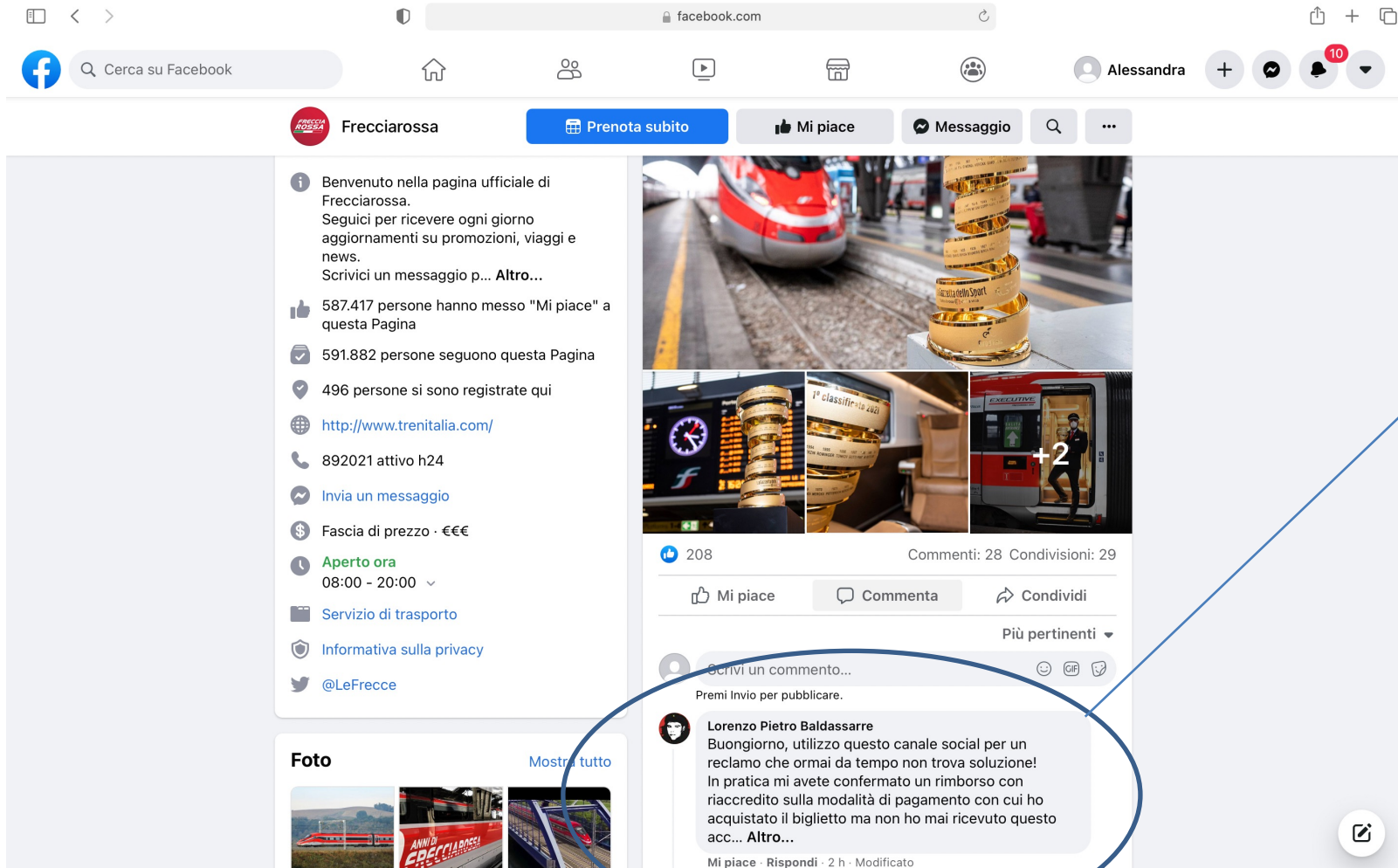
15 dicembre 2020 ·  
Seen a mate you'd Share a Coke with? Give them a shout out and it could end up on TV! 📺 ⭐ Head to shoutout.coca-cola.com.au to submit 🙌  
Visualizza traduzione

Share a Coke with Dad Mum Little Ripper Other Half Surfie

# The Networked Enterprise – New challenges

- While all the benefits seem obvious, using social media networks to reach consumers is **by no means an easy task**: It is similar to relationship marketing where the marketer responds to consumer dialog on the media. This requires manpower dedicated to monitoring social media in order to determine what consumers have experienced with the company's products or services.
- The dialog between consumer and marketer is **two-way: experiences with a brand are related by consumers and the marketer responds via the same social media**. This two-way communication between consumer and marketer has also led to a huge shift in traditional advertising strategy (see Chapter 13).
  - E.g. P&G discontinued advertising on daytime television programs

# RISK & boomerang



I use this social channel for a complaint that has not been solved for some time now! Basically you have confirmed a refund with re-credit on the payment method with which I purchased the ticket but I never received this credit. I have also contacted customer support but have not solved the problem

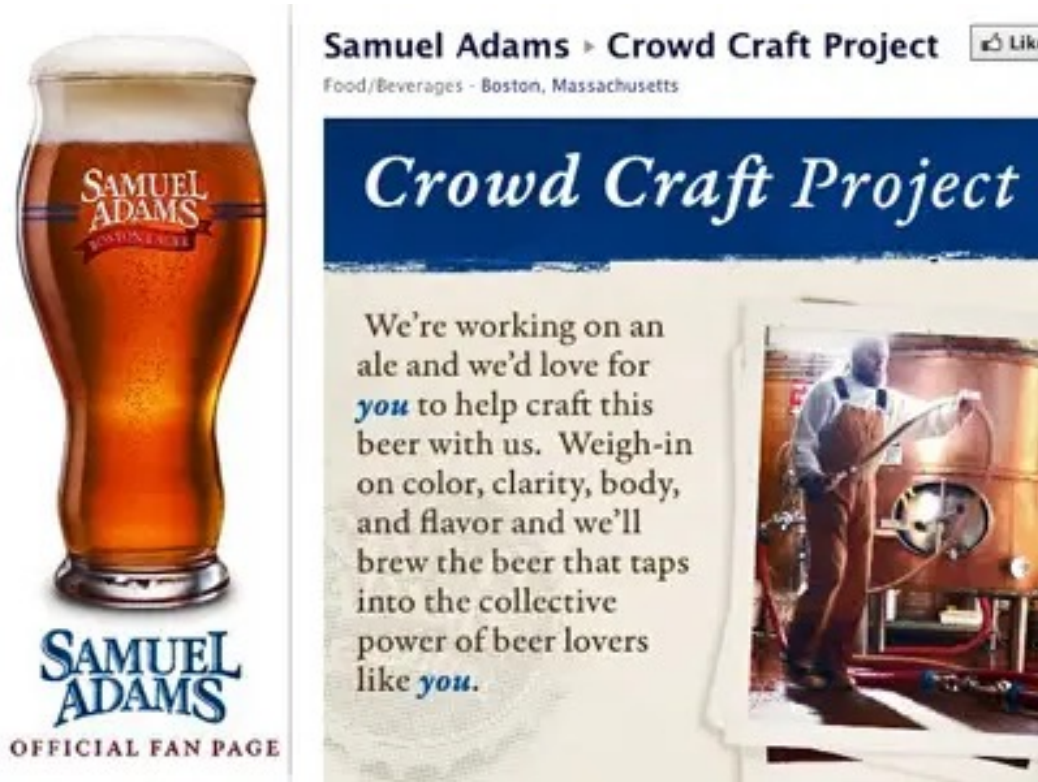
**solution:**  
**quick response**  
**transparent answer**  
**1to1 management**



# Crowdsourcing as a special application area

- Crowdsourcing is defined as **“the act of taking a job traditionally performed by a designated agent (usually an employee) and outsourcing it to an undefined, generally large group of people in the form of an open call”** (Jeff Howe, 2009).
- While crowdsourcing is considered to be a **relatively new tool for reaching a company’s target market**, the concept has been around for some time, but not fully utilized.
- Crowdsourcing is a method than can **distribute questions and collect responses from a large sample of people**; surveys are posted on crowdsourcing websites or smartphone applications and data is automatically collected and transferred to researchers once respondents fill in their answers.
- **Social media is an essential tool of crowdsourcing** because it has the ability to reach a wide audience faster, less expensive and effectively.
- Two of the best examples of the use of crowdsourcing are **Wikipedia** and **Samuel Adams** beer company based in Boston Massachusetts.

# example

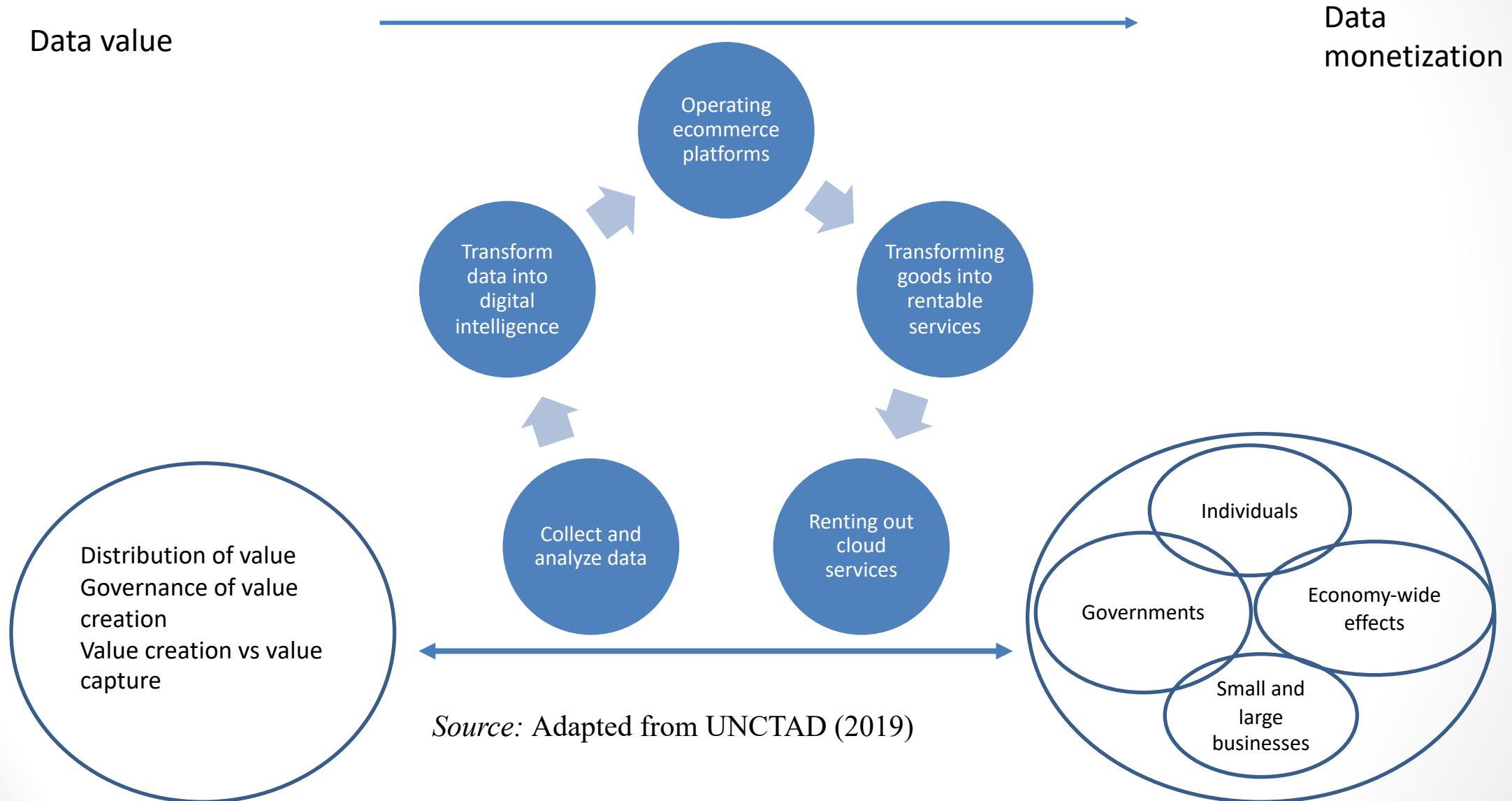


the company decided to let the crowd tell them how to make it. . the aim is to create what it claims is the first "collaborative ale," by having followers of Sam Adams's myriad social networks vote on the color, clarity, and malt/hops/yeast ratios. The winning combination will be used as the recipe for the new brew,

# Electronic Business and Data Value Chains

- Nearly every firm today needs to use the Internet as a **marketing support to improve their corporate image, to increase visibility, and to find new customers.** The use of the Internet for marketing purposes increases the speed, the flexibility, and the specificity of information exchange.
- **E-procurement websites**, sometimes referred to supplier exchange, **allow qualified and registered users to look for buyers or sellers of goods and services.** Depending on the approach, buyers or sellers may specify prices or invite bids. Transactions can be initiated and completed. Ongoing purchases may qualify customers for volume discounts or special offers (for B2C these are, for example, Singles' Day or Black Friday).
- E-procurement software may make it possible to **automate some buying and selling.** The advantages for participating in online portals are to be able to control parts inventories more effectively, reduce purchasing agent overhead, and improve manufacturing cycles

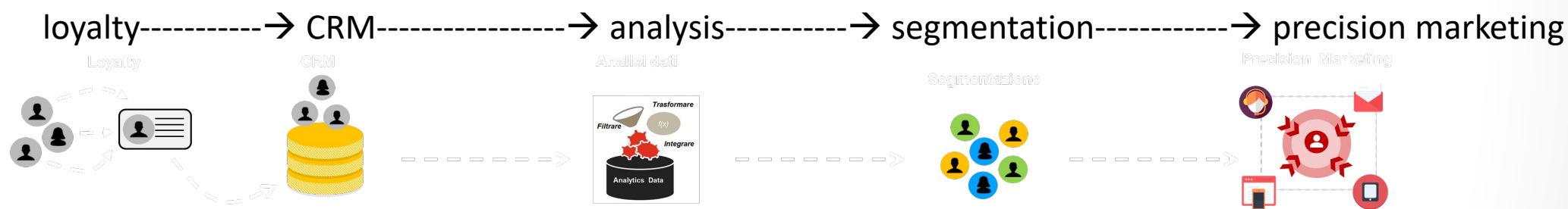
# From Data Value Chain to Data Monetization





# CRM

- the acquisition and maintenance of a customer DB, obtained through, for example, the registration to a Loyalty program, allows for customer profiling, targeted segmentation (clustering) to develop personalized campaigns and offers, increasingly from a multichannel perspective. and to do data monetization



Strategie 2018

Più

**PROFILAZIONE**



Più

**CLUSTERIZZAZIONE**



Più

**MULTICANALITÀ**



# Customer satisfaction in Digital Value Chains

- Building a winning relationship with customer requires one thing: to adopt the customer's point of view. Most **customer relationship management (CRM) systems** cannot fulfill this as they are technology based and focus on capturing data during discrete sales and service interactions with customers. The resulting information is often used for cross-selling purposes.
- Measuring **customers' satisfaction** seems to be one of the most intuitive undertakings in business: everybody wants to know how satisfied their customers are and whether they are pleased with the company, its products, and its services, all valid questions and it is important to answer them. The answers depend on the size of your customer base and the purpose of the research:
  - **Transactional surveys** solicit feedback directly from the product or service user about that particular encounter. They are conducted immediately after each customer transaction.
    - E.g. after a call center experience, a new service introduction, or a new sales channel offer
  - **Relationship surveys** collect input from people who have an ongoing relation with the company and have had multiple transactions. These are regularly scheduled surveys, often on a quarterly basis. The respondents typically are responsible for deciding whether they want to continue the relationship or not.
- Having satisfied customers does not necessarily mean that they will turn into buyers: satisfaction is important but not sufficient to create long-term loyalty, but **customer intimacy is**.

# Customers intimacy in Digital Value Chains

- **Customer intimacy** can be understood as a mindset: simply asking customers whether they are satisfied, they will most likely give some input as to how one could incrementally improve products.
- Most customers, unfortunately, cannot describe their real problems; **sometimes they do not even know them. It remains the task of the company to identify customers' problems.**
- Customer-intimate companies bring an entirely fresh perspective: They discover unsuspected problems, detect unrealized potential, and create a dynamic energy with customers.
- This can be based on integrating the customer up to the stage of strategic decision-making (co-formation) or focus on community management with changing inputs and constant interaction.
- This also helps to develop trust, which is a very important element for online relationships.

# Artificial Intelligence (AI) in Marketing

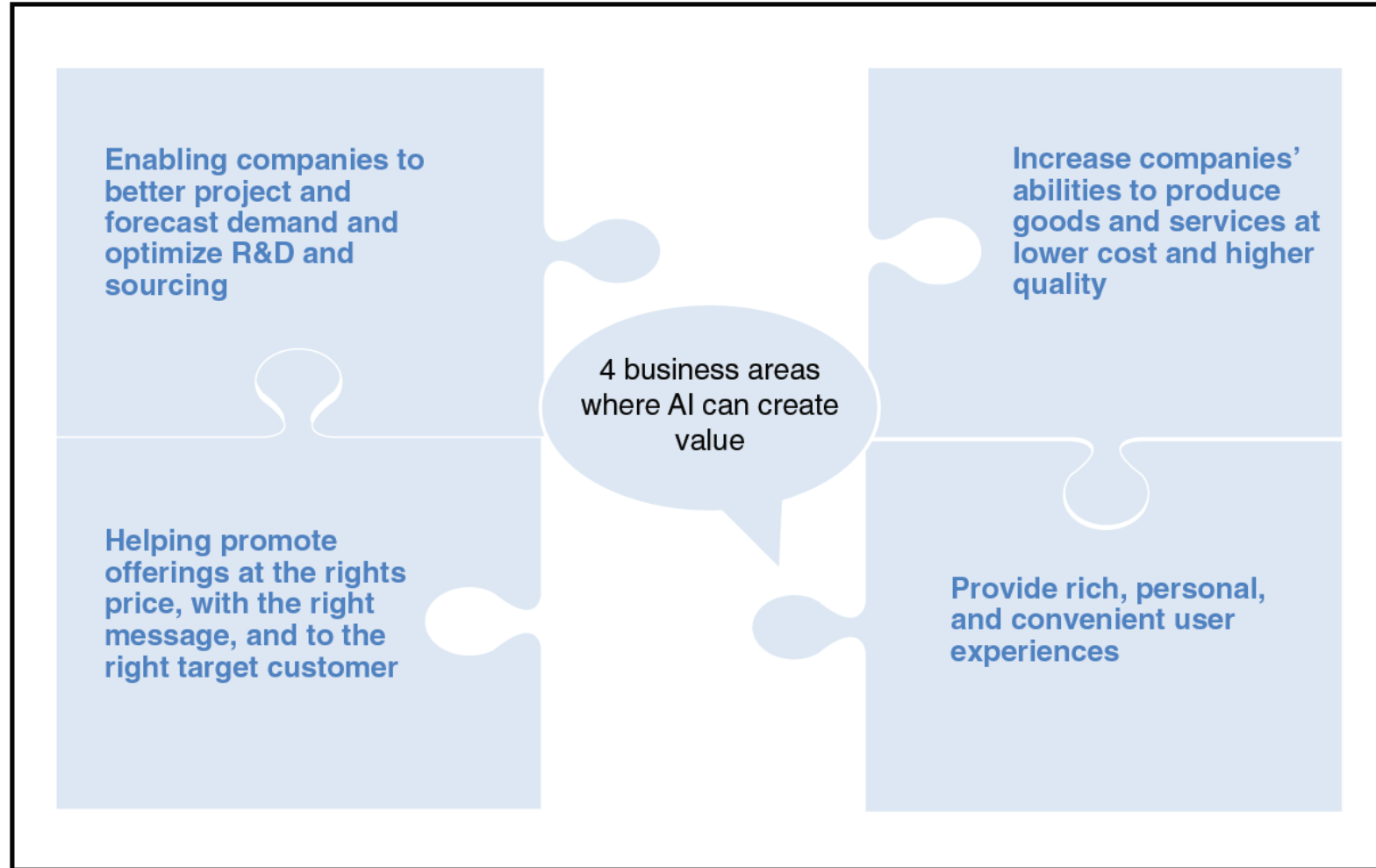
- Artificial Intelligence (AI) is defined as **“a system’s ability to interpret external data correctly, to learn from such data, and to use those learnings to achieve specific goals and tasks through flexible adaptation.”**
  - Term first coined by John McCarthy (1956)
  - IBM’s Deep Blue chess playing program was able to beat the world champion Gary Kasparov (1997)
- Artificial neural network called Deep Learning forms the basis of most applications we use under the label of AI.
  - Image recognition algorithms used by Facebook
  - Speech recognition algorithms that fuel smart speakers
  - Self-driving cars.
- To advance the development of AI, a functioning Internet infrastructure is required which is very heterogeneously developed across the world. **Advancing with 5G standards for network development is crucial**; 5G is an advanced wireless technology that began wide deployment in 2019.

# Benefits and Applications of AI in Marketing

- McKinsey Global Institute suggests that around **70% of companies will adopt at least one type of AI technologies by 2030** and that AI techniques have the potential to create between USD 3.5 trillion and USD 5.8 trillion in value annually
- Highlights from current national plans:
  - **China:** Wants to create a strong domestic AI market. China's Internet giants—Alibaba, Baidu, and Tencent—as well as iFlytek, a voice recognition specialist, have joined a “national team” to develop AI in areas such as autonomous vehicles, smart cities, and medical imaging.
  - **Europe:** Europe also has a strong ambition to advance on AI though currently lagging behind. A number of European countries have been driving national initiatives and investment plans but have also declared that ethics will play an important component.
  - **Canada:** International research institute CIFAR is leading the government's Pan-Canadian Artificial Intelligence Strategy with three new AI institutes: the Alberta Intelligence Institute in Edmonton, the Vector Institute in Toronto, and MILA in Toronto



# Benefits from Artificial Intelligence






*Source:* Adapted from McKinsey Global Institute (2018).

## Legal and Regulatory Aspects of Social Marketing: The Privacy Question

- **Unwarranted access to private information is a concern** to anyone who uses the web. It is especially an issue **when third parties gain access to information stored on social network platforms.**
- Privacy is a concern for **customer's browsing and buying patterns**, negative comments about brands or specific companies and products, and personal experiences.
- Are social network users aware of the privacy issue? In general, researches in different countries point out that **consumers are increasing aware of privacy issues** and for this reason they have changed their privacy patterns, with profiles becoming more private
- The negative side is that **the more private the profiles, the less valuable the social network site is to its users.**

# Europe cares most about Data Protection

			
Protection of personal data	✓	✓	✓
Constitutional clause on privacy	✓	✓	✓
Availability of judicial mechanism for constitutional protection	✓	✓	✗
Uniform legislation on data protection	✓	✗	✗
Specific data protection authority	✓	✗	✗
Extensive definitions of personal information	✓	✗	✓

*Source:* Adapted from Shi-Kupfer, K. and Chen, G. (2018, January 3). “Deutsch-chinesische plattform innovation.” Policy Brief 2017 of the German Expert Group, [www.plattform-innovation.de/ media/Policy Briefs der deutschen Expertengruppe 2017.pdf](http://www.plattform-innovation.de/media/Policy%20Briefs%20der%20deutschen%20Expertengruppe%202017.pdf) [accessed September 20, 2018].

# Trust and security risks

- **Online shopping is often perceived to be riskier than offline shopping** because it is not possible to visit a virtual vendor and feel and touch products prior to services.
- For a company, this means one needs to convince customers that they can trust and that company announcements will be followed by actions that meet their expectations
- Social theorist James Coleman view on trust offers a four-part definition:
  1. **Placement of trust** allows actions that otherwise are not possible (i.e. trust allows actions to be conducted based on incomplete information on the case in hand).
  2. If the person in whom trust is placed (trustee) is trustworthy, then the trustor will be better off than if they have not trusted. Conversely, if the trustee is not trustworthy, then the trustor will be worse off than if they have not trusted.
  3. Trust is an action that involves a **voluntary transfer of resources** (physical, financial, intellectual, or temporal) from the trustor to the trustee with no real commitment from the trustee.
  4. A time lag exists between the extension of trust and the result of the trusting behavior
- One trusts people and not the abstract organizations behind them: **If people know each other personally, it is much easier for them to develop trust.** This is why all key account managers are interested in the habits and preferences of their clients.

# Digital Rights and Cyberstalking

- Another pertinent challenge of online business relates to digital rights which could turn into a problem when a business model builds on content that was not produced by the company itself.
  - E.g. issue of copyright infringement for media content – Digital rights management (DRM)
- Among the many other challenges, there is the problem of cyberstalking: the use of the Internet, e-mail, or other electronic devices to stalk another person. Also if someone uses your email and pretends to be operating under another, which could be extremely damaging for a company if that person does any harm.
  - cyberstalking shares important characteristics with offline stalking (harassment, threatening behavior, exert control over victim)
- Cyberstalking and the associated criminal frauds are expected to increase. Companies are well advised to be up to date on the newest regulations to protect their customers.



# Recommendations when facing these problems

- Create an **industry-supported website** containing information about cyberstalking and other Internet crimes and suggest what to do if confronted with the problem.
- Develop **additional means to empower your clients to protect themselves** against Internet crime (more accessible and effective filtering and blocking options)
- Develop **training material** designed specifically to assist law enforcement in the investigation and prosecution of cyberstalking and related crimes (short training video to increase awareness)
- **Establish best practices** to address illicit activity by terminating holders of fraudulent accounts.
- **Establish clear and understandable procedures** for individuals—both customers and non-customers—to register complaints.