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Corporate's Hidden Superpower: Social Media Marketing

Research Assessment #3

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Kumar, Vikas, and Prasann Pradhan. "Trust Management Issues in Social-Media Marketing."

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advance brand awareness and increase online sales." *International Journal of Business,*

Marketing, and Decision Sciences, vol. 9, no. 1, 2016, p. 33+. *Academic OneFile*,

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Assessment:

After conducting multiple informational interviews with professionals in the community, I have been able to understand the complex nature of international business, for it ranges from topics such as finance to marketing. Since I am primarily interested in the field of the international marketing, I have decided to explore society newest infatuation: social media. Using the articles “Trust Management Issues in Social-Media Marketing” and “Social Media Marketing: Utilizing Social Media to Advance Brand Awareness and Increase Online Sales” to guide my research, I was able to expand on my understanding of the role of social media in large scale enterprises.

“Social Media Marketing: Utilizing Social Media to Advance Brand Awareness and Increase Online Sales” focused mainly on the effects of social media on hotel and lodging, and industry in which social media does is not used pervasively. Seeking to find out how exactly social media can relate to brand awareness and online sales, the article covered the background research and in-depth study that a group of marketing students conducted. Although larger, and more renown hotels use social media to help with customer engagement and promotions, many smaller establishments, such as the bed and breakfast inns, have continued to market through traditional forms of media. As Ms. Regina Borda had mentioned during our informational interview, traditional forms of media are quite expensive and they are hard to analyze, given that research can only be done after the advertising period is over. In fact, Ms. Borda had noted that the company she works for, Pizza Hut International, focuses primarily on advertising through social media, where noting trends and accumulating customer data is far less strenuous. In the same way, the hotel and lodging industry is also affected by the ensuing rise of costs in

marketing through traditional forms of media, such as brochures, rate cards, and billboards. The reason that most local hotel industries do not use social media is simply because they are unaware of how to utilize the benefits of such technology. Furthermore, since the revenue for bed and breakfast inns is highly seasonal — often depending upon weather, holidays, etc — it becomes harder for such enterprises to gear marketing strategies to fit their need. Although this can leave local businesses suffering due to their lack of visibility, this exact need for more marketing experts shows how the job increase for business, as researched in the first research assessment, may be much more than expected. Furthermore given the new age of technology, there are also many resources online to help companies with establishing their brand and marketing to customers.

To truly gauge the impact of social media on different aspects of a business's productivity, the article incorporated numerous studies done by other researchers. Through the conglomeration of such research studies, it became apparent that simply having social media and an Internet presence did not significantly impact that productivity of the business in any aspect. However, when the social media sites were effectively managed, correlations were found between increased internet visibility and organizational performance as well as brand awareness and online sales. Using Gainey Suites Hotel as an example of the success that effective social media use can bring, the article showed how the local hotel was able to increase sales by utilizing platforms such as Facebook and Twitter commonly and also creating a strong reputation on TripAdvisor, a travel review site. Thus, the Gainey Suites Hotel serves as an embodiment of how small businesses can generate business and raise awareness using online marketing strategies.

In addition to the numerous positive qualities that social media marketing can bring, such internet platforms can also increase the accountability of hotel businesses, and therefore can negatively impact the business if there is a disgruntled employee. Since consumers have access to reviews and ratings of different lodging facilities, it is important for local hotels to retain their level of satisfaction and integrity by fulfilling all promises made. Social media platforms are able to communicate news quickly and efficiently, and therefore forming a negative reputation can significantly harm business productivity, especially since about 83% of consumers often go on the internet to research about a lodging facility before making a booking. In light of customer ratings and reviews, however, a study conducted by Vermeulen and Seegers in 2009, takes a unique approach. After conducting research on this topic, the pair came to the conclusion that customers are more likely to choose hotels if they have read reviews, irrespective of whether the reviews are positive or negative. As a result, even negative publicity can contribute to increased brand awareness and hence, increased performance.

Another article, “Trust Management Issues in Social Media Marketing” also provided relevant information about the importance of online platforms in promoting customer preference. Unlike the former article, this article outlined the basic approaches to using social media and how different tools can help businesses analyze their social media presence. This article was in conversation with “Social Media Marketing: Utilizing Social Media to Advance Brand Awareness and Increase Online Sales” because it essentially provided a solution to the challenges that local hotels faced in light of social media.

A common benefit of social media, as many different sources and professionals have affirmed, is that social media can be used to analyze marketing progress. CPC, or Cost Per Click,

programs, can inform businesses of the amount of consumers visiting their page and its relationship with the net profit for a relatively small amount of money. Social media monitoring tools also allow businesses to gain a better understanding of their online marketing presence, such as TweetDeck and Social Pointer. In the previous article, many local bed and breakfast companies had felt as if there were not many benefits in advertising from social media. However, by utilizing the aforementioned technology, they could gain quantitative support for the effectiveness of social media.

The article also highlighted different social media platforms and their respective benefits. Facebook seems to offer the most incentive for business advertising, as there are minimal regulations and the ability to recommend different businesses to friends also helps improve word of mouth marketing. Twitter, on the other hand, had many regulations but it has a larger account based and this social media platform is known for allowing businesses to have rapid customer service. As a result, the increased customer and business communication allows for trust to be formed, hence benefitting overall sales.

Social media marketing is also significantly impacted by domain through which media is being communicated. Business to Business Marketing (B2B) often takes places between vendors and purchaser of wholesale items. As a result, the advertising is limited to only wholesalers so that unnecessary funds are not spent. Conversely, inn Customer to Customer marketing, there is little intervention from a business, and different consumers essentially share their experiences with a product or service with other prospective consumers. This form of marketing, which is unable to be controlled by businesses, has the most potential to harm a company's reputation. As the previous article had also mentioned, fake accounts and harmful comments can cause the

dissatisfaction with a product or service to become noticed by other consumers, therefore limiting profits.

Although increasing social media traffic, especially for local businesses can be difficult, there are some ensured methods that increase the number of consumers visiting social media sites. By engaging in conversation with customers through social media platforms, businesses are able to express their loyalty to the consumer and fast response time, whilst also addressing complaints or concerns. In addition, by having contests through social media, business can also increase their internet visibility and also gain customer information. Customer testimonials, relevant content, and promotional deals are also other tools that attract consumers through social media. In fact, during my first interview, Mr. Jerome DelPorto, the Vice President of 7-11 had explained to me how social media, more specifically Twitter, helps his company address customer concerns and interact with the public.

Through my research on social media marketing, I have been able to further develop my understanding of international business. Since international business includes a comprehensive population, the power of social media in marketing is quite significant because it allows different aspects to be managed from one central location. Researching and gaining insight on the local and global perspectives on social media marketing has also helped me understand why most local businesses use primarily traditional forms of media to advertise. However, in the future, I hope to see whether I can test the effects of social media marketing at a local scale in my own community and analyze their success in comparison to larger global corporations.