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SOCIAL MEDIA – A NEW CHALLENGE FOR MARKETING DEPARTMENTS

Social Media, as part of Viral Marketing, comprises three areas:

- **Information platforms and providers**
- **Communities,**
- **Entertainment.**

While information providers mainly focus on the exchange of factual information and valuations, communities are interested in exchanging personal experience, views and trends. The entertainment sector includes video, music and fun messages.

By Dr. Anja Hermes

Businesses can adopt an active social media policy by seeking to influence various portals, blogs and forums and/or by tracking the flow of communication with respect to issues relevant to them, i.e., by checking who says what in the internet about the business, its employees and its competitors. By using appropriate analysis tools, such checks reveal opinions and trends as well as important issues, serve as early indications of crises and generally provide great support in the monitoring of competitors. This approach can be complemented by a more general media monitoring which covers also print media.

Information platforms and providers

There are various types of information platforms, such as websites of businesses and industry associations, specialized forums, product press releases and topical articles on portals, sales portals, blogs, newsletters, encyclopedias and book reviews. (German language) examples are www.lesmads.de (fashion industry blog), www.autoplenum.de (information platform combined with blogs), www.ideelicht.de (cooperation forum for lighting industry) and <http://nil.kiroff.de> (specialty chemicals, paints), to name just a few.

A main task of a strategic use by a business of social media in this area is supplying all relevant information platforms and communication forums with relevant information and ensuring that all such information is communicated as desired. When a business runs its own interactive platform, it is key to ensure a quick response to customer requests and to establish contact with the customer. There is ample evidence for the importance of quick responses

to customer requests. Recent Harvard Business School studies, for example, show that businesses with fast reaction times achieve much better customer response; a reaction within one hour is 60 times more effective than a reaction after more than 24 hours (cf. Harvard Business Manager April 2011, p. 12 and Harvard Business review, March 2011 – in each case German edition).

Communities

Communities serve the personal exchange among individuals with a (however broadly defined) common purpose (e.g., Xing, Twitter, Facebook, Xangan, LinkedIn, Xanga, etc.). A business that wants to position itself in one or more of such communities must present itself as authentic as possible. The objective of communication in this area is to achieve a high degree of “earned media”, i.e. no-cost attention from the desired target group. Two aspects are important here, first to strategically counter the formation of negative views and opinions and to amplify positive views, and second to start word of mouth advertising which spreads the positive features of one’s products.

Entertainment

The focus of entertainment forums is sports, fun and games (see e.g., www.youtube.de and www.fotolog.com). For a business that wants to tap entertainment forums it is important to attract as many users as possible who when using the entertainment features will be exposed to target group specific online advertising. Another possibility is to provide own entertainment content by presenting advertising and product offerings in an entertaining fashion.

The influence of social media on strategic marketing: a change of paradigms in communication

The internet has changed the classic communication model. Traditional advertising, trade fairs and PR no longer are the main sources of information for customers, both in the B2B and the consumer markets. While these communication tools still have a function as first source of information, they are increasingly complemented and sometimes corrected by the internet. Customers frequently will look for reports from other customers on their personal experience with a particular product and for further product information. Marketing departments must adjust to the challenges presented by this new environment and should strategically use viral marketing. Hermes & Friends is specialized in viral marketing and social media. Talk to us!

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