

The Impact of Social Media Management on Promotion mix and Customer Engagement: A Review

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Abstract

The advancement of social media bringing a lot of change in the relationship between brands and consumers. The level of impact of social media has reached to such an extent that, companies create strategies after they analyse trends from various sources of social media element. Be it MNC or a small start-ups everybody are influenced to adopt social media tools to make their brand or services visible. The emergence of social media greatly affecting on various factors of promotion mix and to make it successful constant customer engagement has become very much necessary. This paper attempts to study on how social media influences promotion mix in the era of web 2.0 and address some of the issues related with better understanding on customer engagement which happens to be an important factor for making successful business strategies.

Keywords: Social media strategies, Customer engagement, Promotion mix, Buyer and seller relationship, Digital media platforms.

1. Introduction

Social media is having a great impact on business and performance are taking place at a sky high rate. It helps in developing business tactics and platforms like Facebook, Twitter, LinkedIn etc., show an opportunity for business to grab the attention of the customers while building a brand image. Social media has a wide range of elements like discussion forums including blog sites, discussion boards, chat rooms, microblogging sites, and many more which tremendously influencing on the traditional promotional mix element's (advertising, selling, PR activity, direct marketing and sales promotion).

The major benefits associated with social media are, it has improved customer insights, better customer service, reliable connectivity and converting potential customers to actual customers for selling the product. The advancement of social media has become a major factor on consumer behaviour. Now there exist a big responsibility among marketer to understand the importance of constant customer engagement. In order to build a strong social media plan and aligning it for the growth of business, constant engagement is become very much essential.

There is no doubt that the marketers and business organization are confronted with the challenge and looking improvement's with according to the current trends in the world of online marketing and increasing there by proper engagement. In this paper, the literature survey findings primarily intended on the areas; effect of social media on promotion mix, promotional mix vs social media elements, understanding how the use of social media and promotional mix has to be planned together and retaining good customer engagement are discussed.

2. Research objective and methodology

The primary aim of the study is to understand the impact of social media and its effects on traditional method of promotion mix, how engage more customer interaction and finally by what ways markets can improve their strategies with the current trends.

3. Literature review

The advancement of online marketing has brought so many channels for marketers to build awareness and communication and promoting a brand and so product. Among them social media is one of the platforms which has great potential for communication among customers and marketers, around the globe with no time constraint. Social media, also referred to as consumer-generated media. This form of media “describes a variety of new sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues” (Blackshaw & Nazzaro, 2004, p. 2).

Coming to promotional mix, marketers have to carefully plan the implementation of integrated marketing communications principles which indirectly governs the promotional mix elements such as personal selling, PR, advertising, direct marketing and sales promotion. To accomplish company’s objectives promotional mix elements need to be handled carefully so that proper sort of information is passed through to customer, which reflects company’s fundamental value.

The promotional efforts conducted by Procter and Gamble (P&G) and General Electric (GE) explain the underlying values of these organizations as mentioned in their respective mission statements and strategic principles (General Electric, 2008; Procter and Gamble, 2008). When these two organizations entered the social media arena, they carefully implemented their communications with the marketplace to consistently reflect their organizational values. By doing so, both were realized the importance of incorporating social media into their Integrated Marketing Communication strategies and promotional mix efforts.

The role of social media becomes very important where it should be aligned consistently with the use of traditional IMC tools. The second promotion-related is very unique in its nature: customers can use it to communicate with one another. In his book *The New Influencers*, Gillin (2007) points out that “Conventional marketing wisdom has long held that a dissatisfied customer tells ten people. But that is out of date. In the new age of social media, he or she has the tools to tell 10 million” (p. 4) consumers virtually overnight. Consumers’ ability to communicate with one another outclasses the amount of control companies have over the content and dissemination of information. Christopher Vollmer and Geoffrey Precourt (2008) underscore this in their book, *Always On*. As they note, in the era of social media “consumers are in control; they have greater access to information and greater command over media consumption than ever before” (p. 5).

3.1. The New Modern Marketing Communication System

In the era of web 2.0, marketing managers’ control over the content, timing, and frequency of information is being wearing off. The information about products and services also originates in the marketplace. This information is based on the experiences of individual consumers and is channelled through the traditional promotion mix.

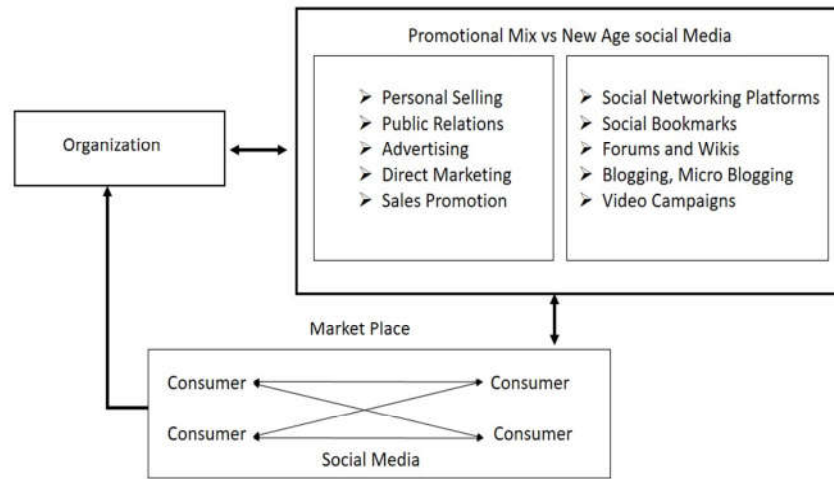


Figure 1. The Modern Social Media Marketing System

Consumers are turning away from the traditional sources of advertising: radio, television, magazines, and newspapers. Consumers also consistently demand more control over their media consumption. They require on-demand and immediate access to information at their own convenience (Rashtchy et al., 2007; Vollmer & Precourt, 2008).

As per the emergence of new marketing communication channels have significantly effected the usefulness and practicality of the traditional communications system as a framework for developing IMC strategies. The new communications system, on the other hand, requires several important changes in management's attitudes and assumptions about IMC strategy formulation.

First point need to be considered for marketing managers that they must accept the reality that vast amount of information about their products and services is being communicated by individual consumers to other consumers via social media platforms. Second, consumer behaviour, from information acquisition to post-purchase expressions of satisfaction and dissatisfaction are greatly influenced. Third, consumers are turning away from the traditional elements of the promotion mix.

Building customer engagement in both business and consumer markets requires adaptation of the promotion mix to take advantage of new technologies and tools to better understand and serve customers. Social media provide the opportunity to connect with customers using richer media with greater reach (see, e.g. Thackeray et al.,2008).

The roles of the seller and the customer converge, with seller and customer collaborating in creating value (Prahalad and Ramaswamy, 2004). Web 2.0 technologies

and tools appear to facilitate the co-creation of value by seller and customer (Harrison and Barthel, 2009).

Increasing interest in customer engagement has paralleled the continued evolution of the internet and the emergence of new digital technologies and tools that has been dubbed Web 2.0, especially social media like wikis, blogs, micro blogging sites like Twitter, bookmarking sites like del.icio.us, video sites like YouTube, virtual worlds like Second Life, and social networking sites like Facebook, MySpace, and LinkedIn (see, e.g. Wirtz et al., 2010).

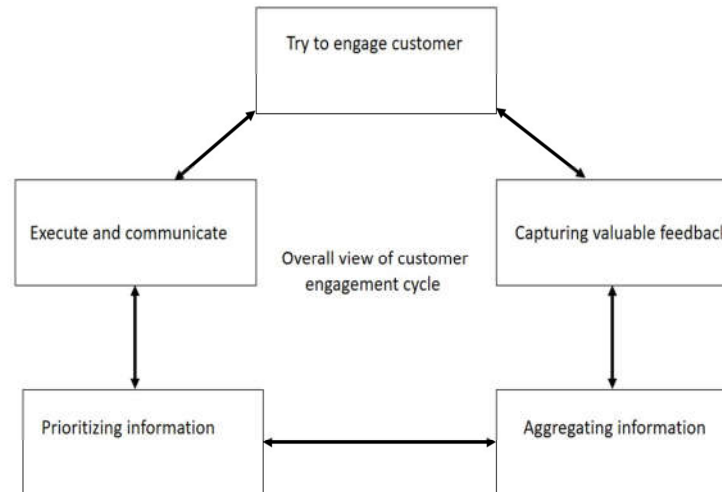


Figure 2. Customer Engagement System

The engagement may be established using both traditional offline methods like salespersons and new digital online methods like social networking. Social media greatly facilitate the establishment of connections with a large number and wide variety of individuals and firms.

Capturing feedback can improve understanding of customer needs, especially changes in these needs over time, and facilitate modifications to existing products or the development of new products to better satisfy these needs. Social interaction in virtual worlds, for example, where users communicate and interact in real time can be used to connect with customers, provide information and experiences, and obtain customer input (Tikkanen et al., 2009).

Aggregating information and prioritizing insights would be very crucial part for organizations and marketers for formulating other long term plans.

Customer engagement expands the role of customers by including them in the value adding process as co-creators of value. As engaged customers develop new connections, they become key drivers for the seller in interactions with other customers and non-customers.

In the future, sellers and customers are expected to look after each other's interests and the focus will be on exchange of values that transcend their self-interest (Nordin, 2009).

4. Methods For The Betterment Of Promotion Mix and Customer Engagement In The Era Of Social Media

Social media has influenced the power of consumer-to-consumer conversations in the marketplace by enabling one person to communicate with literally hundreds or thousands of other consumers quickly and with relatively little effort. Managers cannot directly control these conversations. In order to engage with customer and to maintain better relationship some of the methods can be followed which are as follows:

- Using blogging tools and other social media tools in order for the constant engagement of customers
- Provide different networking platforms for interaction
- Design products with talking points and consumers' desired expectations in mind
- Provide adequate and precise information
- Support causes that are important to consumers for more detailed clarification
- A mix of digital and non-digital technologies can be employed for the purpose and different mixes are required for each stage of the customer engagement cycle.

5. Conclusions

Although marketing managers cannot control entire information acquired through social media, but at the same time the information cannot be ignored, because it tremendously influences on consumer buyer behaviour. It becomes very important to integrate with digital space and create digital links with customers. By including social media in the promotion mix, these new communication formats are given a safe point in standard marketing management practices and theories. This new-found home for social media provides managers with a better understanding of social media and a framework for incorporating it into their IMC strategies, thus more effectively communicating with their target markets. All efforts in this domain should lead to increased engagement, building stronger relationships with customers, and subsequent customer engagement.

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