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gained a Bachelor of Science degree in Business at Grand Canyon University and began his working life as a Trainee Manager with the world's leading car hire company, Enterprise-Rent-A-Car. His ten-year career included rising from trainee manager to Group Rental Manager for UK South-East, where he was responsible for 17 retail outlets, 125 employees and an annual turnover of £20m. He started his internet life when he moved to Kelkoo.co.uk and became Kelkoo's UK Managing Director in October 2002, where he led his team to create successful advertising partnerships with well-respected brands, such as Tesco, John Lewis, Comet, Argos, Dabs.com, and Dell. Following the acquisition of Kelkoo by Yahoo! Inc., he became Regional Vice President for Yahoo! Northern Europe in 2006 where he is responsible for all Yahoo! business operations in the UK, Ireland, Netherlands, Norway, Sweden, Denmark and Finland.

Keywords: social media, social search, online advertising, viral, mobile advertising, community, Yahoo!Answers

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Opinion piece: Social media: Should marketers engage and how can it be done effectively?

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Received (in revised form): 18 July 2007

Journal of Direct, Data and Digital Marketing Practice (2008) **9**, 274–277.
doi:10.1057/palgrave.dddmp.4350096

Introduction

From the success of social networking sites to the explosion in user-generated content, we have seen a dramatic shift in how consumers interact with the internet. The rise of social media as an influential marketing channel has, however, caught many in the industry off guard. Online advertising has been criticised for its creative limitations for years, but changes in the internet landscape have created new opportunities to engage with customers in ways not possible through offline channels.

With the opportunities, however, come specific challenges for marketers, many of whom have naively treated the online channel as they would a magazine or television spot and ultimately alienating themselves from their target audience. With social media in particular, it is critical that advertisers ensure that advertising and branding is provided as relevant content, rather than brash product placement.

But what is social media and how can we, as marketers, be sure that it is more than a fad?

What is social media?

Social media describes online resources that people use to *share* 'content': video, photos, images, text, ideas, insight, humour, opinion, gossip, news — the list goes on. These resources include blogs, vlogs, social networks, message boards, podcasts, public bookmarking and wikis. Popular examples of social media applications include Flickr (online photosharing); Wikipedia (reference); Bebo, Facebook and MySpace (networking); del.icio.us (bookmarking) and World of Warcraft (online gaming).

To many — perhaps a majority — of business people, consumers and even marketers, social media is a misunderstood concept. When discussing social media, pundits often emphasise 'media' as being most important, when in reality the 'social' element is key. By enabling people to share and interact with each other, social media enables 'content' to become more democratised than ever before.

Marketing is no longer one dimensional

Does marketing have a role in social media? How can marketers effectively engage their audience?

Whereas marketing with traditional media like newspapers, television and news websites was about delivering a message, marketing with social media is about building a relationship and conversation with your audience. Marketing is no longer one dimensional; it is now a two-way process engaging a brand and an audience. Marketing within social media is not just about telling and giving a message, rather it is about receiving and exchanging perceptions and ideas.

Cynics argue that marketing has no place in 'social' media and that marketing in fact destroys its foundations by undermining its human element. A similarly weak argument can be made with regards to traditional media outlets and advertising, arguing that advertisers dictate editorial content. While this is sometimes the case, newspapers and the entire media industry as we know it today would not exist were it not for advertising dollars. While marketers must tread carefully with social media, the onus is on us to creatively engage rather than alienate our audience. Effectively marketing to social media may be challenging but it is possible. Ultimately it is a matter of providing content rather than simple messages that customers can relate to and appreciate.

Social media brings elements together

At present, the fragmented nature of websites' content means that the audience tends to be divided between the best destinations for informed, professionally edited content (like a specialist sports website) and social media sites populated with user-generated content. Social media has the ability to bring these two elements together. Internet users can access so-called 'head and tail content': the former is material written and edited by professionals and the latter is material added by enthusiasts known as user-generated content on online communities. This combination is excellent news for web users as their experience becomes interactive: they can receive and contribute content within a single respected branded site. Furthermore, they do not feel as if adverts are interrupting their experience because the site as a whole is socially useful. It is a classic example of a one-stop shop on the web and, as such, also makes for a particularly compelling package for advertisers. The integration of these two types of web activity means they are guaranteed to reach a larger audience which is highly engaged.

Monetising — How can social media deliver impact for marketers?

As marketers are accountable to their brand and their business, any activity needs to deliver some kind of return on investment, whether through increased marketshare, sales or brand recognition. Social media is changing the way people interact with each other, and will be increasingly significant for branding, business and marketing.

Areas that have already seen great success in monetising social media include social networking, social search and viral campaigns. In fact, eMarketer (July 2006) predicts that ad spending on US online social networks will eclipse \$1.8bn by 2010. In the near future, mobile marketing and will also open up a huge channel for advertisers.

Collective sharing

Social search

Social search is based on the premise that the bulk of relevant human knowledge — particularly the community-based, user-generated knowledge that is highly valued by individual searchers — resides with people and not in the mathematical algorithms associated with normal internet searching. This concept of collective sharing creates a new and highly valuable third tier of search results — in addition to the current sponsored and algorithmic search. This new breed of highly relevant social search results is attracting increasingly larger volumes of traffic to search engines that can offer it. In turn, this provides an even greater value proposition to advertisers.

Among the companies getting involved in social search are sites such as Digg, which lets users collectively decide on what is the most relevant news, and collaborative tools like Wikipedia. At Yahoo! we have developed a community website, Yahoo! Answers, where real people can ask and answer questions on any topic.

Yahoo! Answers taps into the human knowledge of its users and creates a repository for real-life experience, advice and opinion on almost every topic imaginable. As a stand-alone site, this offers many commercial opportunities — and this ever-growing repository of human knowledge is also the feeder to Yahoo!'s social search results.

Such sites pose many commercial opportunities because of their popularity. However, all social media sites must be mindful that the characteristics of flexibility, freedom and community ownership that initially attracted their vast audiences need to be carefully balanced with any attempt at monetisation — as history has proven, audiences can easily disperse to other destinations if they feel a site has become too commercial.

Commercial opportunities

Viral campaigns

With access to broadband internet moving mainstream in both the workplace and the home, new ad formats have given digital creatives more scope to produce engaging and innovative online advertising campaigns. The increased use of video is becoming a driving force and is opening up new doors for creatives who may have felt stifled by previous online advertising options.

The recent success of several viral campaigns demonstrates the advantage of online branding in terms of audience engagement. Consumers are willing to spend more time with a brand online than they are offline. Dove's Evolution viral video, for example, spends one minute taking consumers through a digital transformation from ordinary to perfect. Love it or hate it, it got people talking — online and offline — which is always a good sign. 'Advergames', interactive virals with subtle branding, have also seen a spike in popularity in recent months. More than a third of all adults online have played an advergame, which is branded by an advertiser but free to play, and 31 per cent of them have been directly influenced to either register with the brand or make an actual purchase.¹

Mobile marketing

In an age where we expect information on-demand, it is not surprising that more people are accessing the internet via mobile devices. Today, 25 per cent of people in the UK use the mobile internet; that figure is expected to increase to 50 per cent, or 27.3 million people, by 2010.²

Mobile internet

You only have to look at the numbers to see this will have a major impact on the industry. eMarketer recently predicted that mobile marketing ad spend worldwide will grow from \$2.7bn in 2007 to over \$13.9bn in 2011. Given that UK consumers are typically early adopters of technology, I have no doubt that the UK will be a blueprint for how mobile advertising should be implemented, incorporating search, advertising and distribution.

Mobile advertising potential is huge

Although still a relatively new platform, the potential of mobile advertising is huge and many major brands are already integrating mobile into their marketing and advertising plans. Users of mobile internet represent one of the most coveted, yet notoriously difficult, demographics to reach: young, male, tech savvy consumers with a high disposable income. It is refreshing to see that a few FMCG brands are starting to get involved with mobile advertising, as they are traditionally seen as slow to embrace new technologies.

Now what?

As marketing channels become increasingly blurred, social media will provide brands with one of the most personal, trusted and direct points of access to these consumers. Social media provides a good opportunity now, and a great opportunity moving forward. It is essential that brands begin testing the medium now, or they risk being left behind in the future.

Brands should test the medium now

Despite early success, however, it will be necessary for the broader marketing and advertising community to drive research on the effectiveness of social media as a valid branding medium and offline sales driver. Clients want to see measurable ROI, and the success of the online marketing industry is dependent on having clients willing to invest in the channel. Unless marketers are able to benchmark their success, they will be unable to continue to drive growth and gain the credibility they deserve.

References

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