



What is Social Media

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Describe the value of social media for a marketing plan

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What is Social Media?

Social media is a technology that facilitates communication and sharing by using a platform. Those platforms are changing and evolving all the time. Although there are some steady platforms available, there are many more that appear and then disappear rapidly. Around the world there are hundreds of millions of people (also referred to as “users”) who interact with at least one social media site at least once. As a marketing opportunity for you and your company, the options seem endless!

Business owners and marketers often ask if they really need to get involved with social media. It can be a lot of work and take up time and resources, and we’re not even sure how to measure the payoff. However, the savvy business understands that if your customers are on social media, you should be contacting them there. If your clients are not on social media, then don’t spend your marketing time and money marketing there right now, although you’ll need to be ready if they are headed that way.

Understanding the Marketing Mix

The Five P’s and Social Media

Lots of companies say – and even believe – that they have a social media strategy. They encourage employees to create profiles and to promote or share news about what the company is doing, and they set up profiles on every site they can find. But, if you think back to what we understand about marketing, we know that we need to have a strategy for how to leverage social media if we are going to get some kind of return, rather than just taking random shots in the dark.

Around the world, your customers and potential customers have embraced social media to such an extent that it is not just popular, but is a part of everyday life. At the same time, we cannot be fooled into believing that social media is the best way to market your product. Social media is simply another way to get your message out, but it’s not the only way. If you remember nothing else in this course, keep in mind that social media is simply one element within your overall marketing strategy.

When it comes to using social media, your marketing research gets applied in a marketing plan based on the P’s of marketing: product, price, place, promotion, and packaging. All of these P’s influence the **positioning** of your product (how your product compares to similar products from other companies).

Product

Marketing your product and/or services includes differentiating it from other products/services in the market place. You will need to pay particular attention to how those products and services appear in search engine results. There are lots of ways to do this, so you will want to pick a few that make sense. Some things to pay attention to:

- Capabilities
- Style
- Warranties/guarantees
- Service
- Labeling
- Size

Make sure you really understand what makes your company stand out from the competition. For example, when Lulu lemon was first established, they were looking for a name that was attention-grabbing and that people would remember. They also wanted something that had appeal around the globe. Their made-up word, with three l's, helped them to stand out.

If you read Seth Godin's book *We Are All Weird*, you'll read about a shift where instead of always trying to appeal to the masses (and an average consumer), it makes good business sense to pay attention to the diversity present in the marketplace and offer choices that reflect the people we are actually marketing to.

Price

Whether you are a for-profit, non-profit, or not-for-profit company, you have to be making money in order for the business to flourish. This means that no matter who you are, you need to understand every aspect of your business when establishing price. If you forget to allow for certain costs and sell the product at a loss, your stakeholders won't stand for it.

On the other hand, some products are deliberately priced at a "deal" price (also known as a **loss leader**) to draw people in to the store where they will be sold other products. A car can be priced below cost, but by the time that the extended warranty, roadside service, fabric protection, and chrome package are added, there is no loss for the company any longer.

Psychological pricing is what has stores using prices that end in 95 or 99 cents. The idea is that people will pay \$39.99 for a product they won't pay \$40.00 for.

In a competitive market, you will see marketing strategies that will meet or beat a competitor's price in order to gain (or regain) market share. If you visit a website or pick up a flyer and see the phrase, "We

will match any competitor's advertised price and beat it by 5% on all our products," you are witnessing **meet or beat competition** in action.

Price and **quality** are things that must always be considered in pricing services and non-tangible products. If you have a service and price it very cheaply, people may not value what you offer in terms of the knowledge and expertise that is required to develop that service. Make sure that you are doing sufficient research.

Penetration refers to introductory pricing that is deliberately low in order to gain market share. The idea is to price products at a low per unit amount and then sell a high number of units with the objective of gaining recognition in the market.

Place

This is all about how you will distribute and provide your product. Your analysis of distribution channels will help you flesh out this part of your plan. Will you be a wholesaler, distribute products through a franchise, have brick and mortar retail outlets, or be an online-only store? You can also choose several methods to create a big presence. Leveraging social media can help you to create a large "place" with or without having an actual physical presence.

Promotion

Promotion refers to the way that the market sees your product. It is very difficult to get shelf space in a retail store, so you have to decide how you will draw your potential purchasers' attention. Pizza shops might send staff members to stand on the corner with a sandwich board describing this week's deal. Cupcake stores might have someone dressed in a giant cupcake costume waving to passersby. Coupons, flyers, newsletters, banner or pop-up ads on a website, and special deals are also part of a promotion strategy.

Public relations campaigns can also be used to promote a product. **Internet marketing** is another form of promotion that can use programming and keyword techniques to ensure that a search for products like yours will lead to your company's website.

Packaging

The esthetic value of your packaging can draw a customer's eye or can turn them away. Designers and marketing firms aim to create the best packaging possible to attract consumers or at least create some kind of reaction. In addition, items must also be packaged in a way that protects the contents. Cardboard boxes, protective materials (like Styrofoam), labeling, color, and appeal must all be considered to present your product appropriately and protect it from damage.

Test your knowledge

Exercise Your Muscle

Using the 5 P's described earlier in this session, let's review your current marketing approach and how it could be influenced by a social media strategy.

Describe how your company is currently positioning their primary product/service(s) in the marketplace. If you have a lot of products or services, select one for this exercise that has a lot of value or some kind of connection for you personally.

Describe the current product marketing that is taking place.

Describe the current pricing strategy. (Are you using loss leaders, psychological pricing, or other strategies?)

Where is your place of business? If you implement a social media strategy, does that mean you will move to a greater online presence?

What kind of promotions do you offer?
