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Suitably Social

How FMCG Brands Can Best Use Social Media for Engaging with their Customers



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Abstract

Social networking is a genuine cultural phenomenon, having become the UK's most popular online sector in less than ten years. As social media consumes ever greater amounts of leisure time, how to use this new channel effectively has become perhaps the most important question facing the marketing profession. Although social media presents challenges to all sectors, this report looks at how marketers of Fast Moving Consumer Goods (FMCG) brands can best use social media to engage with their core customers.

In answering this question, this report draws on the results of a program of primary and secondary research, including eighteen interviews conducted in July and August 2010 with professionals from a number of FMCG brands and digital and social media marketing agencies. Among the topics covered in these interviews were identifying core customers, customer engagement, defining and measuring 'success' in social media, using social media for market research, working with influencers, tracking the online conversation about a brand, what specific challenges FMCG brand managers face in the social space, as well as social media's downsides for marketers.

The research showed that it is impossible for FMCG brands to segment their social media audience in order to identify their core customers. Instead, it was revealed that social media is an effective tool for engaging with a brand's existing customers, whether 'core' or not, and that there are a number of best practice principles that can be utilised to help achieve a brand's goals in the social space. Although a number of interviewees claimed that brands should only be involved in social media if they are willing to commit the proper resources, the fact that none said that *their* brand was better off outside the social space shows that a social media presence is no longer optional, but is instead essential to the work of the modern marketer, even for FMCG brands which, as the research showed, have not been on the cutting edge of the social media phenomenon.

Social media is more than just a marketing channel because it offers marketers a direct, unmediated connection with their customer, and this relationship can be leveraged for insights relevant to new product development and market research. This is particularly important to FMCG marketers, because social media offers them direct access to their

products' end users for the first time. This engagement can provide a better understanding both of the customer as well as what they want from the brand.

The research also uncovered a number of problems with social media, such as the difficulty of defining Return on Investment and the fact that social media can be extremely time-consuming. Furthermore, many FMCG brands face the additional hurdle of having relatively uncommitted customers due to their lack of brand resonance.

Drawing on these findings, the report then presents a series of ten best practice principles for marketers of FMCG brands wishing to work with social media:

1. Set clear goals
2. Establish metrics to measure success
3. Understand the different social media tools
4. Get closer to the customer
5. Take care over the message
6. Be flexible
7. Identify influencers
8. Invest in success
9. Create a Social Media Response Centre
10. Keep an open mind and don't be afraid to fail

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1. Introduction

For marketers, social media is the most exciting, and most problematic, marketing channel to emerge in recent years. The exploding popularity of social media sites like Facebook, Twitter, and YouTube has presented a genuine challenge to the marketing profession, one that is felt across all sectors. As consumers, particularly younger ones, abandon traditional media for social media services, it has become increasingly important for marketers to understand and master this channel.

The very newness of social media, however, means that marketers do not have access to a body of wisdom and experience comparable to what is available for traditional channels like television, print, or direct mail. Out of necessity, therefore, marketers in recent years have had to experiment in order to begin to understand how best to use it to communicate with their consumers.

Although this is a challenge that has confronted all business sectors, this report will look specifically at how Fast Moving Consumer Goods (FMCG) brands can best use social media to reach out to and engage with their core customers.

1.1 Fast Moving Consumer Goods

Fast Moving Consumer Goods (or FMCGs) are low-cost items that consumers tend to buy habitually and frequently. For the purposes of this report, FMCG goods are taken to be food, drink, household products (detergents, washing up liquid, etc), toiletries, and toys. Consumer goods that are excluded under this definition include entertainment products (cd's, dvd's, etc), print media (such as magazines), and low-cost clothing from stores like Primark, although non-fashion items from such stores may fit under the FMCG umbrella.

Why look at FMCGs specifically?

There are three reasons. The first is that is an intrinsically interesting sector - any visit to a large supermarket will show that consumers have an amazing amount of choice when it comes to branded goods in the food, drink, household product, and toiletry categories.

This presents the marketer with a fascinating task - how to make a brand stand out? How to connect with the consumer so that they will choose one brand of pickles over a competing brand?

The second reason is that it is not just interesting, but a *challenge*. There are some brands whose core customer is quite easily definable, such as PlayStation3 or Harley Davidson. Most FMCG brands, however, have much broader markets; who doesn't purchase fabric softener or chocolate bars or deodorant? These are products that everyone uses and consumes, so marketing communications for them necessarily tend to the universal, making the question of how to use the social media channel for marketing purposes quite an interesting one.

Who to target, how to identify them, and how should they be engaged?

The final reason to look at FMCGs specifically is that there has been little written about the particular challenges of marketing FMCG brands through social media - searches on academic databases such as Business Source Premier, Emerald, and the Social Science Citation Index have shown nothing in the academic literature on the topic, and the practitioner literature is fairly sparse. Due to the size and importance of this sector, it is therefore useful to attempt to plug this particular research gap.

1.2 Consumer Engagement

The way people experience the internet, and particularly social media, is quite different from the ways in which they experience television, newspapers, and other more traditional media channels. While television, radio, and print are consumed passively, the online world, especially the social media space, is more interactive and the consumer has substantially more control over the display and consumption of advertising messages. Traditional advertising, where marketing messages are crafted and then pushed through to the consumer through broadcast media, billboards, posters, and so on, is not well suited to a medium where the consumer can elect to block such advertising messages. This fundamental difference in the nature of the media suggests that for marketers to be successful in social media they must find a way to convince consumers to not exclude the marketing message. This research paper was therefore driven by the proposition that social

networks could provide brands with an excellent way of deepening relationships with their existing customers, but might not be so effective in reaching new customers.

Beyond simply interacting with existing customers, one of the goals of the research was to see to what extent social media can help brands to identify and target their core customers. Typically, core customers are those dedicated 20% of customers who account for 80% of sales¹; this may be because they are unusually loyal to the brand or because they have a particular need (whether personal or business-related) for the product in question and have chosen one brand. There are two very effective ways to boost a business's profitability: (1) boost market share by taking customers from the competition, or (2) get existing customers to buy more. Since social media seems unsuited to (1), one of the areas this research paper will look at is whether or not social media can achieve (2), especially whether or not it can be used to identify such customers, and, if so, if there are any particular ways to target them specifically.

1.3 Marketing FMCG Brands in the Social Space

In order to help improve the overall level of understanding of marketing FMCG brands through social media, this report will attempt to answer the following research questions:

- How can FMCG brands best use social media to engage with their core customers?
- Are there yet any emergent 'best practice' principles to guide brand managers when it comes to marketing through social media?
- What difference does it make to market to individuals, as opposed to market research composites?
- Besides marketing, what other areas of business are affected by social media?
- Do FMCG brands face specific challenges in the social space, or can they apply lessons learned in other sectors?
- Finally, how do you measure 'success' in social media marketing?

In order to answer these questions, primary and secondary research was conducted in order to synthesize the best practice principles discussed in chapter five, the conclusion. Chapter three draws on a range of secondary sources, from books to blogs to academic journals to

¹ Anderson (2006), p. 131

newspaper articles, in order to discuss what the existing literature has to say about these questions, whilst chapter four discusses the results of eighteen interviews conducted with brand managers, agency workers, consultants, and academics. First, though, the next chapter discusses the methodology used to conduct the research.

2. Methodology

This section aims to explain the methodology used to answer the research questions discussed in the introduction: which overall research approach was taken, which materials were used, why they were used, and how they were used.

2.1 Choice of Approach

Although a number of different approaches can be taken to answer the question of how FMCG brands can best use social media to engage with their customers, a qualitative analysis drawing on both primary and secondary sources was judged to offer the best method for capturing the nuance and dynamism of this particular subject.

Why this approach and not some other method, such as a quantitative survey?

In terms of the interviews, one point that was quite clear from the initial reading was that one of the main advantages of social media to marketers is its ability to offer a deep and rich level of insight into the mind of the consumer as an individual. In order to test this observation and to discover any relevant nuances, a qualitative series of interviews with market participants were undertaken. Properly conducted qualitative analysis can help researchers to understand and interpret the experiences of their subjects², in the same way that social media can help marketers to better appreciate the varied ways in which their customers experience brands. Another reason to conduct interviews was that it offered a means of accessing qualified opinions and advice in order to properly frame the issues³, which is especially important in a rapidly developing field like social media. Finally, although a quantitatively-oriented analysis would provide "data", it seemed unclear whether a survey could be designed that would be able to ascertain the deeper issues at work in the subject⁴. A qualitative approach would better capture the ambiguity and variation within this still rapidly evolving field, because qualitative research better reflects "the quality of the lived experience of individuals, which cannot be reduced to numerical values using statistical analysis⁵."

² Spiggle (1994), . 492

³ Tvede and Ohnemus (2001), p. 195

⁴ Amaratunga et al (2002), p. 23

⁵ Hewitt-Taylor (2001), p. 39, also Ambert et al (1995), p. 880

Readings from a wide range of secondary sources made up the other strand of the research process. Drawing these two types of sources together to create the recommendations set forth in the conclusion has involved a judicious process of analysis; in some cases, the recommendations reflect a broad consensus on a particular point, whereas in more contentious areas personal judgment has been used to select the most convincing argument.

2.2 Process of Research

The research process began in March 2010 with some initial reading on social media, as well as regular meetings with Stephanie O'Donohoe, the dissertation supervisor, in order to begin scoping out an appropriate research question.

Once this question had been established, and the research proposal had been submitted in early June, secondary research continued in order to build a better understanding of the world of social media and how social media tools could be used for marketing purposes. By mid-June, preparations for the interviews began, a process described more fully below, with most interviews conducted from in July and August 2010.

2.3 Secondary Sources

One consequence of the fact that social media is such a new phenomenon is the relative paucity of academic literature on social media marketing. Therefore, much of the research has been focused on works by practitioners, particularly those with consulting and agency experience, and the consequences of this will be explored in more detail in Chapter 3. Due to this situation, it has been necessary to read quite widely in order to get an appropriate range of secondary sources. Such sources have included:

- Academic journals
- Analyst reports
- Books
- Blogs
- News media (such as newspapers and magazines)
- Specialist media (such as New Media Age and Marketing Week)

- White papers

The research process started with academic databases like JStor, EBSCOHost Business Source Premier, and Emerald, however, once those proved to have relatively little information available on the specific research question, it was necessary to look elsewhere. As mentioned above, this meant a heavy focus on works by practitioners, whether books, articles, or weblog postings. Due to the nature of the subject, social-media oriented blogs have naturally played an important role in the research, sometimes for opinions, and other times for their links to important research and data.

The initial reading phase helped flesh out some of the questions that would help to answer the central research question:

- Can social media help brands to identify and connect with their core customers?
- How effective are the different social media tools for achieving this goal?
- To what extent should social media be integrated with other marketing channels?
- Can social media be used for other purposes besides marketing (like public relations or market research)?
- What role do influencers play in the success of social media marketing strategies?
- How can social media help marketers to follow the online conversation about their brands?
- How do you define 'success' in social media, and what metrics do you use to measure this success?
- Are there any specific challenges to marketing FMCG brands through this channel?

2.4 The Interviews

The interviews had two purposes:

- (1) To help answer some of the questions raised by the reading
- (2) To provide individual perspectives to complement the theoretical basis of much current social media marketing thinking

Having established this, the next step was to decide who to interview. In order to get a balance of opinions, it was decided to interview professionals from three broad categories:

- (1) Practitioners (those who work directly for brands)
- (2) Agency workers/Consultants
- (3) Academics

Each of these different groups has something to offer. The first group, the brand practitioners, are the ones who are most closely involved in marketing FMCG brands, and can therefore provide practical knowledge and a perspective that has been tempered by actual experience. An important part of the interview process with the practitioners was discovering how they understand social media's place in their work. Is it something special or is it just another channel? What are their goals for social media? How confident do they feel in their use of it - quite confident or are they still experimenting?

The purpose of speaking to people who work for agencies and consultancies was to get the perspective of people who are more oriented to the cutting edge of marketing work, and to see to what extent they perceive the situation differently from the brand practitioners. Academics were sought to provide a deeper, more theoretical perspective on social media. Another element of seeking out a different perspective were the two interviews that were conducted with brand practitioners from other fields, one from the restaurant business and one from the hotel industry. These interviews helped establish which social media challenges were particular to the FMCG sector and which were more widely spread.

2.4.1 Identifying the Interviewees

Table 1: Contacting Potential Interviewees, By Method

Method	Total Contacts	Response	Agreed	Conducted	% Response	% Agreed	% Conducted
Email	28	21	12	8	75.00%	42.86%	28.57%
LinkedIn	45	26	9	8	57.78%	20.00%	17.78%
Twitter	4	2	2	2	50.00%	50.00%	50.00%
Website	3	1	0	0	33.33%	0.00%	0.00%
Total	80	50	23	18	62.50%	28.75%	22.50%

As can be seen from Table 1, there were a number of different methods used for contacting interview subjects. Unsurprisingly, the most effective method was emailing people directly, but it is worth breaking this category down, since it includes both those who were emailed speculatively (having obtained their emails through their website or blog) and those whose emails were obtained through networking:

Table 2: Contacting Potential Interviewees, By Email

Method	Total Contacts	Response	Agreed	Conducted	% Response	% Agreed	% Conducted
Network	14	14	10	7	100.00%	71.43%	50.00%
Speculative	14	7	3	1	50.00%	21.43%	7.14%
Total	28	21	13	8	75.00%	46.43%	28.57%

Those potential interviewees who were contacted through a pre-existing connection, whether through the university, through another interviewee, or through friends and family, were far more likely than those who were emailed speculatively to respond, to agree to be interviewed and, finally, to actually conduct the interview.

The other main source of interview subjects was LinkedIn, the social network for professionals. LinkedIn's search function used to identify UK-based employees of FMCG brands for potential interviews. As an example, one such search for employees of Cadbury, the chocolate producer, uncovered a third degree connection to Richard Acton, the interactive manager. Since LinkedIn doesn't allow users to send direct messages to those who are only third degree connections (at least without paying), the only way to get in touch was to join a group that he was a member of, since mutual group membership usually confers the ability to send direct messages. Having done so, a message was then dispatched to Richard explaining the project and asking if he would be interested in being interviewed. This was the process followed for each of the 45 people contacted through LinkedIn, and the results were quite positive, since this channel led to eight interviews in the end, or just under 20% of those who were approached. This was a very respectable result from what was basically a speculative enquiry, and considerably better than the results for those people who were contacted speculatively by email. An important part of the success of this approach was shrinking the message to just three sentences (a personal introduction, a brief description of the project, and a request for an interview), after the first set of enquiries brought little fruit.

2.4.2 Types of Interview

Once an interview was agreed, the interviewee was then offered a choice of one of three types of interview:

- In-Person (5 conducted)
- Telephone (10 conducted)
- Email (3 conducted)

The in-person interviews were the most in-depth, generally lasting about an hour, while the telephone interviews typically lasted half an hour, while the email interviews were much shorter, being composed of only 5-7 questions. Even so, of the seven people who agreed to be interviewed by email, only three responded with full answers to the questions, indicating that, when dealing with busy professionals, it is much better to agree a time to have an actual conversation, since only one of those who agreed to have a phone interview cancelled. The interviewees were also offered anonymity, which several accepted.

Table 3: Final Interview Subjects

Name	Title	Organization	Type
Andrew Nadin	Head of Brand	Ryvita	Practitioner
Anonymous	Senior Global Brand Manager	UK Whisky Brand	Practitioner
Anonymous	Brand Manager	UK Soft Drinks Brand	Practitioner
Brett Keintz	Director of Social Media	Groupon	Practitioner (Non-FMCG)
Dan Calladine	Head of Media Futures	IsoBar	Agency
Dave Chaffey	CEO	Smart Insights	Academic
Dave Hompe	Group Digital Director, UK & EMEA	SMV Group	Agency
Jack (Anon.)	Owner	Illegal Jack's	Practitioner (Non-FMCG)
Joshua March	CEO	iPlatform	Agency
Leslie McGibbon	Head of Corporate Affairs	International Hotels Group (IHG)	Practitioner (Non-FMCG)
Lindsay Keith	Digital Strategist	Canvas Perspective	Agency
Muhammad Karim	Senior Brand Manager	Mars	Practitioner

Richard Acton	Interactive Manager	Cadbury	Practitioner
Rohit Jindal	Global Category Marketing Manager	Reckitt Benckiser	Practitioner
Simon Collister	Head of Non-Profit & Public Sector	We Are Social	Agency
Tim Murphy	Associate Brand Manager	General Mills	Practitioner
Tom Denyard	Marketing Manager	Unilever	Practitioner
Wade Eagar	Online Marketing Manager	Danone	Practitioner

2.4.3 Interview Questions

Each interview involved a mix of general and specific questions. So, for instance, when Richard Acton from Cadbury was interviewed, he was asked some of the same questions that everyone else was asked (What are the main advantages and disadvantages of social media? Does he use it for other purposes than marketing? Etc), as well as some tailored questions based on research into the existing social media presence of specific Cadbury brands.

The purpose of asking each interviewee many of the same questions was to help understand how these different groups (brand practitioners, agency types, consultants, academics, etc.) see the different issues, as well as to help tease out the level of consensus (if any) that exists across the boundaries of profession and function. The questions themselves were derived from the reading, and were focused on issues such as core customers, influencers, building engagement, segmentation and other forms of targeting, as well as issues like measuring success, the specific challenges of FMCG brands, and how confident the interviewees felt in their ability to use social media for marketing purposes.

It is important to note that the questions were not static over the two months in which the interviews were conducted. Each interview was subject to an immediate review, where the answers were considered, key themes were noted, and this information was applied to future interviews. An example of this process in action can be seen in how the issue of core customers developed over time. As discussed earlier, the initial research question involved looking at how FMCG brands could best use social media to target their core customers. However, within the first few interviews it became clear that this was a dead end, for two reasons. Firstly, because a number of the practitioners were reticent to reveal who their core customers are for confidentiality reasons, and secondly, because brands do not have

access to the kind of data about their social media followers that would enable them to separate their core customers from more casual consumers. So, having realised this, the question was then dropped from subsequent interviews and the focus was shifted more to the question of how to engage with consumers in general through social media.

2.5 Analysing the Interviews

Once the interviews had been conducted and the transcripts had been prepared, the transcripts were thoroughly analysed for recurring issues, ideas, and themes. Using a system of analysis known as Constant Comparative Analysis, where certain codes are assigned to specific topics, the transcripts were then broken down and coded appropriately⁶. The coded sections were then copied and pasted into the relevant one of eighteen separate Microsoft Word files that had been created for the different topics covered in the interviews. These files offered the ability to quickly look through and get a sense of how different people saw the same issue, and whether or not there was much consensus on that particular issue. The purpose of this approach is to systematically analyse the data from the interviews in order to get a sense of the spread of opinion on each particular issue. The results of this analysis are discussed in Chapter Four.

⁶ Hewitt-Taylor (2001), p. 39

3. Literature Review

3.1 What is Social Media?

When most people think of social media, they think only of internet-based social networking services like Facebook, MySpace, and Twitter. This report, however, defines social media more expansively, as all those web-based media services where non-professionals can create or distribute content (and content creation in this sense can include basic actions like posting comments), such as social networks, blogs, message boards, and photo- and video-sharing sites. Although there are social elements to much of the web (from Amazon's review section to newspaper comment sections), having elements of interactivity doesn't automatically make something social media. Different people draw the line in different places, which is why there are so many different definitions of social media.

Even under this more expansive definition, the most important social media sites are definitely the social networks, where users can interact with friends, family, acquaintances, business associates and/or strangers. In recent years these sites have become so popular that they have begun to challenge the search engines' status as the most popular web destinations, with social networks having overtaken search engines in UK internet visits as of May 2010, according to the consultancy Hitwise⁷, a remarkable record of growth considering that online social networking is less than a decade old. Some social networks have specific purposes (like LinkedIn for career networking), but most are more general, and can be used for all kinds of purposes, from connecting with old school friends to organizing political activism to discussing branded products⁸. These sites are increasingly where people turn to find out about news and culture, with Facebook having now supplanted Google News as a driver of traffic to news websites, according to Hitwise research released in early 2010⁹.

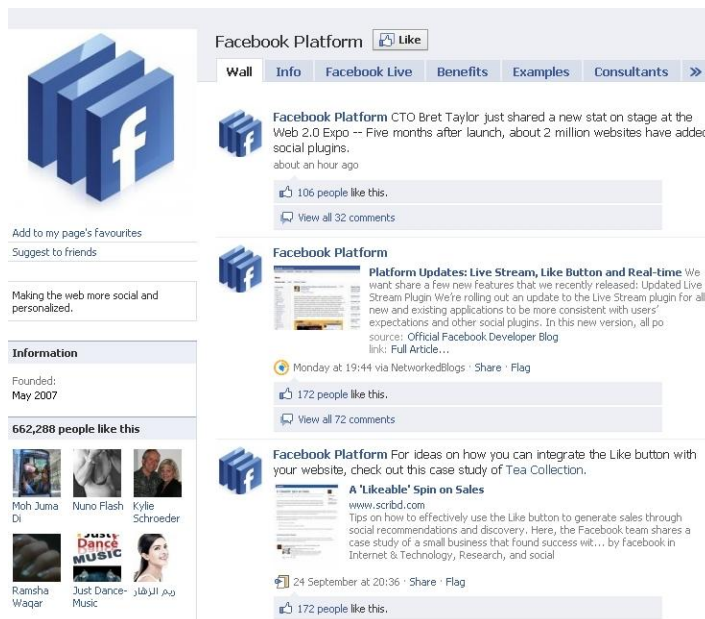
⁷ Experian Hitwise (2010). In May 2010, social networks accounted for 11.88% of UK internet visits, as compared to 11.33% for search engines.

⁸ For an example of such a discussion, see Appendix E

⁹ Smith (2010)

The sector's clear leader is Facebook, which has grown to over 500 million active users as of September 2010, an amazing achievement in only six years of existence¹⁰. It has recently become profitable; a major achievement in light of the many sceptics who doubted that social networking could come up with a viable business model¹¹.

In spring 2010 it rolled out Facebook Platform (right), a tool allowing Facebook users to 'like' content on third-party websites and have a link posted to their Facebook walls for their friends to see. According to Facebook CEO Mark Zuckerberg, Facebook Platform is designed to allow the user to "shape your experiences online and make them more social ... The power of the open graph is that it helps to create a smarter, personalized web that gets better with every action taken¹²." Slate's Farhad Manjoo sees the avalanche of data resulting from the extension of Facebook's 'like' capability across the web giving Facebook a unique database of human intentions and desires, allowing it to develop new innovative services, and, soon, "to make itself as ubiquitous and essential as Google"¹³.



3.2 Why are consumers flocking to social media?

Social media offers the average person several different things at once. Firstly, it allows people to stay connected with many more people than would have been possible in the past. One of the dominant social trends of recent decades across the world's advanced economies has been the decline of community activity as people, particularly in America, spend less time

¹⁰ See <http://www.facebook.com/press/info.php?statistics> (accessed September 18, 2010). Also see Clark (2009); From the founding in 2004, Facebook had grown to 100 million users by 2008, 200 million by 2009, and over 500 million by late 2010.

¹¹ Clark (2009)

¹² Zuckerberg (2010)

¹³ Manjoo (2010)

informally socializing and more time alone in front of their televisions or their computers¹⁴. This was the trend that the American social scientist Robert Putnam wrote about in *Bowling Alone*, but he did note that the internet offered the potential for a revival of human interconnectedness¹⁵. The 1999 internet marketing classic *The Cluetrain Manifesto* made a similar point when it said that what was drawing people to the internet was “the promise of voice and thus of authentic self¹⁶.” The rise of social networking can be seen as a confirmation of this hypothesis, because people continue to thirst for a connection to others, and will happily take up new technologies that offer new ways to build bonds with others.

In the Pew Internet Center’s 2010 report “The future of the internet,” Michael Burns of i5 Web Works made a good point about social media’s ability to maintain connections across boundaries of time and geography that would once have been insurmountable:

Today and tomorrow, my social reach is much wider as a result of the internet. I am able to communicate and ‘experience’ so much more with so many more than I could even two years ago ... The social nature of the net allows us to be better informed about friends and family than ever before. We will all be richer from it¹⁷.

Not everyone is convinced by this rationale, however, with technology writer Jaron Lanier recently making the argument that social networks foster shallow ‘friendships’ that offer no more than a simulacrum of actual human interaction¹⁸.

A second reason why social media has become so popular is the growing prevalence of ‘social sharing’ – sharing news, entertainment and product information with other members of a social network. As David Armano of Edelman Digital put it in a Harvard Business Review blog posting, “sharing useful information that might help someone within your network scores you points and builds equity¹⁹.” Social sharing is effectively a filtering mechanism that allows people to rely on their social networks to guide them to relevant content.

¹⁴ Putnam (2000), p. 107. According to Putnam, between 1965 and 1995 the proportion of Americans who spent time doing informal socializing on any given day fell from 65% to 39%, with average time spent engaged in such socializing falling from 85 minutes to 57 minutes.

¹⁵ Putnam (2000), p. 170

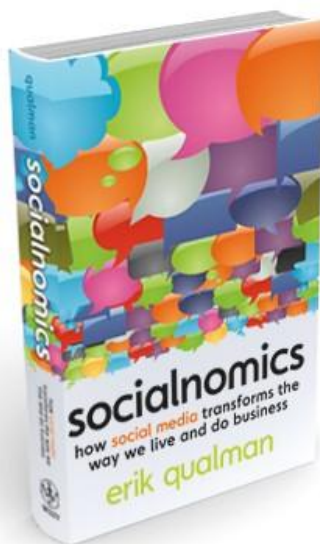
¹⁶ Levine et al (2009), p. 115

¹⁷ Quitney Anderson & Rainie (2010), pp. 8

¹⁸ The Economist, “The Virtual Curmudgeon”, (2010), p. 22

¹⁹ Armano (2010)

Social sharing has become ever more popular as the internet has vastly expanded the consumption choices facing the average person. As Chris Anderson discussed in *The Long Tail*, online retailers have discovered a huge demand for products on the 'long tail' of the demand curve. In virtually all markets there are more niche products than hits, yet historically consumers were forced to choose from a relatively limited number of mass-market goods. Today, however, the cost to retailers of offering a much wider range of goods has dropped dramatically as a result of the internet, and the online retailers like Amazon have found that with clever filtering technology they can drive consumers to purchase from deep into the long tail²⁰. Wider choice allows individuals to better tailor their consumption to their own interests, as well as giving people in small towns and rural areas access to a much wider variety of products than would have previously been possible.



The flipside to this, however, is the fact that choice can sometimes be paralyzing, the theme to Barry Schwartz's 2004 book *The Paradox of Choice*. One of Schwartz's central points is that increasing choice can be overwhelming if people feel unable to choose wisely between options – in those situations choice can be a burden²¹. Social media can help individuals to navigate these challenges by providing access to more trusted contacts than would be found in everyday life. This is useful for making decisions about products and services since, as Eric Qualman pointed out in his book *Socialnomics* (left), 76% of people rely on other people's opinions for product recommendations, versus only 15% for advertising²².

The growing role of social networks in peoples' lives is a good example of network effects in action. Something is subject to a network effect when it becomes more valuable as it becomes more widespread²³, which is certainly the case with the main social networks. As their userbase grows, so the social network becomes more valuable to each individual user – they can connect with more people and engage in more activities. As the value of being

²⁰ Anderson (2006), p. 53. Anderson detailed the three forces of the Long Tail as (1) Democratize production, (2) Democratize distribution, and (3) Connect supply and demand

²¹ Schwartz (2004), p. 104

²² Qualman (2009), p. 118

²³ Tvede and Ohnemus (2001), p. 58. They used fax machines as their example, i.e. fax machines on their own were not particularly valuable, but as they became ubiquitous they became more valuable, but the same principle holds for other technological phenomena, including social media.

part of the network grows, so do the switching costs associated with leaving. As Chris Anderson pointed out in a 2010 article in *Wired*, "The more Facebook becomes part of your life, the more locked in you become²⁴."

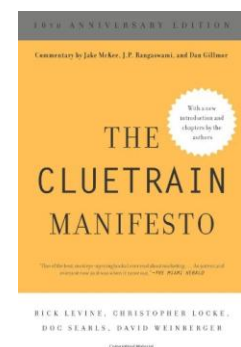
3.3 The Challenges of Online Marketing

Before looking at the specific challenges and opportunities that social media confronts marketers with, it is useful to first understand the impact of the internet on the marketing profession over the last 15 years.

There are several key ways in which the internet has affected marketing:

- It has created a number of new channels for marketers to use to reach consumers (e-mail, banner & pop-up ads, search advertising, web spaces, and now social media)
- The increasing amount of leisure time spent on the internet makes traditional marketing channels less effective for reaching consumers
- Consumers now have better access to product information than in the past
- Negative or positive news about a brand can now spread much faster than was previously possible
- Brands can now communicate directly with consumers with greater ease than in the past

Much of the current debate on social media was anticipated in the first wave of digital marketing literature from the late 1990's/early 2000's. Perhaps the most influential text from this time was 1999's *The Cluetrain Manifesto* (right), which set out 95 theses about how the internet was transforming the world of business, starting with the first two that declared that "Markets are conversations" and "Markets consist of human beings, not demographic sectors²⁵."



²⁴ Anderson (2010), p. 131

²⁵ Levine et al (2009), p. xiv

These insights, that all economic activity involves the needs, wants, and choices of individuals, is often forgotten in conventional business thinking, obscured by the avalanche of quantitative data produced by the various branches of modern capitalism, yet they are absolutely crucial to understanding the business consequences of the inter-connected nature of the internet. The authors understood early on that the web was a different communications medium, and that businesses would have to abandon jargon and sound human in order to really engage with consumers²⁶. Today that insight is a truism, but at the time it was revolutionary.

Another way in which the internet has impacted on marketers was how it has dramatically sped up all kinds of marketing processes. In her 1999 book *Warp-Speed Branding* Agnieszka Winkler explained how the internet enabled brands to be built much quicker than before, such as how Amazon rose to become one of the best-known brands in America in a matter of years²⁷. Being able to build brands quickly is crucial because in the internet age the brand is more important than ever, representing a whole ethos as opposed to just a product.

It goes without saying that the internet is a double-edged sword for brands. It can allow brand managers to boost brand awareness in an amazingly cost-effective manner, yet it can also spread bad news about a brand at lightning speed. In order to best take advantage of the opportunities that the internet offers, Paul Temporal and K.C. Lee argued in their 2001 book *Hi-Tech Hi-Touch Branding* that extending a brand on to the internet requires, amongst other things, being consistent with the real-world branding and personality, making the brand experience interactive, establishing trust and delivering on the brand promise, and varying content to suit different users²⁸.

Putting the processes into place so that brands could do these things online was not necessarily a simple process, which is why Mohanbir Sawhney and Philip Kotler of the Kellogg School argued in 2001 that due to the internet²⁹:

The role of marketing in the organization will have to change. The marketing organization will need to redefine its role from being a mediator of firm-

²⁶ Levine et al (2009), p. 138. "Companies will survive employees telling their truths ... We listen to individuals differently than we do to organizational speech."

²⁷ Winkler (1999), p. 54

²⁸ Temporal and Lee (2001), p. 145-161

²⁹ Mohangir Sawhney and Philip Kotler, "Marketing in the Age of Information Democracy", ch. 17 from Iacobucci, ed. (2001), p. 403

customer interactions to an integrator of customer-facing processes ... marketing needs to integrate all the customer-facing processes, so that customers see a single face and a single voice when they interact with the firm.

According to *The Cluetrain Manifesto*, the key to achieving this transformation is applying web principles like openness and speed to subverting the sclerotic hierarchies endemic to the traditional business world³⁰. Only by rebuilding from the bottom up can business re-humanize itself, and only by having conversation internally can a business be ready to have a real conversation with its customers.

3.4 What does social media mean for marketers?

There are three main reasons why social media has become such a hot topic for marketers in recent times:

1. Social networks gather together large numbers of consumers in one place
2. Social media allows direct, unmediated access to consumers, which can be used for a variety of purposes beyond pure marketing, such as market research, new product development, and public relations
3. Most other forms of internet advertising have not really worked

The first point was covered in section 3.1, and the second point will be covered in section 3.6, so for the moment it's worth looking at the third point, which is crucial to understanding the growing importance of social.

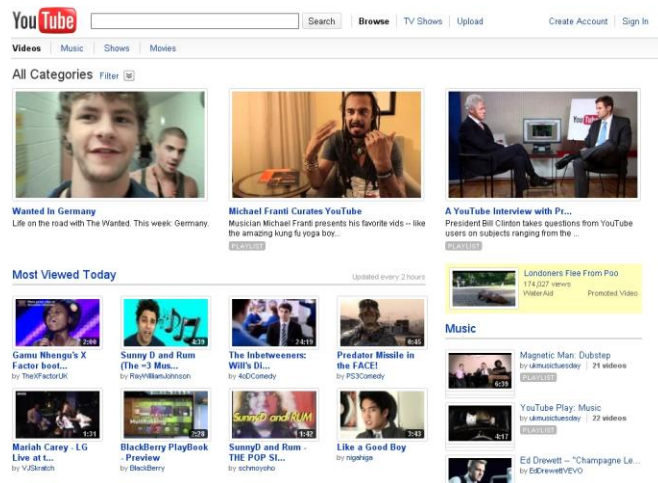
In a 2010 article for 3 Quarks Daily, Manisha Verma argued that internet advertising has failed to fulfil expectations because it is the wrong revenue model. Web users don't like internet advertising, especially pop-ups, because it interferes with the online experience, and because they can avoid it, they do³¹. Google has been very successful with online advertising, but it is pretty much unique in this regard. The failure of online advertising has had lethal consequences for many media organisations, particularly newspapers, because revenues from web ads have come nowhere near filling the gap from the collapse of print

³⁰ Levine et al (2009), p. 161. The term they use is for the traditional business world is "Fort Business"

³¹ Verma (2010)

advertising revenues; even after years of rapid growth, online advertising only accounts for 8.2% of US newspaper industry revenues³².

For brand managers, the decline of traditional advertising channels and the relative weakness of online advertising presents a conundrum – how to promote the brand to consumers who are not only harder to reach than before, but also increasingly indifferent to marketing messages? After all, by the time the average person reaches the age of 66, they will have seen approximately two million television commercials, yet according to Martin Lindstrom, recall of ads dropped from 34% in 1965 to only 8% by 1990, and even further since³³. One of the difficulties of this situation is that the audience has become so much more sophisticated, and so modern marketing means, as Andrew Keen argued in *The Cult of the Amateur*, advertising without seeming to advertise whilst maintaining an aura of authenticity³⁴.



Figuring out new ways to get marketing messages through to consumers has never been more important, which is why social media has become such a hot topic for marketers. Social media sites like Facebook, Twitter, YouTube (left), and Foursquare now function as hubs for the internet – instead of chasing across the internet, marketers can use a relatively small number of social media services to

reach large numbers of potential customers. This concentration of the audience has driven increasing amounts of advertising revenue to the social networks, with Facebook having overtaken Yahoo as the biggest publisher of display ads in the United States earlier in 2010³⁵. Indeed, in 2010 Facebook is predicted to earn \$1 billion in advertising revenue, with other social networks like Twitter also reporting rises in advertising revenue³⁶. Understanding how to use social networks for advertising and consumer engagement

³² Varian (2010)

³³ Lindstrom (2009), p. 37, also see Chokshi (2010), "Our Changing TV Habits" for data on how Americans, especially young people, are increasingly consuming television programming online and therefore experiencing fewer advertisements.

³⁴ Keen (2008), p. 89, also see Scase (2010)

³⁵ McEleny (2010)

³⁶ Brynley-Jones (2010)

purposes is therefore crucial for the future health of brands, as is adjusting to the new consumer relationship created by social media.

3.5 Brands in the Social Space

Social media is changing the relationship between brands and their customers in a number of ways. The most important is that it allows marketers to more closely observe and participate in the conversation about their brands, which is so useful because word of mouth discussions have always played a major role in consumers' decision-making process. Brand managers can now respond directly to comments made about their brand, in a way that would previously have been impossible. For example, in his book *Socialnomics*, Eric Qualman discusses how US cable provider Comcast used Twitter to monitor conversation about their brand and then respond appropriately – an effective means of turning around their poor reputation for customer service³⁷.

Social media has redefined the brand/customer relationship by both increasing the importance of brand reputation and reducing the ability of marketers to control brand equity. As Gerzema and Lebar argue in their book *The Brand Bubble*, social media's ability to offer a distribution platform for customer-created content has altered the trust equation for brands, since consumers trust each other more than they do marketing information³⁸. This shift means that brand managers have less control over their brands than before, precisely at the point when maintaining brand equity has become essential to their duties. To maintain brand reputation in this new environment, John Deighton of Harvard Business School suggests that brand managers "think more about authenticity than about how to position the brand. It's a transparent world, so what you are is what they'll see"³⁹.

3.6 Who is the social media customer and how can marketers reach them?

One of the great advantages of social media to marketers is the opportunity it offers to them to interact directly with their customers as individuals, and therefore see their

³⁷ Qualman (2009), p. 36

³⁸ Gerzema & Lebar (2008), p. 92-94

³⁹ Deighton (2010)

customers as real people in all their complexity, and not just as statistical abstractions cobbled together from market research data.

Market research is very good at creating 'profiles' – the phantasmic 'average' consumer who is, say, a 35 year old woman, married, two children, living in the Midlands and the buyer of two boxes of Cheerios every week. While these profiles are useful, they also carry the risk of lulling the marketer into a false sense of security – after all, the profile is nothing more than a statistical average, and is not representative of the full range of customers, let alone potential customers. If the profile drives marketers' to concentrate their resources on a particular idea of the customer, then they may be missing out on many other opportunities.

Of course, qualitative methods have always had a place in marketing, and for decades researchers have used qualitative methods to uncover "the meanings and values attributed by individuals in real-life situations, with idiosyncratic and personal views forming an important part of the overall picture⁴⁰." Nor is the concept of "getting close to the customer" a new one; marketers have been using information technology to try to learn more about their customers as individuals since the 1980's⁴¹.

What makes social media different from traditional market research is that it offers the possibility of ongoing, unmediated two-way communications between the brand and its customers. At the highest level, this can involve the application of techniques gleaned from anthropology to using social media to learn about the customer, an approach that Robert Kozinets of York University calls netnography. Kozinets argues that netnography can provide "a window into the realities of consumer groups as they go about their lives ... (allowing us to) gain deep insights into who our customers are⁴²."

In many ways, this focus on relationships represents a challenge to the traditional data-focused nature of most customer relationship management (CRM) frameworks⁴³. It also challenges the concept of segmentation, although how exactly it does so is a matter of perspective. In one sense, social media allows a much greater and more precise level of

⁴⁰ Hewitt-Taylor (2001), p.41-42

⁴¹ Pitta et al (2006), p. 421

⁴² Kozinets (2010), p. 9. The full quote on what netnography does is worth reproducing here: "We gain deep insights into who our customers are, where and how they find sources of community, who are the most influential voices in those consumer communities, what are the meanings, rituals, and traditions of those communities, and so on. With analysis and interpretation, we discover the variety of forms and the patterns within how and why we consume."

⁴³ Story & Hess (2006), p. 406

segmentation than was previously possible. On the other hand, it could be said that social media explodes segmentation by making it clear that a brand's customer base is a collection of individuals⁴⁴, and even demographically similar people may have radically different places in their lives for a brand, and therefore cannot be considered to be 'similar' customers.

To get the most from social media, Charlene Li and Josh Bernoff argue that companies have to accept that this is a two-way process, and they have to be willing to have their assumptions challenged. Using social media as just another channel for broadcasting one-way marketing messages is to miss out on the full range of possibilities; by listening to their customers they will get a much better understanding of the lived experience of their brands, and they can take this insight and apply it to improving marketing communications, new product development, and customer service⁴⁵.

3.7 The Role of Influencers

A key element of any social media strategy is engaging with influencers. Influencers are those individuals who, for reasons of their particular charisma and/or knowledge, others look to for information and advice. In *The Tipping Point*, Malcolm Gladwell makes the point that they are information brokers who have developed a particular facility for persuading others to trust their opinions⁴⁶. Although such people have always existed, relatively few of them have had a platform to influence large numbers of other people, since historically there have been only a limited number of paid positions available for critically appraising movies, music, consumer goods, cars, or other products and services. What makes social media so revolutionary is that it offers anyone who may want to share their opinions with the world the ability to do so.

According to a 2010 report by research firm Gartner, 20% of the globe's social media audience could be defined as influencers. In order to best use the talents of these individuals, Nick Ingelbrecht, research director at Gartner, advises that:

Companies attempting to use social networks should develop relationships with key customers over a period of time and progressively refine the social

⁴⁴ Rosen (2006)

⁴⁵ Li & Bernoff (2008), p. 97

⁴⁶ Gladwell (2002), p. 69; Gladwell calls them 'mavens', but the term is essentially inter-changeable with influencer

network profiles of those individuals ... In this way, the most suitable individuals can be targeted with the right information, products and promotions in the most cost-effective way⁴⁷.

In an April 2010 article for leading social media blog Mashable, Ben Straley of Meteor Solutions reported that on average 1% of a site's audience generates 20% of its traffic – these are the people who share content, who push others to the site, and, ultimately, help put money in the brand's pocket. Deepening your relationship with these influential fans is a fantastic way to improve social media performance, but it does require caution, since an overly 'salesy' approach may alienate them. Instead, it is necessary for brands to understand their influencers – what motivates them, as well as what kind of content they like to share. As Straley points out, "For most people that spend time creating and sharing content, it's not about fortune, it's about fame. They share links with friends and their wider social network because it makes them feel important, special, and useful⁴⁸."

The other risk with targeting the sub-section of influencers known as 'early adopters' (those individuals who are first to pick up on new products or services), is that they tend to "possess higher standards for products and the companies behind them⁴⁹," and they are not shy about spreading the word if they feel something is not up to standard.

Even though influencers can do a great job of spreading the word about a brand, they are not a miracle cure. According to Mark Borkowski, founder of the PR agency Borkowski, an influencer strategy won't work for a weak brand, and, as he says, "It also has to be a brand that hasn't got any skeletons in the closet⁵⁰."

3.8 Measuring Success

One of the trickiest tasks in social media marketing is defining 'success'. Since social media is so new, there are not as yet any universally established metrics for measuring the effectiveness of social media campaigns, and so there is quite a diverse range of ways in which practitioners judge the success (or not) of their work in social media. As an example,

⁴⁷ Warc.com (2010), "Influencers make up 20% of social media audience"

⁴⁸ Straley (2010)

⁴⁹ Ad Age Insights (2010), "Shiny New Things", p. 13

⁵⁰ Roberts, Jo (2010), p. 17

in a 2009 article for the *Journal of Interactive Advertising*, Chris Murdough listed three main areas of measurement for marketers working in the social space⁵¹:

- Reach – The volume of mentions on the social web and where they are occurring
- Discussions – What are people saying about the brand? What topics are they discussing, and is it what the brand wants people to talk about?
- Outcomes – What is the level of engagement from social web efforts? Can this be linked to actual sales?

In his book *Engage*, Brian Solis of FutureWorks says that Return On Investment (ROI) should not be a crude financial measurement, but should also measure the return on participation (the activities associated with the campaign), return on experience (in terms of engagement), and return on influence (how the message spread across the social web and impacted on individual behaviour)⁵².

The difficulty of developing effective metrics for social media marketing was illustrated by a 2010 paper called “Measuring User Influence in Twitter: The Million Follower Fallacy”, which illustrated that the number of followers of a Twitter account was unrelated to how influential that account actually was. Since follower numbers has been a key metric for many companies looking to market through Twitter, this was an important revelation. Many brands strive to build their follower numbers, or they advertise through well-followed users, but these users are not necessarily the ones who have the most influence within the network⁵³.



In the absence of any universally agreed method of measuring success in social media marketing, it is worth looking briefly at Wieden + Kennedy’s recent campaign for Old Spice deodorant (left), one of the most successful social media campaigns ever.

The campaign took Wieden + Kennedy’s tongue-in-cheek “Smell like a man, man” Super Bowl advertisement for Old Spice and brilliantly extended it into the social space. What W+K did so well was to use a variety of social media

⁵¹ Murdough (2009)

⁵² Solis (2010), p. 324

⁵³ Cha et al. (2010), p. 3. The authors defined influence in terms of how often messages are ‘retweeted’, or passed on, as well as how often the user’s handle is mentioned in the Twittersphere.

tools in a way that took advantage of the strengths of each in order to create a multi-pronged approach that hit consumers at a variety of touchpoints. W+K solicited questions from Twitter users, which were then responded to by the main character in a series of short YouTube videos. Through the use of humour and direct engagement, W+K were able to attract over 100 million views to the various videos – a success that translated into a US sales boost of 107% in the first month⁵⁴.

This campaign is an excellent example of how social media can be used to market FMCG goods, and there are a number of lessons that all brand managers can take from it:

- Use multiple channels to engage with different consumers in different ways
- Offer people something of interest, something that they will want to share
- Don't be afraid to have a conversation with consumers

3.9 The Limitations of the Literature

Before moving on to the analysis of the interviews, it is worth briefly looking at the limitations of the existing social media literature in order to clarify just why the interviews were such an important part of the research.

In the introduction the point was made that there is little literature on the specific question of how to market FMCG brands through social media. The academic literature on the subject is nonexistent, and the practitioner literature is also fairly limited, although there is a fair amount of material available online in the form of blog postings, case studies, and news articles, yet none of it is research-standard. Therefore, as discussed in Chapter 2, the secondary research discussed in this section focused on social media marketing more generally, with the interviews key to understanding the specific issues affecting the marketing of FMCG brands in the social space.

The rapid pace at which social media has developed over the last ten years has had particular consequences for the literature dedicated to it. The discourse on social media has been driven by those media channels that are best suited to rapid reportage and analysis – meaning, above all, blogs. One consequence of this has been the extent to which the

⁵⁴ Axon (2010)

discussion has been dominated by various practitioners – consultants and agency workers above all.

The traditional model of peer-reviewed academic research literature has proven ill-suited to tracking developments in this rapidly changing environment. Traditional academic literature has a long gestation period, with the entire process often taking years from conception to publication. The advantage of this system is that it ensures that claims are granted proper scrutiny and, for most mature academic subjects this system works well due to the relatively slow pace of development. In the case of social media, by the time research produced in this way is published, the landscape has already changed and the research is out-of-date. The practical result of the speed of change is that existing academic literature is of little use in answering the specific research question. For example, during the research for this report, there were important new developments in social media have had to be included, such as Facebook Platform and the Old Spice social media campaign. While it is likely that academic research on those topics is currently being conducted, by the time it is published the social media world will have moved on.

The research process has therefore necessarily involved seeking out a variety of other sources, such as books, magazines, white papers, and, above all, blog posts. The immediacy of blogging is both positive and negative. It is good in the sense that it is timely; it is bad in the sense that initial reactions are not always the right reactions. There is also a tendency among social media blogs (left), and social media commentary in general, to always privilege the new, without exploring why a new idea, service or product might not actually work. As the history of investing in new tech fields amply illustrates, a lot of money is lost backing things that prove to have no lasting economic value⁵⁵.



⁵⁵ Verma (2010)

One downside of the dominance of practitioners over academics is fact that so much of the literature reads more like opinion journalism than proper academic research, making it difficult to separate objective fact from opinion. Another problem with much of the practitioner literature is the lack of scepticism about social media. The general tone is incredibly positive, even quasi-utopian at times. Why is this? Even though practitioners write out of their own interest and passion, they also write out of self-interest – being a well-known author and ‘social media expert’ (self-proclaimed or not) boosts career opportunities.

Overall, then, it should be clear that there are certain deficiencies in the existing literature on FMCG brands and social media which the research discussed in the next chapter was designed to overcome.

4. Analysis of the Interviews

As discussed at the end of the previous chapter, there has been no academic research published yet on the specific question of how FMCG brands can best use social media to engage with their customers, making the 18 interviews conducted for this report crucial to answering the central research question.

This chapter will discuss the results of these interviews. As stated in the methodology, the interview topics were drawn from the themes explored in Chapter Three, themes that are the basis of the individual sections of this chapter:

- The idea that social media is better suited to engaging with existing customers than it is for reaching new ones
- The role of core customers
- Following the social media conversation
- How to measure 'success' in social media
- The specific challenges of marketing FMCG brands through social media
- Why brand managers see social media differently from people who work for agencies and consultancies
- The main advantages and disadvantages of social media to marketers
- Experienced or experimenting? How confident practitioners feel about their ability to get the best out of social media

4.1 Social Media and Consumer Engagement

The central proposition to emerge from the initial reading was that social media is better suited to marketing to existing customers, particularly core customers, than it is to reach new customers. At the start of each interview, each interviewee was asked to agree or disagree with this proposition. Unlike some of the other topics where some consensus existed, this was a subject where there was considerable disagreement among the interviewees, disagreements that crossed professional lines.

The responses can be split into three groups:

- Agreement – Social media isn't particularly effective for reaching new customers
- Disagreement – Some social media tools are very effective for reaching new consumers
- Fence-sitters - Mostly agreed, but in certain circumstances social media can help reach new customers

The first group agreed largely because of the nature of social media. To follow on Twitter or like on Facebook, consumers need to have some pre-existing brand awareness, and these interviewees felt that there are no social media tools that have yet proven as effective at building brand awareness as some of the older, more traditional marketing channels. Social media is therefore better suited to engaging people with your brand, a point made by brand consultant Andrew Nadin, formerly of Ryvita:

To get people into your brand is quite difficult. To get people out of your brands, to annoy people is really easy, so trying to attract people to your brand via social media is quite hard. Because if they're not connected to your brand and buying it already, why would an email or a Facebook page ... make them go and buy it?

Another person who agreed with the thesis was Tom Denyard of Unilever⁵⁶, who said that:

People tend to want to have conversations with people or things that they know. It would be quite unusual, if you put it in a real world context, for me to walk up to a complete stranger in the street and start a dialogue with them. It's just not how human beings operate.

Those who disagreed thought the argument was unnecessarily reductionist, arguing that the different tools are better evaluated on an individual basis. Some, they concede, are not very effective for building brand awareness, whereas others are, and several different interviewees pointed to YouTube as being the best example of this. Dan Calladine of

⁵⁶ See Appendix C for a full transcript of the telephone interview with Tom Denyard

IsoBar⁵⁷, for instance, argued that YouTube's huge traffic and central role in the social sharing culture offers fantastic opportunities for building brand awareness, with good examples being Cadbury's drumming gorilla campaign (right) as well as the recent Old Spice campaign discussed in section 3.8. As he put it,



If something's amazingly successful, it doesn't matter. Old Spice is a perfect example ... if you'd said in December that Old Spice will be the hottest men's fragrance brand in July, nobody would have believed you.

To draw a conclusion from such a broad range of responses, it would probably be best to say that it is generally more difficult to reach new customers through social media than through traditional channels, but the right campaign can reach huge numbers of people in an incredibly cost-effective manner, because, according to Dave Chaffey of Smart Insights, "there is a viral effect to non-customers within the social graph of customers. This is significant and why many brands get excited by social media⁵⁸."

Another way of looking at these disagreements is to realize that they hinge on different definitions of 'social media'; those who see social media primarily in terms of social networking agree more strongly with the proposition than those who take a more expansive view of social media, one that includes the blogosphere and video-sharing sites like YouTube. However, even under the latter definition it is likely still the case that social media as a whole is better suited to engaging existing customers than reaching new ones, since few brands or agencies have yet shown an ability to consistently achieve viral success with their social media campaigns.

4.2 Engaging with Core Customers

Although the early research focused on the idea of using social media to reach 'core customers,' it became clear very early on in the interview process that this was an

⁵⁷ See Appendix A for a full transcript of the interview with Dan Calladine.

⁵⁸ See Appendix B for a copy of the email interview with Dave Chaffey.

unproductive line of questioning, largely because, for confidentiality reasons, most brand practitioners were uncomfortable talking about their own core customers. For example, a Senior Brand Manager at a UK soft drinks firm straightforwardly refused to elaborate on the nature of their core customer, because he saw it as sensitive business information. Others were somewhat more forthright, but overall the impression was that people were uncomfortable sharing such information.

Certain interviewees were quite clear that their social media work did not really involve connecting with core customers. For instance, the Senior Global Brand Manager at a UK whisky brand pointed out that their UK core customer base was composed of middle-aged men, who spend relatively little time on social networking platforms, which was why their Facebook fan group was composed largely of people from Greece and India, two major export markets, where the customer profile for the brand is younger and more tech-savvy. Even then, however, social media was not the main point of contact:

Our (UK) core customer is an older generation male, and that doesn't play out in many other markets ... In Greece, where the core consumer is much younger, it's currently not used as a main vehicle, it's still very focused on tv.

Tim Murphy of General Mills⁵⁹, on the other hand, said that social media does allow them to interact with their brand champions (as they call their core customers):

The beauty of social media is that you can get really targeted, so most of our brands that are using social media, are using it to target what we call their 'brand champion'. In other words, the people who are just die-hard fans of that brand. So we target those people knowing that it haloes to sort of a broader group.

One point of common agreement amongst the interviewees was that social media does not yet help to identify core customers. As Tim Murphy put it when asked whether they use social media to identify their core customers:

⁵⁹ For a full transcript of the interview with Tim Murphy, visit <http://bit.ly/tmurphy>

At this point, I would say no. I would say that we use different vehicles to truly understand who our brand champion is; once we know who they are we can go and target them with social media.

I think in the future we might be able to identify a brand champion using social media, but I don't think we are there yet.

The main reason that this is the case is the fact that FMCG brands do not have access to the kind of data that would allow them to link individual social media profiles to consumer data. As a point of comparison, Leslie McGibbon of the International Hotels Group said that they are able to connect their social media followers with actual behaviour, since they can match booking data to social media interactions. There are some new social media services, like Blippy, that put consumer consumption data into the social space⁶⁰, however for the moment it is effectively impossible for an FMCG brand to see whether or not an individual fan/follower fits within their traditional core customer paradigm.

Partly this is due to privacy concerns, which are particularly important on Facebook. Facebook profiles offer a goldmine of personal information, which Facebook itself has not been shy about exploiting for its advertising platform⁶¹. However, because so many people hide their details behind privacy controls, relatively little of this information is available to third party firms, so it is difficult for marketers to build a detailed picture of their brand's Facebook fans. Although Facebook has a search function, privacy controls limit what can be found. Other social networks, like Twitter, offer much better access to people's conversations (since few people bother to hide their tweets), but offer less of the kind of personal data that make Facebook or MySpace profiles so compelling to marketers.

These difficulties indicate that the focus on core customers is something of a red herring; anyone who makes the effort to connect to a brand via social media has some pre-existing feeling for it, so it is worth the time and effort to engage them, even if it is not clear whether or not they are a 'core customer'. As part of this process, some interviewees argued that brands should put in place best practice policies to ensure that engagement is consistent with all consumers.

⁶⁰ Bartlett (2009); Blippy is a service that allows you to see what your friends are purchasing. In April 2010 a bug in its software was found to be making card numbers appear in search engine queries (see Van Grove (2010)).

⁶¹ See <http://www.facebook.com/advertising/> - Facebook offers advertisers the possibility to micro-target demographic groups with incredible precision. Also see Qualman (2009), p. 177

As Tim Murphy said, it may well be the case that in the future social networking platforms will evolve to the point where companies will be able to connect the statistical archetypes created by market research information to the actual people with whom they are engaging on social media. Until then, however, it is probably better to assume that social media is of limited use for identifying a brand's core customers.

4.3 The Role of Influencers

One issue that came up repeatedly in the interviews was the importance of 'influencers' – those individuals who, as discussed in section 3.7, have some kind of influential online presence. Influencers are people that others look to for information, whose judgments are valued, and whose approval can do wonders for the health of a brand. As Dan Calladine pointed out, traditionally every office would have an in-house expert on something like film, music, or restaurants, but what social media does is provide such people with a much bigger platform from which to influence others. Even though they wield outsized influence, influencers are not core customers, although they may be a sub-section of a brand's customer base.

There was a general agreement amongst the interviewees that identifying and communicating with influencers was important to the success of a social media strategy, and that this goal was more achievable than partitioning the online audience in order to find their core customers. Brett Keintz of Groupon, for example, said that,

Influencers are the main drivers; while you end up getting a lot of the value out of individuals seeing the message of a social media campaign, a couple of major influencers can really drive engagement at the start of any campaign in the way that traditional TV has always served advertisers. If you get Ashton Kutcher to tweet out to his 2m followers, that's essentially the social media equivalent of a Super Bowl ad and can singlehandedly get a viral campaign going.

The difficulty with influencers is that they don't rave about just anything, so they need to be offered something interesting and of value. Only those things that they genuinely like and

enjoy will they recommend to their network – after all, quality control is a key reason why others look to them for information and advice⁶².

4.4 Oversight

For many of the interviewees, one of the most exciting aspects of social media is the ability to track the ongoing conversation about a brand, whether on Twitter, message boards, or blogs. There are several reasons why this kind of oversight is so useful to successful brand management. Firstly, it provides an insight excellent into the role a brand plays in people’s lives. Although large-scale quantitative surveys provide very valuable data they fail to provide a deeper sense of how important (or not) a particular brand plays in an individual’s life⁶³. Ethnographic marketing research, of the type discussed in section 3.6, can provide a better sense of brand resonance, but it is very expensive to conduct, and many of its aspects can be replicated in-house via social media monitoring, which, done well, can give a good sense of how people see a brand. If discussion of a particular brand is light across a wide range of social media channels, then it is likely that the brand has little resonance in the public mind, and therefore it is the responsibility of the brand manager to adjust the marketing communications in order to improve this.

Another advantage of social media monitoring is that it can provide early warning of impending changes in the brand image – for instance, if a controversy has been slowly building over a particular issue, a vigilant brand manager may be able to act early enough



to defuse the situation before it causes lasting damage to the brand. A more complicated question is how they should react in such a situation. Do they to engage with the critics, or should they ignore them? It is not easy to get this right.

Wade Eagar of Nutricia (a division of Danone) pointed to Nestlé’s response to Greenpeace’s online campaign (left) against Nestlé’s use of environmentally-unfriendly palm oil as a classic example of failed social media crisis management⁶⁴. Instead of engaging

⁶² Solis (2010), p. 229. Quote: “People are looking for answers, not necessarily friends. They’re seeking societies where they can learn, share, and contribute.”

⁶³ Amaratunga et al. (2002), p. 23

⁶⁴ Hickman (2010); Greenpeace launched a social media campaign about Nestlé’s use of palm oil in confectionery products. It utilized a variety of different social platforms and eventually led to Nestlé declaring that it would source

directly with their critics, Nestle's initial response was to delete the negative posts on its Facebook wall – a counter-productive approach that rebounded badly on Nestle's public image.

As he put it:

(It) falls back to, how good is your product? Are you being a dodgy company, because you will get found out, and then you get made a mockery of and then you look like an idiot. So I always say it goes back to what your fundamental business is ... Be transparent from the start.

Another interviewee who agreed with this point was Lindsay Keith of Canvas Consulting, who very succinctly stated, "you've got to retain your brand's core values ... because if your product is crap then everyone will tell each other about it."

Some of the interviewees stated that the most important part of oversight was simply following the general brand conversation as it goes on in the public sphere. The sheer volume of social media information available has led some of the interviewees to adopt special social media monitoring platforms like Radian6 to actively track online discussion of their branded products and then decide where to step in as necessary.

One weakness with social media monitoring, and of social media as a tool for consumer engagement more generally, is that it is difficult to scale, a point made by Simon Collister of We Are Social when he said,

If you are a massive brand, how do you listen to a thousand conversations a day?

How do you adequately listen to them, understand them, respond to them?

You end up outsourcing it to somewhere like China, it then becomes automated and you may as well develop a computer program at that stage, since you are going back to the marketing ways of old.

oil from more sustainable sources. For Greenpeace's campaign page, see <http://bit.ly/greenpeacenestle>. For another controversial campaign, please see Appendix F.

Another interviewee, Muhammad Karim of Mars, made a similar point when he noted that, with social media, “the advantage is that you get a more intimate involvement with consumers, but only a few, so reach is sacrificed.” Overall, social media gives marketers the ability to track the brand conversation online, and to step in where appropriate, but it requires a lot of time and effort to do well, which is why companies would benefit from clearly defining what they want from their oversight efforts so that they can concentrate their resources on the most effective areas.

4.5 Measuring Success

One issue that elicited a particularly animated set of responses was how exactly to measure ‘success’ in social media marketing.

What does social media success look like?

What metrics can be used to measure it?

And, once this has been defined, how is that linked to what happens on the balance sheet?

Perhaps unsurprisingly, there were a wide range of responses to these questions, which is a reflection of the debate happening in the literature, as described in section 3.8. Some interviewees were very skeptical about the ability of the existing metrics to accurately capture the actual impact of social media activity. As Richard Acton of Cadbury put it:

It is very, very basic at the moment, and measuring the effectiveness of social media, and then setting KPIs against it is a very tricky job.

Even though a brand manager can track Facebook fans or Twitter followers, and what level of discussion the brand is attracting on blogs and message boards, it’s not yet clear how to properly link that to what is happening with actual sales. As Tom Denyard of Unilever put it, “The single biggest issue (with social media marketing) is how do you come up with a calculation that allows you to understand return on your investment?”

As mentioned in section 3.8, many companies use follower/fan counts to define social success, which a number of interviewees saw as a wrong-headed approach, as Joshua March of iPlatform pointed out,

Saying that you've got a million fans (on Facebook) is meaningless, because if you don't send any messages and you don't speak to them, then they'll probably never see you, and as far as they're concerned you have no presence in Facebook.

A number of interviewees also argued that a purely or primarily monetary sense of return on investment is a faulty way of measuring social media success. As Simon Collister put it, "you cannot transpose traditional or existing metrics to the social media or even digital space". In this perspective, engagement is key – the real return on investment is getting people to engage with the brand online, and then using the insights gleaned from that process to better understand the consumer and then feed that information through to other areas of the business, like new product development and customer service in order to build better products and then market them in a more targeted way.

It's also important to note that defining 'success' in social media is generally situation-specific; as more than one person pointed out, different campaigns have different purposes, so often it is a matter of selecting different metrics to measure how successful a campaign is – there are no universal ways to say that something has been a social success. Simon Collister also noted that many of the metrics that define success with traditional marketing channels are themselves flawed in some ways – for instance, how many people drive past a billboard in a typical hour can be measured, but not how many actually paid attention to the message, let alone how many were likely to act on it.

From the interviews, it seems that when used well social media can benefit a brand across multiple dimensions, and an ROI that focuses on just money is a crude approach that misses out on the real value that it can offer in terms of improving products, improving customer understanding, and improving customer targeting.

4.6 Differences of Opinion

One interesting result of the interviews was that the brand practitioners held a broader range of opinions on the effectiveness of social media marketing than the agency/consultant types, who were more uniformly positive about it.

Why is this the case?

Firstly, the possibility should not be dismissed that this is a distorted result caused by a small sample size. With only seventeen interviewees, it is possible that they are unrepresentative of brand practitioners and/or agency/consultancy workers.

However, this seems unlikely, for several reasons. Firstly, agency/consulting practitioners make a living from being on the cutting edge and are therefore more likely to gravitate to what is 'new', whilst those who work for brands directly are more likely to take a more pragmatic approach, wanting to see what the 'new' can add to their tried-and-tested methods. After all, they are responsible for nurturing the long-term health of their brand, and thus need to make sure that their use of new (or newer, anyways) marketing tools is appropriate.

A second possibility is simply that the FMCG sector is, as Tim Murphy argued, a bit behind the curve when it comes to digital marketing. The basis of this argument is that most consumer goods products are relatively low-involvement and as such do not have the kind of brand resonance that inspires the level of engagement that consumers make with high-involvement purchases like cars.

As Wade Eagar put it:

I think it's very difficult to build a community for FMCG. Why the hell would you join a water community? Seriously ...

I can't see any real value in me joining Coca Cola's community ... There's no real way for me to engage with the company to say, "What're the calories in Coke?"

Well, you can pick up the back of the can to read that!

You know what I mean, so there's no real way to engage: "Oh, you're a Coke fan? I'm a Coke Fan! Let's be friends." So with FMCG I say fair play to people who give it a go, but you've got to have something of common interest.

A third possibility is a question of resources – if there are limited resources available for marketing purposes, as there are for all but the most wealthy and/or profligate companies, then it may be the case that brand professionals feel more comfortable assigning these resources to channels that are better understood than social media. This argument applies more to manpower than financial resources – developing social media campaigns are not necessarily that expensive in comparison to television or print, but getting social media right requires a substantial investment of time to create, monitor, and engage, and some organizations may feel that there are better uses of staff time.

Quite a few of the interviewees said that it is better to do nothing with social media than to start and then give up. For instance, a month's worth of high-volume tweeting or blogging followed by an abrupt silence probably looks worse for a brand than not being involved at all with social media, as Dave Hompe of SVG explained,

In advertising we pick a period, we control it and own it and then we disappear again ... I think the commitment within the social space is that you cannot do that. If you're going to be in that space you have to be in that space on an ongoing basis.

In the interview with the owner of the Edinburgh restaurant Illegal Jack's (right), he said that he has to live the brand persona from when he wakes up to when he goes to bed in order to make his social marketing work. It's a big commitment, and this may help explain part of the skepticism – how clear is it that all of that effort will really pay off?



Interestingly, although this point was mentioned by most interviewees, none of them said that *their* brand was better off not being involved with social media. In theory, most of the interviewees agreed that social media wasn't a necessity for the modern brand manager, yet in practice they all behave as if it is, likely because they recognise that there are very real benefits to be had from being involved with social media.

4.7 Specific Challenges of Marketing FMCG Products

Although there was a broad consensus amongst the interviewees that there are specific challenges to marketing FMCG brands through social media, there was also agreement that for the most part FMCG brands and other branded products and services face similar challenges in social media⁶⁵.

The previous section touched on the most important problem for FMCG brands trying to market through social media, which is that they tend to have relatively low brand resonance compared to some other types of branded products and services. This is partially a function of price (since low price generally equals low involvement), as well as ubiquity breeding apathy. The combination of these two factors presents a real problem to socially-minded FMCG brand managers, because, as discussed in the previous chapter, social media is a relatively ineffective means of broadcasting a broadly-based message, especially compared to traditional marketing channels like television or print.

In contrast, social media is much better suited to an ongoing process of engagement that can generate real rewards to the company in terms of customer insight. However, the catch with this is that there needs to be an active decision on the part of the individual to actually follow the brand on Twitter, or like it on Facebook – with social media there is no easy passive absorption of a brand message, as with a television advertisement.

Since this is the case, Rohit Jindal of Reckitt Benckiser argues that social media should always be one strand of a larger integrated campaign, one that is focused around an idea that will work as well online as it will through traditional channels. So, for example, a brand manager can start by developing a television and print campaign, before extending it to YouTube, Facebook, MySpace, Twitter, etc in order to offer the most dedicated consumers

⁶⁵ See Appendix D for a full selection of interview quotes on the subject of FMCGs in social media.

better opportunities to connect with the brand, with the gold standard for this approach being the Old Spice campaign discussed in section 3.8.

Not everyone agreed with the idea that FMCG brands face specific challenges. Tom Denyard, for one, argued that “I actually think the challenges are the same almost irrespective of what it is you’re trying to take into the social media world”. Even if an FMCG brand can only reach a lower proportion of their customer base through social media than other brands can, this does not mean that they cannot still use social media to find, engage with and benefit from connecting with their customers.

4.8 The Main Advantages & Disadvantages of Social Media for Consumer Engagement

Towards the end of each interview, each interviewee was asked to briefly list the main advantages and disadvantages of social media as a marketing tool. The purpose of this question was to get a sense of whether or not there is any emerging consensus on these issues, as well as to measure the degree to which brand practitioners differ on these issues from people involved on the agency, consultancy, and academic side of the equation.

Interestingly, there was quite a strong consensus that the main advantage offered by social media was the ability it offered to have a genuine, on-going two-way conversation with ordinary consumers, a conversation that, as Joshua March pointed out, could at the same time be both one-to-one and one-to-many. This kind of discussion can provide insights that would never arise from traditional market research tools like focus groups, opinion polls, or questionnaires.

One of the interesting things about the responses to this question was how much the interviewees aped the claims made for the traditional marketing ethnography studies mentioned in section 3.6. Since no one mentioned anthropology in their answers, it seems likely that this is an unconscious echo. What makes social media distinct is that this contact is unmediated and unstructured; it is also far less expensive than paying a professional anthropologist to conduct an ethnographic study.

The downside to social media, many agreed, was that it requires a lot of work to get right; it requires a big investment of resources, particularly man-power, and it is an open-ended commitment, with no clear end in sight. This is not always so easy for large, busy organizations to do, as Dave Hompe pointed out:

(What) you find is that it's left to the twenty one year old intern to manage a community.

When you see how much money is being pumped into fancy call centers in comparison, you kind of wonder are company structures simply not ready yet? And therefore is social networking not or has it not yet reached its potential? ...

It's not ok ... to simply come in two, three weeks or so blasting out Twitter feeds and then going we can't be bothered because the person's gone on holiday or whatever else it might be. So the issue for businesses is the commitment of the time and the energy. These things are actually quite difficult and they do require some broader business planning which means that often it falls outside of the classic space of advertising and marketing into the business development space.

One of the other disadvantages mentioned by a number of interviewees is the lack of clarity on the return on investment. Since social media is far from proven as an effective money-making tool, it will likely be some time before there is any clear consensus on this point.

Other disadvantages that people pointed to included:

- Dan Calladine: The possibility of losing control of your marketing message
- Wade Eagar: The lack of data to map trends over time
- Tom Denyard: The difficulty of converting conversation into sales
- Rohit Jindal: The possibility of alienating some of your customers whilst experimenting with your social media communications
- Lindsay Keith: The fact that no one is sure what works, and there are no agreed standards for judging whether or not something works
- Dave Chaffey: The risk of poor returns on investment

4.9 How Confident Are People About Using Social Media?

The final question for each interviewee was how confident they felt in their ability to use social media to achieve their marketing goals; did they feel very confident that they understood the best ways to use it, or did they feel that they were still experimenting to see what worked? This question was asked in order to put the answers from the rest of the interviews in context. If the responses leaned to the experimental that would indicate that the answers to other questions should be understood as not completely firm, whereas a strong general sense of confidence would indicate that the answers should be seen as strongly backed.

Perhaps unsurprisingly, the responses to this question were quite mixed. Just under half of the interviewees reported being very confident in their understanding of social media marketing, whilst the rest were split roughly evenly between those who, like Dan Calladine, feel confident in some ways but not others, and those who are open about still feeling their way along. Dave Hompe spoke for this latter group when he said that "I'm a firm believer in the Gandhi mindset that the more you know the more you realize that you know nothing."

One of those who said that they were very confident was Wade Eagar, who attributed his confidence to his years of experience with online marketing. He said that without this confidence it would be very difficult for him to sell what he was doing to his superiors – in order to communicate what he wants to do, he has to have a very strong understanding of it. Even so, he made the point that his confidence is theoretical – he feels that he has an understanding of the subject, but he won't be certain until he has more results to make a judgment from. This was similar to some of the other interviewees who reported being feeling confident, like the brand manager at a UK soft drinks brand who said that although he was happy with his progress, he was still learning as he went along.

On the other hand, a number of the sceptics argued that social media is so new that anyone who claims to be an expert is lying. This argument, put by Dave Hompe and Andrew Nadin amongst others, is that social media is so dynamic that it takes tremendous effort just to stay on top of all of the new developments and trends, meaning that there is not really enough time to get a deep understanding of the existing tools.

Others put it slightly differently, with Lindsay Keith of Canvas Consulting saying that he feels confidently experimental, that although he is still trying to work out the best ways to use social media, he has enough of an understanding of the subject, and enough experience of working with it, to know how to sensibly approach new projects. Others reported feeling confident with certain aspects of social media, such as being able to build follower numbers on Twitter, but less certain as to how to consistently turn that into increased sales.

4.10 Reflections on the Interviews

If the goal of that final question was to put the rest of the interviews into perspective, what do the responses show?

Firstly, the fact that a sizeable majority of the interviewees reported feeling reasonably comfortable about their ability to use social media for marketing purposes is a good indication that social media marketing is maturing as a discipline, which is reflected in the general consensus revealed in section 4.8 that social media's main advantage to marketers is its ability to bring the customer closer. Since many of those who reported feeling most confident then qualified their statements by saying that they are still learning, it is likely that at least part of the confidence people were expressing came from professional bravado in the context of the interview.

Secondly, although overall the agency/consultancy types expressed greater enthusiasm for social media than the brand practitioners did, on a question by question basis the answers did not break down clearly along professional lines, indicating that there is no simple way to predict people's opinions based on what kind of company they work for.

Finally, the interviews showed that this is an area that people are intensely curious about, and that they are working very hard to figure out how best to exploit the opportunities available within it.

5. Conclusion

5.1 Results of the Research

- *How can FMCG brands best use social media to engage with their core customers?*
- *Are there yet any emergent 'best practice' principles to guide brand managers when it comes to marketing through social media?*
- *What difference does it make to market to individuals, as opposed to market research composites?*
- *Besides marketing, what other areas of business are affected by social media?*
- *Do FMCG brands face specific challenges in the social space, or can they apply lessons learned in other sectors?*
- *Finally, how do you measure 'success' in social media marketing?*

What answers to the research questions posed in section 1.3 can be gleaned from the primary and secondary research summarised in chapters 3 and 4?

One of the clear results of the research was the discovery that it is virtually impossible for FMCG brands to segment their social media following in order to find and engage their core customers. Perhaps in the future it will be possible for such brands to do so, but for the moment it is not, so looking at core customers was a research dead end.

What the research *did* show was that there is a strong consensus among practitioners that social media is a powerful tool for engaging with a brand's customers, and that there is a body of collective wisdom that can be drawn on to achieve this goal. These best practice principles, discussed in the next section, cover both the strategic (what can business goals can social media help achieve) and the tactical (how to use social media to achieve these goals).

There are several key lessons to be drawn from the research. The first is that it is important to understand that social media is far more than just a marketing channel. It can certainly be a very effective vehicle for spreading FMCG marketing messages, as shown by the success of viral campaigns like Cadbury's drumming gorilla or the recent Old Spice campaign, but treating it as no more than another marketing channel is to miss what it can

offer in areas like customer service and market research. The ability to conduct netnographic research within social media is particularly valuable to smaller firms, who historically would not have been able to afford to conduct in-depth qualitative marketing research. Social media puts those tools into their hands.

It is this direct, unmediated connection with the customer that is one of the great innovations of social media. Marketers benefit by gaining a better understanding of the role their brand plays in peoples' lives, but the downside is that it is difficult to scale up, since it is very difficult to engage personally with large numbers of people. Working with other departments, marketers can help to apply the insights gained from this communication to the creation of better products and marketing communications which can help bolster the brand's fortunes. Getting this engagement right, however, requires effort, sensitivity, and, above all, a willingness to learn.

The research also revealed that there are indeed particular challenges facing FMCG brands in the social space, the biggest being most FMCG brands' relative lack of brand resonance, which makes it difficult to connect with and really engage their customer base. Even so, as Andrew Nadin pointed out in his interview, social media has put FMCG brands in direct contact with their end users for the first time, an important development.

The final question of how to measure 'success' in social media is a crucial one, and would be an ideal subject for further research. The research for this report indicates that this is a highly controversial area, and the subject of great current debate. Neither the interviews nor the literature indicate any emerging consensus on this point. How to judge the Return on Investment (ROI) of social media marketing campaigns is a particularly contested point; perhaps the fairest judgment would be that measuring ROI depends on what is trying to be achieved. If the goal is to boost sales then success means something quite different from the goal being to assist a brand repositioning. Overall, this is certainly an area that would benefit from an in-depth analysis of the sort that was beyond the scope of this report.

5.2 Best Practice for Social Media Marketers

In conclusion, drawing from both the primary and secondary research, here are ten best practice concepts for FMCG marketers who are interested in using social media to engage with their customers:

1. Clearly define goals – An obvious, but necessary, step. Understand what the brand is trying to achieve with social media, whether the goal is repositioning the brand, understanding the customer better, or one of the many other options available in social media.
2. Establish metrics – Understand how to recognise success, whether it is in financial terms or positive impact on brand equity.
3. Understand the tools – Know the different types of social media service, and what their different strengths and weaknesses are. The research shows that Facebook and Twitter are very good for engagement, but less good for reaching new customers, whereas blogs and video-sharing sites provide an excellent, cost-effective way to get your message to new customers. Using multiple tools to engage with different consumers in different ways can be incredibly effective.
4. Get closer to the customer – Use social media to better understand the customer, what they think about the brand and what they might want from it in the future.
5. Mind the message – Communicate in an open, friendly and, above all, human way. The hard sell turns people off. Offer fans something of value that they will be interested in and that they will want to share with their friends.
6. Be flexible – This is a new field, so be willing to experiment.
7. Identify influencers – Influencers can play an outsized role in spreading your message. Find them, cultivate them, understand them, and let them help your brand succeed.
8. Invest in success – Investing proper resources of money, time, and manpower is crucial to building successful social media operations.
9. Create a Social Media Response Centre – Consider using some of the tools and practices developed by call centres to manage and monitor interactions in the social media space, so that a consistent presence is maintained in terms both of content and continuity of contact.
10. Keep an open mind and don't be afraid to fail – Social media is still so new that some failures are likely; be open-minded about learning from your mistakes.

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Appendix A: Interview with Dan Calladine Head of Digital Futures, IsoBar

Interview conducted in person, London, July 22, 2010
Transcribed 5th August 2010

RH: I guess to start off with, your job is you're the Head of Media Futures?

DC: Yeah.

RH: What does that entail?

DC: So, the idea is that I stay on top of all the new things which are happening because media advertising has changed really quickly.

And, it used to be the case, years ago, we would just find space on TV, in newspapers, magazines, and billboards for our clients, and, there wasn't really much else you could do as a media agency.

Because that was really all a brand could do within those channels. But, now you're getting technologies that allow the client to be present in those things yourself, so ten years ago it would've been having a website and things like that. But, now it's things like having a Youtube channel, having a Facebook page, having a Twitter account ...

And, not so much every day, but every month or so, there are new things that come along where you think, well that looks interesting.

But, it's about having a presence somewhere that you manage yourself or somebody manages for you. That includes things like Foursquare, and includes things like Twitter, obviously, but also Flipboard, which has just been launched.

RH: I've read about that.

DC: It is an app for the iPad. I should have brought my iPad down. It's just amazing. It looks far better than any newspaper app on the iPad has yet. And, there's space for brands to do all kinds of things.

So, if you were at a desk, you could have a sports channel or whatever, and whenever anybody listened to it, they would be effectively provided by this brand –

RH: It's just like a media app. Is that it?

DC: So, it's a media app for the iPad, yeah.

But, it looks amazingly good. And, also – currently they're overloaded – but once they've gone past it, you can sign in with your Facebook or your Twitter. And, it will turn the links that your friends have posted into articles as well. So, you can flick through a Facebook newspaper made up of stuff that your contacts - your Twitter stream or your Facebook news feed - has posted up. So amazing, yeah. Believe the hype, seriously.

So, what I do is, I'm the guy who's on top of things like that.

RH: Sure.

DC: So, in doing that, I have to also be on top of what sort of campaigns and ideas are going around, so, obviously, the Old Spice thing last week – you can almost see that as being this year's equivalent of subservient chicken. You know, it is the sort of work of people will talk about in five years time.

RH: Like the drumming gorilla

DC: And the drumming gorilla, yeah. So, yeah, it's famous work, basically. Everyone's envious of it. It's just really well done. It's a really good idea. It's a really simple idea, but often simple ideas are the best. All it took were some writers, some social media guys, and the actor in a studio with loads of props and things like that over two days. And, why has nobody done it before? Well, nobody had the idea or nobody quite – none of the pieces quite fell into place as well.

RH: Good. The hypothesis that I've been working from is that social media is better suited to engaging with people who are already your customer, than it is to reaching new people. Do you think that's a reasonable understanding of the situation?

DC: Well, if something's amazingly successful, it doesn't matter. Old Spice is a perfect example. And, if you'd said in December that Old Spice will be the hottest men's fragrance brand in July, nobody would have believed you because it would seem as – well, certainly in this country the perception was –

RH: Same in the states.

DC: Yeah, it was something that was very much associated with the 70s and outdated views of, you know, slap it all on and all that sort of stuff. And I'm sure most people still haven't smelled it, but the assumption always was that it was something that was sort of overly musky and overpowering, and, it sort of seemed like something one of your dad's oldest friends would wear or something like that, or just not a young person's thing at all. So, that's a perfect example where you can introduce so many new things. But, technically, CRM uses social media as well.

So, yeah, I'd say by and large you're probably right in that it's easier to connect with people who know you already– somebody isn't gonna friend you on Facebook if they're not a customer. And, in fact, the Old Spice is not really FMCG. It's a fragrance. You don't get boxes of it at the supermarket, or stuff like that. So, yeah, I'd say you're right.

RH: Do you think that there are any particular challenges to marketing FMCGs through the social media channel?

DC: I suppose one would be that it's kind of low involvement, one of the lowest. So you might love your car, really love a band, or really love a film. You wouldn't really love your toothpaste.

So, I suppose it would be that if you're expressing a feeling about something, you're not really gonna do it about a particular thing like that.

RH: Soft drinks or whatever –

DC: Yeah, well, a soft drink probably more because soft drinks always associate themselves with fashionable movements. Or, you know, you look at Coke and Pepsi and stuff, but with a lot of FMCGs it's very much about replacing functional things, rather than buying things on an impulse because you weren't sure.

RH: So, given your job, you probably have a pretty strong opinion of the different tools that are available, like Facebook, Twitter, and maybe some of the newer ones like Foursquare. Do you have any particular favorites?

DC: Yeah, it's totally circumstance dependent, so some are must-haves, but, you know, a brand shouldn't have Twitter if there's nothing to be talked about.

And a brand shouldn't have a Facebook, or it shouldn't have an iPhone app if there's no reason to do it. So, I think the thing is that there's so many different tools and there's so many different things you can do. What I always think is that if you could imagine something, these days you can probably make it happen to some degree. And, it might not work, you know, the public might not be up for it or whatever. But, if you can sort of imagine something, then there's lots of ways to do it. I mean, you could do it through Foursquare, and in my favorite Foursquare example, and that one was Jimmy Choo – do you know that one?

RH: No.

DC: Oh, they did a session in London, where these Jimmy Choos –

RH: The shoes, right?

DC: Yeah, really, really expensive high-end shoes.

RH: Yeah.

DC: They launched some shoes that cost about £300 a pair – but the point was that with these shoes, you could cover more ground. So, it fit into the idea of using Foursquare 'cause you could cover a lot of ground.

And, they did an old thing: if you catch me, you can have the shoes. Newspapers used to do this thing in Britain where they'd send a guy around 65 years old, or someone wearing a hat with the name of the newspaper, and if you went up to him with a copy of the newspaper and you said the key word or the key phrase, you'd win 5 pounds or 10 pounds or whatever.

And, with Jimmy Choo, they used it with Foursquare and Twitter. And, they said, okay, we're in such and such a bar now. They just went around in posh bars and in posh shops and stuff like that. And, so they'd stay there for about fifteen minutes, and if you got there in time you would say, I've been following you for a while, and you would get the shoes.

RH: Right.

DC: But, it took him about a month to be caught, because they were only there for about 15 minutes or something. They were covering a lot of ground. But that generated loads of press. It got to page 3 of the Evening Standard, which crossed over into the mainstream, and so that was the perfect sort of thing for them.

And, all it was, was just a treasure hunt, done with new tools. So, it's the right tools for the right job, really. Well, I won't say this has happened to me, but you do hear of clients saying, we need a Facebook app, or we need a such and such. And, they generally don't, but if it's right for you, you do it. If it's right for the idea you're doing, you do it.

RH: Right. Do you get the case when you work with clients where they just want things because they think everyone else has one, so they want one too?

DC: Oh, there's a lot of "me too", yeah.

Well, hopefully, you work with clients who think beyond that. To be more politic, I should say our clients generally don't just say, well, let's have a such and such or whatever.

But, they lose the grasp of it. When we were buying traditional media, the biggest thing was the idea of the media first. You're doing something quite new, so the first full page streaming video on Yahoo – for one client about six years ago exactly we had the first ever globally streamed video on the Yahoo homepage.

And, that was a first. It created so much impact because it was the first time somebody had done it. But, if we could get ten people to do it, it would have less impact. So, the idea is to not copy what other people have done on these sorts of things, because you do see an awful lot of copycat stuff like personalized videos and things.

And, basically, the person who did it first, or the person who did it first with the best reach and coverage of what they did, does it best. 'Cause you quite often get TV ads from Spain being ripped off by somebody in the States or in the UK. And, nobody really knows, because they didn't see the original TV ad in Spain.

But, with online, a lot of ideas do get ripped off. But, generally, people quickly point out that such and such was done by so and so.

RH: And, it's easier now with Youtube, to find the original, so, it could be pointed out -

DC: Well, that's the case. You've seen Whopper Freak Out?

RH: No.

DC: Okay, so Whopper Freak Out was something at Burger King in the States. And, what they did was they had a project Burger King, and they set up the hidden cameras. And, one day, anyone that came in asking for Whoppers they'd be like, oh, we don't do it anymore. They discontinued the Whopper.

RH: I think I might have read about this.

DC: So, they just said, oh, we discontinued the Whopper, and they just filmed all these people going nuts and said, What, just, how can you?

And, so they had all these great films of people going crazy because they couldn't buy a Whopper. And, then they were doing things like, they were offering Wendy burgers and said, well look, we have this special promotion where we'll let you have a Wendy burger. Would you like this? And, they're like, Wendy burger sucks or whatever. And, just getting really, really good responses. But, there've been so many other brands since then who had a sort of vaguely similar campaign saying, ah, you know, we're gonna withdraw this brand

because it's not very popular anymore. Please save it or whatever. Please sign this petition to save it or something like that.

RH: Do you work much on the client side, yourself?

DC: Occasionally I go in and see clients talk about huge trends and things like that, but, how it generally works with me is that the teams will say, have you seen a good example of such, or what's the five best uses of Twitter you can think of, or the three best uses of Foursquare, or if we were to use an iPad app, what sort of things should we be doing?

RH: Sure.

DC: So, things like that.

RH: Okay.

DC: But, I have worked on the client side. I have been kind of directly working across different clients and stuff like that, but I'm doing this now.

RH: Okay, great. The question I'm always curious about is what kind of measuring or metrics do you use in terms of defining success in social media campaigns?

DC: It's different for each campaign because the thing with social media is you get so many different metrics. So many more metrics than you used to get because with traditional media, the main metric you have is delivery, so how many impressions, how many hits –

RH: Bounce rate and so on –

DC: Yeah, bounce rate and sales and things like that as well, obviously. And, with social media what you can get is things like views, and likes, and shares, and retweets, and hits and things like that as well. So, you get so many different metrics, and you get different metrics for the different channels that you have. So, you try to find the best ones for what you are trying to do. For example, we work with a couple of film clients, and you have to use APIs, performance indicators, instead of just looking in the box office.

`Cause if you release your film the same week that somebody else releases the biggest film of the year – and yours doesn't do all that well, then it's not really about the advertising. It can do well. It's about the metric situation and stuff like that, so you use APIs for how many times did people talk about it. How many blog posts, how many mentions on Twitter, and how many positive/negative sets and things like that, rather than just the box office.

RH: Okay. So, generally, are the metrics defined by the client, or is it a kind of a collaborative project?

DC: Well, it's kind of collaborative, so you kind of say these are the sort of things we're looking for. But, also, with a lot of social media campaigns, they're effectively – because we try to do things for the first time – they're effectively first times.

So, what is hard with social media is the benchmark stuff.

Because, within the agency, we can see, we did such and such, and it brought this many of this and this many of that. But, it's quite hard to see from other people's competitive campaigns, how many they got. And, also, how much they spend to get to that position.

So, it's quite hard to benchmark stuff, so you can measure it, which is great, but a benchmark is actually quite difficult.

Like to say, so we got 5,000 messages on Twitter, is that good or bad?

And, you know, it depends on other things, but –

RH: One of the things that some of the practitioners, not all, have said is that one of the things that they find difficult with social media is the lack of clear ROI, what do you think about that issue?

DC: Yeah, well, you have define the ROI because the ROI, if it's actual ROI in terms of money – then over what time period are you looking? And, how much to attribute to social media? Because quite often somebody might see something in social media, and then do a search, and then click on a link – and how do you credit that to social media?

So, you have to look at things in a sort of –

RH: Holistic –

DC: Yeah, holistic, unified way.

And, you also, you shouldn't really take an ROI, you know, within a week or within a month or whatever.

And, the classic sort of thing is, what's the ROI on repainting your offices?

And, actually, there isn't really benefit if you don't do it. If you don't do it every few years, then it all gets pretty disgusting.

Then, you know, so for a lot of brands, what's the ROI on your website? Well, that's just quite odd to say, but if you don't have a website, then, or you have a really badly made website, then, you know ... And, what's the ROI of having a Facebook widget? In a way, asking for an ROI is open to question.

It's kind of a bad engagement. It's about creating a connection. It's about how much time you could spend and how much engagement, how they're likely to feel, and then taking a sort of long term view on things.

RH: Yeah. And, in terms of engagement, I guess this has been something that's come up a lot in my research. Do you see engagement as the primary reason for brands to get involved in social media?

DC: I suppose so, but then there's like 30 different definitions of engagement.

So, yeah, it gets complicated. If you would say, why should we do this, I would say, well firstly, your competitors are doing it. And so, if you're not doing it, then you need to have a firm reason why you were away from it.

Secondly, whether you like it or not, people are talking about you, and so it's better to actually be aware of it, and then try to do something about it. And then thirdly, if you could

create things which are genuinely of use to people, then you would become more part of their life rather than a part of their shopping.

There was a saying – who was it? Someone like Aquafresh or someone like that, a toothpaste brand, did a thing for the families, living with athletes, individual Olympians, to basically to share their pictures. The families also shared the pictures with the athletes. And, yes it's about toothpaste 'cause it's got smiles and stuff like that. People are more likely to feel good about something like that.

I mean, you could see the journey is so difficult to work out in things like cars, let alone toothpaste, let alone a film, or whatever. But, if somebody has a warm association with it, whatever it is, then you would think that that would help. You know, knock down a few of the objections they might have for your brand for whatever reason.

RH: So, in terms of – and I guess this is not necessarily a consumer journey – in terms of Facebook, or Twitter, or something – how should brands approach the interaction with consumers? Do you have any particular opinions? Do you think it kind of varies a lot?

DC: It totally varies on who the brand is and what they're trying to do. It sort of depends on what the brand personality is at the moment.

I mean, so you know Marmite. You've seen all the ads –

RH: Yeah, yeah. The Marmarati and stuff like that.

DC: Yeah, and you know you love it or hate it.

They already had a really strong campaign, a really strong sort of communication platform, I suppose. And then you can adapt that to social media quite easily. And then, other things like – it's a bad example, because it's all gone wrong in the last week or so. The Dr. Pepper campaign⁶⁶, which was one of the worst –

RH: It wasn't a bad idea. It's the execution –

⁶⁶ See Appendix F

DC: It was a brilliant idea. Apparently, according to one of my colleagues, the actual cause of their troubles was that they updated for this 14 year old girl "two girls, one cup". She didn't know what "two girls, one cup" was, so she searched for it.

And, you just think, "Somebody should have said, okay, everybody in the agency knows what that is, but if we do miss people who are 15, 14, 12, whatever, who don't work in the agency and saw this, then they probably don't know what it is. So, they're gonna look for it, and ..."

RH: You know, I'm just amazed that they even thought it was a good idea to associate the brand with it ...

DC: What was great was the brand gave the agency total freedom. With what they were doing with Old Spice, you couldn't write scripts and then get them approved by the client. You know, not having meetings about, "Can we take this word out? What about this?" And all that ... So, you have to trust the agency.

I talked to one of my colleagues. Since they've suspended it, there's a lot of people who opted into it. And they are pissed off because, their Facebook updates aren't getting as many comments as they used to because they're not having these really bizarre status updates. Dr. Pepper had this great communication platform with what's the worst that could happen? Which works within the context of Facebook really well. And, it could work within the context of Youtube and things like that. So, lots of people have some sort of strap line that lends itself to that. And so, your basic brand of nostalgia should determine how you act within the space. So -

RH: Do you work on campaigns that are beyond just the digital campaigns?

DC: Yeah. The main agency, the main holding company's Aegis. But, Aegis has a number of different companies, including Isobar, which is effectively a creative agency. The buying teams and planning teams are all integrated now. Most campaigns these days are as fully integrated as you can make them, really.

And, it's always a bit of a disconnect if somebody's doing this on TV, and then two weeks later this happens online and stuff.

That just gets a bit messy.

RH: Right. So, it's very important that they are integrated across all of the channels –

DC: Yeah. And, we used to get problems a few years ago before Youtube. Quite a lot of agencies used to have problems, or creative agencies used to have problems where they would buy the TV rights with a particular celebrity or whatever appearing in their ad.

They'd buy the rights to be on TV, but not the rights for them to use their image on newspapers or online. There used to be some places, like ten years ago, where you get the most amazing TV ad. Really famous, and yet you couldn't use the picture of the actor in point of sale stuff, because they hadn't got the rights for it.

But, these days they think about that a lot earlier in the process when they're doing the legal. But, that's also the thing about where you have created a media set for it. You can get a lot of disconnects, and if somebody doesn't mention something in a meeting, two days before the campaign's due to go live, it'll be like, "Oh, remember this." It'd be like, "Sure, we didn't think about that in the meeting," so these days things tend to be integrated, and when you're thinking about something, you're also thinking about, "Okay, so how can we extend this to here, and what can we do?"

And, ideally what you're trying to do is you trying to do the few things that are going to really emerge in platforms, like say six months ago it would have been Foursquare. One thing I try to do is I try to find new companies and new technologies that we can do cool things with, and you can be very early partners with them.

So, we're talking to quite a lot of companies about doing that sort of thing in the main, but we're very early days with it.

So, the idea is that you would go to them, and you'd say something like, we've got such and such a famous brand. Can we have a brainstorm with you about how we can possibly use the services?

But, then also you get things like the formal issues 'cause if their website suddenly gets ten million visitors in a day, all day, but they're not ready, that's bad for everybody, so –

RH: Right. So, going to different type of integration – do you think that social media is for purposes beyond marketing? In terms of PR, new product development, stuff like that, do you think that it's like crucial to these other areas?

DC: Yeah. Yeah, it can be. It can be crucial for research as well, yeah.

Yeah, so you can kind of float ideas to people and stuff like that, and also I'm sure some products have been reintroduced because they've noticed a lot of people still talk about them.

RH: Like Wispa. So, you touched on it a little bit there, but in terms of monitoring conversation, is that another important aspect that you'd say?

DC: Yeah, it's something that we are increasingly doing for clients.

RH: Do you do much of it, yourselves, or is it done more at the client side?

DC: I've done some quick and dirty stuff myself. We've got teams in the local countries who do it more. It's like paid search really, in that theoretically you can do it centrally, but generally it works better at the country level because so much depends on local language speakers and stuff like that.

So, I can look at lots of things in English, but I won't get it worked out. You know, some of the tweets people send about some of the brands that we like, what is that they actually say? Is that good or bad? If something is majorly piff, is that good, or is it bad? One of my colleagues thinks it's good. I think it's bad –

RH: Majorly piff?

DC: Piff, P I double F. It's meant to be good?

RH: I think that's good.

DC: How is that good?

RH: I think that's an American rap slang for good.

DC: Is it? Okay.

RH: I think so.

DC: So, I work centrally, but I've done sort of quick and dirty stuff, what people are saying about the brand and sort of snapshots. But, ongoing, essentially the local teams would do it. And, you can only do public stuff. And, you're not doing it in any sort of insidious way or anything like that.

RH: Yeah. I guess the difficult thing with Facebook is that a lot of it is happening behind closed doors –

DC: Oh, yeah, certainly, yeah – and you can't hack into that. But, also, if you go on record to say, we listen to what people are saying and stuff. You know, it can look quite bad, and freaky, but only interested in certain stuff. So, it's almost like, don't look at anything not publically available.

Oh, and, the other thing is quite often it's good to be aware of something. And, if there's a health issue or a concern about something, then it's good to be aware of it. So, it's useful for the brand, making it good for the public as well. So, yeah, that would be the sort of thing that would come from listening to actual conversations.

RH: Does it matter if your social media audience is small if you're a brand?

DC: It's all about context of the other brands, so it's all about how small and how much information. So, if you're a niche luxury brand, no, it doesn't matter at all.

But, if you're Coca-Cola, and you're wondering why nobody's talking, then that would probably be more surprising, so it's all about context, the brand really. It's all about individual tastes as well. Yeah, and that's kind of what makes it, partly, so skilled, but also so labor intensive that everything has to be relatively bespoke, or completely bespoke.

RH: Right. There are no out of the box solutions, really.

DC: No, and you can't just do a proposal that you did for a previous buyer three months earlier, and just replace the name. Not a lot of people do that anyway, but you know what I mean. It's not a one size fits all sort of thing.

RH: Do you think that influencers are an important part of any kind of social media strategy? How would you define them, even?

DC: Well, this goes back to very old media theory, actually. Because various people do look to other people to be experts on different things. So, the classic example always used to be there'll be somebody in your office who knows which films are opening each week and which ones are any good. And, you know, you'll go up to them, and you'll sort of say, I wanted to see a film this weekend, Is this any good? Is this any good? And, they'll say, well, no, not really. And, what social media has done is it's basically, (a) made far more of those people, and (b) given them access to far larger markets.

Take for example, it would always be the case that in the UK, the 12 national newspapers, each having one film critic. And, they'd all have the same sort of opinion. And, they'd all think certain things, like what was the best film ever made, and you know, Weekend at Bernie's was unmitigated rubbish. But, actually, a lot of people like Weekend at Bernie's. And, a lot of people like The Flumps, or whatever was the Eddie Murphy movie recently. But, the point is now that you've got people on social media sites who actually like that sort of stuff. And, when you have very few influencers, they all have to be relatively broad-brushed. But, these days you have a lot of niche influencers, I would guess.

RH: Certain bloggers that might only have an audience of, you know, a thousand, you know, 3,000 people a month –

DC: Yeah, but it would be really influential. It's almost like sci-fi. So, sci-fi would never get reviewed properly 20 years ago. Sci-fi would never get reviewed properly in the mainstream press, but there'd be sci-fi magazines where they would review it properly. And those reviewers would be really influential. And, these days you get people like that who can sort of make or break the film.

Somebody did a post when Avatar was a huge hit. I was looking back, and I saw the reviews. It only got two stars in The Guardian. Does this really mean that review's just a waste of time completely? Well no, 'cause Avatar was gonna be a big hit, whether The Guardian liked it or not. But, if the film A Prophet, a French subtitle film, had had a two-star review in The Guardian, then that would have really, really dented it. But, the fact that A Prophet had a five-star review in The Guardian, and they said it's the best film of the year and all that sort of stuff, that can make it a really big hit. So, it's all about the idea –as an update of the Andy Warhol thing famous for 15 minutes, now it's famous to 15 people.

And, that's the new thing about influencers, so if you are Crest toothpaste, or Pot Noodle, or whatever, you may not be lucky enough to have people who are frantically passionate about your brand. But, you may have people who will like videos you make and retweet them or whatever. About three or four years ago, I went to a conference, and they were banging on about the whole bloggers thing. And, they said, "Everybody, bloggers are writing about your product every day! You need to find out what they're saying! You need to be aware of what they're saying!"

And, actually, you know what? They weren't really. Bloggers weren't really writing about toothpaste, and they weren't really writing about the lock on your bicycle, or they weren't really writing about this drink and stuff like that. But, people on Twitter are ... In Twitter people just create far more than they do in blogs. They create far more –

RH: 'Cause you need to –

DC: Yeah.

RH: If you write a blog, you need to sit there, and you think it through –

DC: Yeah, to a degree, the blogs where people write whole essays have kind of died out. Or are all dying out because Twitter is just so much easier.

But, with Twitter, if you've got a low involvement thing, if somebody has a good experience with it, they will tweet about it, but they would never blog about it. And, you know,

somebody who set up a group on Facebook for it, and then somebody will join that group on Facebook and stuff like that.

RH: Do you think it's important to identify and target influencers who are likely to influence the people who are actually your target audience?

DC: Yeah, ideally. So, that's why various people have done campaigns with Youtube super users. Because they have lots of subscribers, and they're influential to those people. And, there's a company called Linqia (<http://www.linqia.com/>)

Well, they haven't done something on Facebook for some reason. I don't know why. But they've cultivated the people who own the such and such group on Myspace, and own a such and such booth on Bebo. And, they've cultivated that person so that you can then do a campaign through them to reach customers.

That's a really good idea for a business because those sort of things are important to people. Look at the people around the Harry Potter fan site, The Leaky Cauldron. I think they in their own rights have been on American television. So they're like, 15 year old kids, or probably 17 year old kids now, and they are famous to thousands of people because of what they've done. So, I think, yeah, part of the strategy is to make sure that you reach the influencers, and that's why Twitter is so good because you can see really easily how influential somebody is by how many followers they've got. Whereas if you just find a Wordpress blog or a Blogger blog, it's actually really hard to see whether anybody reads it or not, and you have to look at how often is it updated, who they are linked to, etc.

RH: Okay, so I've got two last questions. First, I'm asking everyone, just in an overview sense, what would you say are the main advantages and disadvantages of using the social media for consumer engagement?

DC: Well, the advantages are that that's just where people are. So, they're spending, depending on country, between a fifth and third of their time in the social media areas. So, it's where they are, and it's what they want to be doing at the moment. And, yeah, if you could do something which is good that they want to engage with, then that could really reap rewards. So, that's really the advantage of it. And, also, it's not free because you've got to pay people to come up with the ideas. But, if something takes off, it's phenomenally

scalable, and the margin of cost of doing things are really low, compared to marginal cost of showing somebody an ad work.

The disadvantages are that you do lose control of the message, so people can make what they want of the message. And, also, it pretty much has to be immediate, and 24 hour a day, and so you do get things that go wrong, where people have just done things really quickly, and they haven't thought it through properly.

So, those are the advantages and disadvantages. But, the other thing to say is that – have you seen the post somebody did about a year ago about: “there's a company which doesn't have a blog, has no official page on Facebook, has no Twitter account, it's Myspace account has its name as DJ. It sued its fans. It's this, this, this, this, this.” You've seen this? Know who the company is?

RH: No.

DC: It's Apple.

RH: Oh, yeah?

DC: It's Apple 'cause they don't have a Facebook. They don't have a Youtube page. They just do the stuff, and they let the fans do what they want with it. But, they sometimes sue the fans as well.

So, you can have people saying, you got to do this stuff all you want – but, then the exception to this rule is Apple who just say, actually we don't. We're not gonna do it. We don't have to do it because people are doing it for us, so –

RH: I guess it happens because some brands, like Nike or have very passionate fans, and if people criticize it, they have a lot of people who are gonna stick up for it without them having to lift a finger, but –

DC: Oh, yeah, completely, and that's brilliant. Yeah, that's brilliant, but then the thing would be to try and keep them even more on side than they are at the moment. And, you know, if you can send those people two pairs of sneakers a year or whatever –

Four pair of sneakers, you know, three weeks before anybody else has got them or anything like that, then there'll be even more fans, and they'll do even more for you. So we've tried seeding stuff to people who write about this stuff anyway, and they're like, well, can we have some money?

RH: It is very interesting how these things work. I used to have a music blog a few years back. I guess when they were pretty new, about five or six years ago. At the height, I probably had no more than like 50 unique visitors a day. But, I would still get emails from PR agencies, saying, you know, we'll give you mp3s to put up, and –

DC: They have no clue what your audience figures are. I mean, somebody could do a fantastic scam where they would just set up a blog, and, I mean – So, one of my friends is a really passionate fisherman. And, I said to him, you should set up a fishing blog all about trips you go on, take pictures of the fish you catch, whatever. You'll get so many free fishing rods and all that sort of stuff. Because nobody else is doing it. And you could get your mates to write comments and stuff like that, which would make them think there were more visitors than you actually had.

RH: And, I guess that the last question is, how confident do you feel about your ability to use social media? Do you feel very confident, or still very experimental?

DC: There are some things that people know how to do, so people know how to seed videos. And, that's pretty corporate these days, seeding a video, to a certain level. Assuming the video is good enough.

But, other things – people just do experiments, basically. You know how to set up a Twitter account to find the sort of things that you write about. And, you kind of know how to get more followers by doing competitions, and all that sort of stuff. So, I guess, there's a core set of skills that people know how to do things. But, then the fun stuff, the really experimental stuff, you're just experimenting, and actually that's the pleasure of it really. You know, that's the excite effect. 'Cause then, you know in one week, or six months, somebody will have done something which is even cooler than the Old Spice ad.

Appendix B: Interview with Dave Chaffey CEO, Smart Insights

Interview via email, response received August 26, 2010

RH: I am working from the hypothesis that, for brands, social media is better suited to engaging with existing customers than it is for reaching new customers. Do you agree or disagree with this hypothesis? Why?

DC: Yes, I do agree, largely since you're more likely to get existing brand advocates i.e. customers to engage. However the counterpoint is that there is a viral effect from customers to non-customers within the social graph. This is significant and why many brands get excited by social media. Also by the effect of influencing non-customers to increase conversion.

See: <http://www.web-strategist.com/blog/2010/08/23/data-trusted-sources/>

RH: I am looking specifically at how FMCG brands can use social media; do you see that there are any specific challenges for such brands in the social space as compared to other branded products/services?

DC: The opportunities of social are more obvious for transactional sites such as retailers who can use social to distribute offers such as discounts virally via social. So I think this shows the need for FMCG to work with individual retailers on joint promotions - which happens already, of course. The other big problem is how do you engage in low engagement products? The examples below are mainly FMCG though.

Good to see narrow focus there. I've just posted this:

<http://bit.ly/bPDQpJ>: "The growth of brand following on Facebook"

Commentary: A great infographic for presentations showing incredible growth of Facebook for some brands via @wearesocial

<http://bit.ly/cLI7I7> - Original source: "What Happens When Facebook Trumps Your Brand Site?" - From Adage.com

Implication: It's often said how difficult it is to engage brands on Facebook. This data shows many brands have got it right in terms of growth rates at least.

RH: How do you define and measure 'success' in social media marketing? Are there any particular metrics that apply across the board, or is each situation unique?

DC: This is what everyone is asking at the moment. Volume of engagement - followers/fans is similar and can be benchmarked against similar companies. But it's the ROI which companies want to prove and that is very difficult, particularly for FMCG, but maybe no more than for trad offline ad campaigns. If you research Old Spice on www.smartinsights.com we have some examples of how effectiveness is reviewed and different frameworks on how to measure - search for "IAB social framework," for example.

RH: Social media puts marketers in direct contact with individual customers, as opposed to market research profiles - how do marketers best take advantage of this new relationship?

DC: Nice question - make it two way, by encouraging interaction and participation, not just push promotions. Ask questions, share, involve customers as part of story. You need to integrate, particularly with email, to get the best effect.

Here is a practical example: <http://www.imediaconnection.com/content/27357.imc>

RH: What role do influencers play in a successful social media strategy?

There is a fair bit of research on the power of influencers - in chapter 6 of my Internet marketing book, I think. See the research above. It's worth covering different types of influencer and how to influence them. Recent research from Gartner on smartinsights.com segmenting influencers is worth looking at.

RH: More generally, what do you see as the main advantages and limitations of marketing through social media?

DC: That's an obvious question so not going to add anything:

- + Potentially low cost / viral acquisition
- + Getting closer to customers / research

- Risk of poor returns / difficulty in engaging
- Difficulty in measuring
- Reputation damage

Appendix C: Interview with Tom Denyard Marketing Manager, Unilever

Conducted via telephone, August 23, 2010

Randall Helms: I guess the first question would be – Well, it's not really a question, I guess it's more of a statement. One of the ideas that I've been working from since I did my initial research, is that social media is better suited to dealing with existing customers than it is to reaching new ones. What do you think about that statement? Do you agree with it? Disagree with it? And why?

Tom Denyard: Did you say, "And why?" at the end?

RH: Yeah, and, yeah, why? Why would you agree or disagree?

TD: So, I'll talk generally first and then just talk a little bit about the specifics of Marmite in particular, because that's the brand which we have the most involved social media strategy for.

And I think I would start by agreeing with your hypothesis, which is that actually social media as a channel is better equipped to deepen your engagement with the consumer than it is for you to go out and find a new one.

And that's because people tend to want to have the conversations with people or things that they know. It would be quite unusual, if you put it in a real world context, for me to walk up to a complete stranger in the street and start a dialogue with them. It's just not how human beings operate.

If I ever saw someone I recognized and understood a little bit about, I would know where to start, how to start, why I want to have that conversation in the first place, and also have a bit of a sense of what I can expect back from them.

But it's almost a pre-existing contract in place about what that relationship's going to be and how it's going to work. And I think social media works along similar lines actually, which

you need some kind of existing relationship, even if it's been up to that point that sort of push message relationship to get the thing off the ground in the first place.

Yeah, I'd go back to the point that people want to talk to something or someone they are at least a little bit familiar with, because it takes down those initial awkward moments of why you're there in the first place. So I think your overall hypothesis is correct.

And if I think about the Marmite experience specifically, that's undoubtedly true. So the Marmite Facebook page, the love page, now has over half a million people on it. It didn't start with the brand going out and saying, "You know what, come to us and have a conversation." It grew organically. People went and found like-minded people to start talking about a brand they love. And, yes, now the brand's involved and it's a really big part of that organically grown community, but we didn't go and draw them in.

We didn't go out and say "we want to talk to you, you, you and you." They found each other, and subsequently we've been I guess lucky enough to engage in the conversation and more people have come and found us. But they've typically been people who wanted to hear more from the brand, rather than people the brand wanted to pull in and start, you know, pushing messages onto.

RH: Right. I guess the Marmarati campaign is quite an interesting example of using social media, and I talked a bit about it when I spoke to Simon (Collister). I was wondering if you could maybe explain a little bit about the relationship with the agency. Why you chose to use an agency for it, and what you've learned from the process of working with an agency on social media projects.

TD: I guess, a couple of things to say up front, which is I'd only joined the team after the work on the Marmarati Campaign had just begun.

RH: Fair enough.

TD: So I wasn't part of the process by which the agency was picked. I'm delighted they were and We Are Social did a terrific job. But I wasn't the person who initially commissioned them to do the work.

So, you should just be aware of that. Just sort of give you some context about what I go on to say.

Having said that, I think there's a couple of reasons why We Are Social were a really excellent choice and why I would go back to an agency of that type if I was going to do a similar piece of work in the future. The first one is they are or at least they position themselves as experts in the social media world. And whilst I think it's perfectly possible because it's something we all use day-to-day now, to position your brand in the social media world without an agency, if you want to do something a bit bigger and a bit more imaginative, and a bit more thorough-going, then I think having a dedicated resource that's plugged into that world every day, and has all the experience and case studies of working with other clients to draw on, is really, really valuable. It's a territory we're all learning as we go. I don't think anyone really genuinely understands all the rules yet and all the things that work, and all the things that don't. So then I want to be able to draw on an agency with the expertise that helps you navigate what is potentially a bit of a mine field actually, I think is of real value.

That's the first thing. And the second thing is the Marmarati campaign wasn't a blog post, it wasn't a bit of work on a Facebook wall, it wasn't a conversation on Twitter, it started from a kind of creative conceit. And actually, the real brilliance of the Marmarati campaign was that first creative thought. Yes, it was executed really elegantly from that first creative thought, but the idea of a secret society to launch a product through social media, with an interface between the real and the online world, was kind of a big idea actually. And I don't think we would have got to that without working with kind of a creative, imaginative agency partner. So, like we always have done and why the FMCG industry always has done, they go to their agencies for creative brilliance, and I don't think social media actually is any different. People in that world are looking for exciting, interesting content. It's often content that they then want to package in their own way. So if I think about the bloggers that we worked with, they didn't want us to hand them a press release for them to work with, they wanted us to give them an experience they could go tell their friends and readers about. But ultimately, was still about a creative content piece. And I think, you know, there are lots and lots of agencies in the UK who are brilliant at doing that, that creative work. Just so happens We Are Social were brilliant at the creative and also experts in the social media space. So they made the perfect partner.

RH: Okay, great. In terms of the engagement with customers, do you feel that social media helps you to identify your, I guess your core customers, your strongest customers? Or do you feel it's a matter of just people coming to you? I don't know if I phrased that well.

TD: Can you just help me understand the question a bit?

RH: Yeah, sorry. Let me rephrase that. I didn't phrase it very well. Do you think that social media helps you identify your strongest customers for your brands? I mean, do you feel like the people who become fans through social media, who engage with you through social media, could be considered your core customers? Or are they just people who engage with you? You know, it's not necessarily the same people.

TD: So I think it's not necessarily the same people. It also depends what you mean by customer. So if you think about a brand like Marmite, our customer is the person who buys the product off the supermarket shelf – it's not necessarily the same person who eats it. It's not necessarily because they eat it, a person who really loves the brand and wants to experience the brand. There are a number of different layers actually to how you understand who it is you, or how you could understand who it is you're talking to. Having said that as a kind of introduction to the answer, I think my very limited experience of being in the social media space is actually you get a spectrum in the same way you do in the real world. Historically when brands have looked at who buys them or who engages with them, they look at light, medium, and heavy buyers. So those people who buy a little bit some of the time, quite a bit fairly often, and a hell of a lot all the time. And actually, I think in a funny sort of way people consume social media in a similar way to want a Marmite love page or 500,000 fans, you will have a few thousand of them who are on there every day posting on the wall, generating content, want to take everything we can possibly provide for them, all the way through to those people who put they like it and are sort of vaguely interested, but might only dip in once or twice a year.

And I think part of the challenge actually, in the same way it is when we looked to drive penetration or frequency, is to get those people at the bottom, who only want to engage on a fairly limited basis, to engage just a little bit more and add some richness to the community in the process.

RH: Thank you. That was an elegant way to respond to a fairly poorly phrased question, so thanks very much.

TD: I knew what you were driving at. It's quite difficult to unpick the language, actually.

It's quite important just to land the point that consumer, customer, brand advocate, more or less all those things are slightly different. Social media is definitely a place you can engage your brand advocates and loyalists, those people who are most devoted to Marmite or whichever brand it happens to be. You can definitely both access and activate in social media, but it's not the only place you can find them and it's also not true that it's only those type of people you find in the social media space. You get a complete spectrum in the same way you do when you advertise or promote your brand in any other channel.

RH: One of the things that you mentioned in your last answer was that you have a limited experience in social media. Would you mind maybe talking a little bit about your background, in terms of what you've been doing over the years? Because I've actually found that it's quite interesting looking at all the different paths people have taken to becoming involved in social media.

TD: Yeah, that's absolutely fine. So, graduated from university with a History degree in 2004, and joined Unilever immediately after university on their graduate scheme. Spent two years on the graduate scheme working in the frozen food and ice cream business. So, Birds Eye and Wall's, doing a range of different things, principally getting the experience I needed to become an account manager in the sales department. So, took my first management job with the company in 2006 selling ice cream for Somerfield and Co-Op. And then moved onto the Tesco account in 2007 to sell initially Marmite and Pot Noodle, and but then very quickly PG Tips and also Hellman's Mayonnaise, Colman's condiments and nuts bits. So, did that for a couple of years and then in October 2008 I had the opportunity to go and work on a project internally, which was, and this is going to sound slightly weird coming from somebody who spent five years working in sales, I went to work on a public health commission. So, to give you a bit of background, the Conservative party for the last election and before they released their manifesto, wrote a series of what they called Responsibility Deals, which were basically documents designed to outline how business and government could work together to tackle some of society's problems in a light regulatory, but heavily partnership-oriented environment.

TD: One of the issues they identified of wanting to tackle in that way was public health. In particular, diets, exercise, and alcohol. And they put together a commission of businesses, charities, trade associations, and academics to look at how business and government could tackle that problem, and asked the Unilever UK Chairman to chair the commission. He said he would do that on the basis that it was able to run completely independently of any party political involvement, which they said it could. So we went away, we tackled the issues associated with that, and I formed part of the secretariat that supported that process. There was a team of three or four of us who worked for nine months basically, until we wrote the final report in July 2009, to manage the commission, structure the debate, help them formulate their recommendations, and write and launch the report, which I finished in July last year. Then had a bit of follow up to that, had a holiday [LAUGHTER]. And then took up the post as marketing manager around about September time last year.

RH: Okay. So, that's quite interesting because you're really from a sales background.

TD: I'm a salesman basically, yeah.

I basically sell stuff. I always did sell stuff before I came into the marketing world.

RH: Right. That's quite interesting, you know, because people take quite different paths. I guess because it's such a new area that there's no established route, like there would be with, I don't know, being an investment banker or something.

So, I guess the next question would be since you've been working with Unilever, do you see that there's any specific challenges to marketing FMCG products through social media, as compared to other branded products?

TD: FMCG versus, for example, the car industry or –

RH: Yeah, cars or clothes, or, I don't know, software or whatever. You know, other types of consumer branded goods, I guess.

TD: I actually think the challenges are the same almost irrespective of what it is you're trying to take into the social media world. And ultimately, that really revolves around what

you're doing there. You have to ask yourself the question why are you there? I think there's a predisposition at the moment because it's the core new channel which allows you to have a conversation and dialogue with your consumers, rather than just push marketing messages at them, that everyone wants to get in.

Everyone wants to get in quickly and everyone wants to get in as a big new innovative way.

Actually, the first question is why are you there? And actually, I'm not convinced that all brands should immediately be heading in exactly that direction.

I think what people have started to do really smartly is carve out a niche for themselves. People like, I don't know, Dell for example, effectively do their customer service through social media, which is a really smart way for a technology manufacturer to use social media in a way that makes sense for their brand and makes sense for their consumers. A brand like Marmite, which is very emotional and has a really kind of strong pull on people's sense of wanting to engage, has a role, but in a very, very different way. It's about giving people regular contact with the brand and funny content, and a sense of being involved and having a sense of ownership, in a process of I guess what will long term be a sort of democratization of the brand.

I think there are lots of others that should actually think twice. Because unless you've got a reason for having a conversation, either the consumer wants it or you've got something very interesting to say that you think they're going to want to hear, it's probably not the best environment.

And I think that fundamental question applies, irrespective of the industry which you work. Having said that, I think it's easier for kind of trendy, cool, young brands to access than it is for kind of safe, traditional old-fashioned brands. If I think in my own portfolio, Bovril would be a tougher brief in the social media landscape than Marmite is.

Because I would argue why consumers are less predisposed to using that environment. And I think that the product has a lower engagement level than Marmite, anyway. I think you have a tougher job articulating exactly what it was you were doing in that environment and how you had a genuinely ongoing kind of 52 week, every year conversation with them. So I don't think the challenges are really different by industry, by brand. I think the key thing

that everyone has to think about it is why, why that channel in the same way you would think about, you know, why TV versus radio, versus press, versus, you know, direct mail.

RH: Yeah, so one of the things that's come up a lot in the research, and you kind of touched on it there, is that a lot of people seem to believe that if you aren't going to offer resources, especially in terms of just time to do social media right, you're almost better off not doing it. Is that kind of how you feel?

TD: Yeah. I mean, are you sort of saying that unless you can do it properly, don't do it all?

RH: Yeah, exactly.

TD: Yeah, I couldn't agree with that more. Unless you're going to be there all the time, willing to be involved, taking people's feedback and comments, responding to their questions, taking their ideas and sharing their ideas, building ideas with them, giving them some kind of reward, so bespoke content or behind the scenes access or early access, whatever it happens to be, unless you're prepared to do that and do it regularly, and in a big bold way, then I don't think you – I honestly don't think you should bother.

And I think part of the issue is the people's expectations and have been set by those brands that do it best. So in the same way, you might compare some of the great Volkswagen advertising of the past with some of the slipshod, crappy, I don't know, insurance claims after you've had an accident advertising to completely use the things that people would view in completely different ways. The social media world is just like that. Those brands that do it brilliantly make it harder for those brands that want to half-cocked to do it in any way that's credible. And what you find is, unless you're prepared to do it properly, people just feel a bit – I would argue people feel a bit disappointed and a bit let down.

RH: I guess especially if you have a Twitter feed set up and people send you messages and you don't respond, you just every week or so put up your marketing message and that's it.

TD: Well, I think the problem is it appears cynical. So, yeah, people invest in the social media world because it feels different to the rest of the kind of leviathan marketing and advertising world that's out there. That's an environment that people expect to be sold to in. You know, when people put on TV and an advert comes on, they know that's going to be

a relatively hard sell. It's a big push out of a campaign message designed to alter your behavior or at least attract your interest.

That's not why people go into a social media space. It's really not why they're there. They want to engage in a very different way with the brand. And unless you're prepared to go down to that level, which is kind of daily and intimate and a bit personal, and be part of an ongoing dialogue, then just don't do it. You know, your point about a kind of Twitter feed that just pushes out messages and never responds is kind of I would argue the cardinal sin of social media. It's going to leave people very cold, very disappointed, and actually, rather than just neutral, be actively counterproductive.

RH: Okay. I guess this leads on quite naturally to the next question which would be what kind of metrics do you use to measure success in social media? Or even just how do you measure success in using social media?

TD: With difficulty, I think is the honest answer. It's one of the areas of the social media landscape that's developing quite quickly. But it's still quite a long way off being genuinely useful. The single biggest issue is how do you come up with a calculation that allows you to understand return on your investment.

RH: Yeah, that's been really one of the central issues in the research, you know.

TD: Yeah, I don't believe there's a way at the moment. I've seen people try and present me a solution. I don't think anyone really knows how to do it, how you monetize effectively, without wishing to make it sound too cynical and big business, how you monetize the interactions you have in that environment and the value that people take out of them, it's I think virtually impossible with current techniques.

There are certainly things you can track. So, things like actual fan numbers would be one, or follower numbers would be one. You can track their engagement. So how frequently they become part of what it is you're trying to do. You can track things like your reach, which is good. And you can even track the kind of qualitative side of the messaging with things like word clouds, etc. So, there's lots of things you can do to get a strong sense of what's going on. But if you want to boil it down to kind of brass tacks and say right, what's that worth to

me and put a monetary value on it, or return on investment ratio on it, then I haven't seen anything that's convinced me that's possible at the moment.

And that's a big issue for the channel because with a tough economic climate and marketing budgets are I would argue still being squeezed, having a channel you're investing in, having a real sense of what you deliver on that back of it, is quite, you know, it's a slightly scary place to be as a marketer. I mean, it's the wrong thing to do, it just means it's a difficult one to justify sometimes.

RH: Okay, that's quite good, because that's definitely been one of the issues that's been recurring over and over. As I've been writing the first draft, that's one of the points I've made, that this is one of the areas where there's not really much of a consensus as yet - how you measure, what success counts as. So, thanks very much for that.

Okay, the next question I guess would be do you have any particular opinions of the different social media tools? Facebook, Twitter, blogs, etc. Do you have any particular favorites? Or just any opinions on the different tools that are available?

TD: So, I don't have opinions in the sense of good and bad. I think the view is really there's different ways to use them and they can play different roles in the context of a total social media offering. So I would talk in terms, for example, of Facebook providing a great environment to host your brand in that space, if you like. In my view, it can and has very successfully provided a hub. But it's almost like the center of a hub and spokes model. I think from there, spinning out into Twitter, blogs, YouTube channels, Flickr, whatever it happens to be, makes sense depending on what it is you want to do.

So, for the Marmarati campaign, engaging bloggers, who would in turn go out and engage their readership, made a hell of a lot sense for us. And the art was to provide an event for them or a catalyst for them to want to go and write about it. In that instance, blogs were absolutely brilliant and then the message was delivered with real credibility to a already engaged audience from an authoritative voice. If you want something that's a little bit more kind of tactical, quirky, down to Earth, everyday, then Twitter provides a brilliant option for you. If it's visual content, video content, then clearly Flickr and YouTube have a role. So I don't have a kind of strong view as to what's good and what's bad in the social media space. I think it's about understanding your objectives and the right way to bring those

objectives to life in that environment, and I think that they actually all have a role, they just have slightly different roles in the context of a social media strategy.

RH: Actually, I probably should have asked you this at the start, but how do you define social media? What's your personal definition of social media?

TD: So, that's a really good question. So, I would define it as that space online which is about conversation and opinion, and is typically unpaid for in its content. So it tends to be quite organic and free, and comes from a really democratic, open place. It's not a space that anybody overtly owns or can dictate to. And as a result, it's I would argue a very kind of democratic environment in which to operate. There are lots of examples of that. Some of the ones you already mentioned would be included. But I think those kind of words, and I appreciate that's a very jumbled answer, but those kind of words are quite important in differentiating it from a lot of the other channels that an organization like my own would typically use.

RH: Okay, great. I'll do another three questions and then leave it there. Do you use social media for any other purposes than marketing? Do you use social media for, say, customer service or market research, or anything else?

TD: Not really at the moment. I think there is a move towards actually starting to use it for research. I think the challenge in that context is how you do it in a controlled way. Typically, if you're sharing very new ideas, I would say public development in particular, it would be very brave to throw those out into an open source type environment. It doesn't mean you shouldn't do it or couldn't do it, it's just that raises some questions. The other thing is how do you best kind of recruit and reflect the people you want to talk to. Again, because it's a very open kind of public space, it raises some challenges for me about how you effectively kind of – How do you effectively capture your research group, if you like. So I think research, yes, definitely an option and something we've played around with, but has it challenges. I think kind of support/service offering is an interesting one.

And if you think about a brand like Slimfast, for example, which is in my portfolio, you can see a role for social media in providing a support coaching framework for those people who are on the diet plan. We've got our own forum at the moment on the Slimfast page, which proved quite successful. There's a question about whether that has a broader kind of footprint

on social media that's there to be exploited. So, again, I think options, but nothing we've pushed whole solely intended to be marketing daily conversation engagement with the brand. And in the case of Marmite XO, the kind of active involvement in product development.

RH: The last two questions are general questions. The first would be, just speaking broadly, what would you say are the main advantages and limitations of social media when it comes to customer/consumer engagement?

TD: Advantages and disadvantages. So, I think major advantages, it's an environment which they believe, and quite rightly so, that they share. So you're on a level playing field with the consumer, in my view, in a social media context, and that brings a very different quality to the engagement, which I think can be extraordinarily powerful and a really rich experience for both parties. So I think that's one major advantage. Disadvantage, if you're being kind of very hard-nosed about the way you approach your marketing. Social media is not an environment in which you can hard sell. Social media is not an environment in which you would log on and start talking to someone about the fact that Marmite's rich in B vitamins and therefore as a reason to believe, you should go out and purchase more of the product.

That's not – You know, that's acceptable to people on TV and actually, they quite like the way that's positioned on TV. I don't believe it would be well received in a social media environment that's about conversation, a sort of modesty and involvement with your fan base. So I think they're two very sort of stark examples. A spectrum is slightly more nuanced than that. But I think, you know, in a sense it's like most things in this world, a double-edged sword. Social media has huge benefits in terms of quality of the engagement and the type of what feels like a very personal, intimate relationship you can have with your consumer, but because of that, it's much more of a kind of friendly relationship than it is a I'm-going-to-sell-you-this relationship. So you have to be quite I think sophisticated in the way you plan your messaging and conversation, to make sure you're not overstepping the mark of what would be acceptable.

RH: Right, okay. So, the last question, and I'm conscious that you need to go, would be how confident do you feel in your ability to use social media for marketing purposes? Do you feel very confident? Or do you feel like you're still experimenting to see what works?

TD: I think that's a really good question. I think anyone who says they are extremely confident, has either missed the point or is trying to pull the wool over your eyes. I don't think it's an environment that we yet understand well enough to really genuinely honestly say we can get it right 100 percent of the time. We've been playing around with TV, radio, press, DM for donkey's years and you still see really, really bad examples of people trying to work marketing in those forums. Social media is so much newer than that, so much more nuanced than that, so much more kind of open and in some sense as challenging an environment, that I think you have to accept that sometimes you will get it wrong, even with the best intentions. And I think the critical thing is actually that you learn along the way. This is a big, this is a big experiment which everyone is involved in at the moment. And I think the reason everyone is looking so carefully at it and at each other is because we all appreciate we can learn quite a lot from the process and do things better as we go. So, to answer your question directly, am I confident we can do a good job in social media? Yes, I am. Am I confident we can do a better job than many of our competitors? Yes, I am. Am I extremely confident we will get it right all the time? Absolutely not, and I will be really naive to say that we were.

RH: Yeah, I think that's definitely one of the things that I've thought from the research. I mean, I've kind of come around to the opinion that there are no social media experts -

TD: No.

RH: You know, there's thousands of people who say they're social media experts, but -

TD: It doesn't exist.

There are people who have levels of expertise.

I don't believe the social media expert exists yet.

RH: I guess it's a Wild West scenario. You say, I'm a guru! Who is there to say that you aren't?

Appendix D: FMCG Brands and Social Media

This appendix is a compilation of interview quotes on the topic of what specific challenges face FMCG brands that are trying to use social media for consumer engagement purposes. Due to space considerations, this material could not be quoted directly in the main text, but since it is interesting and highly relevant to the main research question, it was felt important to include it in a separate section.

Dan Calladine (IsoBar): I suppose (the main challenge of marketing FMCG brands through social media) would be that it's kind of low involvement, one of the lowest. So you might love your car, really love a band, or really love a film. You wouldn't really love your toothpaste.

So, I suppose it would be that if you're expressing a feeling about something, you're not really gonna do it about a particular thing like that.

Lindsay Keith (Canvas Consulting): (To make FMCG's work in social media), I would say that you've gotta retain your brand's core values throughout the touch points. So, it very quickly could be eroded in FMCG because if your product is crap then everyone will tell each other about it.

Brand Manager (UK Soft Drinks Brand): I think you have to be responsible and considerate in what you do as (an FMCG) brand in social spaces, and the responsible nature of what we do in TV media, for example, is definitely carried on through social media. So, I can't speak for every other company, but I know when it comes to (us) we have a responsibility, and we have a certain code that we wouldn't break, whether it's in social media or TV, or press, or whatever it may be.

We want to stay kind of true to our values and honor them.

RH: Do you mean in terms of not marketing to kids and things like?

Absolutely. There are values that we have as a business that we just wouldn't abandon and the fact that we can access these new channels doesn't make a difference. I think you've got to make a stand for that business ethos and stick by it.

Simon Collister (We Are Social): I guess there is nothing specific to FMCG brands that does not apply to other brands ... People don't talk to brands, they talk to the people behind the brands. I guess with FMCG brands it has been a case of how do you sell furniture polish, how do you sell ice cream? You have to create this kind of emotional resonance that is associated with the brand and the challenge is that people tend not to want to talk about a brand in itself ...

People, with some exceptions, don't really get into a brand as a brand, they get into the brand values, so how do you talk about those values that make the brand. You need to create a persona that people engage with and you don't engage with a logo or a brand. You engage with people behind that. So, I guess smart brands don't want to stay as brands, will create ways of empowering their existing customers to take on those values themselves.

Senior Global Brand Manager (UK Whisky Brand): I would say that we're quite far behind on the curve, but I think that's quite symptomatic of the whisky industry as a whole. It's the light a hundred fires approach, so if you try something and if it works you can go in that direction. I think that's a reasonably safe approach to take.

RH: Why is the whisky industry behind the curve?

Ooh, that's a good question. I guess there's a few big players that have big above the line spend, whereas most whisky players won't have that.

What is interesting is that some of the smaller whisky brands, with the smaller budgets, have done more in social media than the big brands with the big budgets.

Dave Chaffey (Smart Insights): The opportunities of social are more obvious for transactional sites such as retailers who can use social to distribute offers such as discounts virally via social. So I think this shows the need for FMCG to work with individual retailers on joint promotions - which happens already, of course. The other big problem is how do you engage in low engagement products?

Wade Eagar (Nutricia): I think it's very difficult to build a community for FMCG.

Why the hell would you join a water community? Seriously ... I can't see any real value in me joining Coca Cola's community. Unless there were freebies for me and all of those things, but again, that is marketing.

There's no real way for me to engage with the company to say "What's the calories in Coke?"

Well, you can pick up the back of the can to read that!

You know what I mean, so there's no real way to engage: "Oh, you're a Coke fan|? I'm a Coke Fan! Let's be friends."

So in FMCG I say fair play to people who give it a go, but you've got to have something of common interest. Companies like Adidas, they've got a beautiful forum and a beautiful community. Why? Because they're runners. "Oh, we can swap running stories," Adidas sits in the background. They're not talking about shoes. They're talking about, "Oh, I ran 10k. Oh, I'm about to do this fun run, and all of that." So running is the actual community - sponsored by Adidas.

Richard Acton (Cadbury): Cadbury's fortunate enough to have some brands that people are naturally going to say that they like, and want to become a fan of, like Green & Black's or the Cadbury gorilla. And I can imagine it's much harder if you're trying to market a detergent, or an everyday product that people just use, but that they are not necessarily gonna want to like. So, the challenge for us is that we want to be online. We want to be in a space for those consumers to grow active. We want to talk to who's there. But, we also need to ensure that the content that we're putting out is of use to as broad an audience as possible ...

(One thing that happens is that) you can have your Facebook page be hijacked by an organization or just a group of like-minded individuals who want to prove their point, and they will want to say it publically, and they do it on your Facebook page. Then the press see it.

(The person complaining) know that the brand is gonna see it and take notes, and, well, in theory, they should get a good answer straight from the horse's mouth, not just be fobbed

off with whatever company line they want to use to address a certain issue without actually addressing the issue. If you get someone talking to you on Facebook like that and making a big deal about it, then you've got to know what to do. That's why we've got all those processes in place – it happened to us. Not in the UK, but in Australia.

And, the Australian company, Dairy Milk, changed their product size, but they kept the package size the same, and they kept the price the same. So, soon people realized they were getting less chocolate for the same price ... That kind of annoyed people, and then when they found, around the same time, that the recipe had changed to increase the amount of palm oil and decrease the amount of cocoa solids. And that pissed people off even more. And then we had consumers actively talking to us on Twitter, on Facebook, through our websites, and the press was picking up on it.

And, but the business was very quick to respond – I don't think they changed the packaging sizes, but certainly they did a u-turn on the palm oil, because they saw almost instantly that sales were dropping 50%.

It was a significant percentage over a couple of weeks, so a business decision was made to u-turn on the recipe. I think they may have kept the packaging size the same. But then they addressed all of those issues back through social media channels, so there's a lot of videos with our CEO and others, and we did Q & A sessions with consumers on Twitter and on Facebook, and put all those questions to a panel of people in the business, and then said here's the FAQs, basically, straight from the people in the business making the decisions.

Andrew Nadin (APN Consulting, formerly Head of Brand at Ryvita): I think (the challenge for) an FMCG Brand working with social media is, first of all, that it's quite new ... I think for the bigger organisations, the corporates, social media is one of the unanswered questions that no-one's doing particularly well yet. Kelloggs are having a go at it, others are having a go at it, but with Ryvita, we sort of looked at it and went, well, we don't really know what to do with it. We've already got a big brand, and 95% of people on the street know of the brand.

So we started thinking, well what role is social media going to play? And that really is the key question, and what we brought it down to was that we need to talk to those people who are already in the brand, trying to get them involved in the brand more, to love the brand,

in a more kind of emotional way rather than it being just a functional – if I eat that I'll lose weight and when I've lost the weight I don't want to eat it anymore because I don't like it ...

I think as opposed to other brands the FMCG sector is dominated by two clients, one is branded and one isn't branded. And the only thing that branded products offer over unbranded like own label, is emotional connection. And therefore not having a social media strategy is planning to fail really. You must have one.

Tom Denyard (Unilever): I actually think the challenges are the same almost irrespective of what it is you're trying to take into the social media world. And ultimately, that really revolves around what you're doing there. You have to ask yourself the question why are you there? I think there's a predisposition at the moment to ignore that because it's the core new channel which allows you to have a conversation and dialogue with your consumers, rather than just push marketing messages at them.

Everyone wants to get in quickly and everyone wants to get in as a big new innovative way.

Actually, the first question is why are you there? And I'm not convinced that all brands should immediately be heading in exactly that direction ... A brand like Marmite, which is very emotional and has a really strong pull on people's sense of wanting to engage, has a role. It's about giving people regular contact with the brand and funny content, and a sense of being involved and having a sense of ownership, in a process of I guess what will long term be a sort of democratization of the brand.

I think there are lots of others that should actually think twice. Because unless you've got a reason for having a conversation, either the consumer wants it or you've got something very interesting to say that you think they're going to want to hear, it's probably not the best environment.

And I think that fundamental question applies, irrespective of the industry which you work. Having said that, I think it's easier for kind of trendy, cool, young brands to access than it is for kind of safe, traditional old-fashioned brands. If I think in my own portfolio, Bovril would be a tougher brief in the social media landscape than Marmite is.

Appendix E: Using Social Media to Research Products

This is not FMCG-related, but is an example of how the author used social media (in this case, Facebook) to research product information. The question was about Serato, a digital dj system.



Randall Helms so, Serato, any good?

11 September at 15:34 · Comment · Like



Chris Skelp Yup :-)

11 September at 15:44 · Like



Ian Jay Better than final scratch if your going for a digital DJ setup. I tried to play out twice at the Fridge using it and it failed both times.

Seen Skelp rock Serato in 414's so he's the man to listen too.

11 September at 15:46 · Like



Randall Helms I was thinking of getting it for my 30th birthday (although I should probably get something practical, really) - worth it? also, how similar is the feel to vinyl? I downloaded Traktor and didn't really like it - having a machine beatmix for you kind of kills the fun

11 September at 15:50 · Like



Chris Skelp It can be set to 'Absolute' mode which means it's exactly like vinyl, where the position of the needle on the control record matches exactly where the tune is playing. That's how I used it for the first while, but now I use it in 'Relative' mode so that I can use loops and cue points.

There is no auto beatmatching on Serato. It's perfect for someone who has been playing vinyl for years to start digital djing IMO. I prefer the way it looks and feels to Traktor as well - the colour-coded waveform makes reading the tune like you do with vinyl much much easier.

11 September at 16:00 · Like



Randall Helms what about the laptop? I have a netbook with a pretty small screen - do you think it would be too small to fit everything on it? since that's one thing I noticed with Traktor, that the program didn't really fit on to the screen very well

11 September at 16:05 · Like



Chris Skelp I use a macbook with a 13" screen and I wouldn't want to use anything much smaller, although compared to Traktor the screen is much cleaner and less cluttered.

11 September at 16:09 · Like



Randall Helms thanks. my screen is definitely smaller than that - it might be as small as 10" - do you reckon that's too small? I wouldn't want to have to buy a new laptop as well! also, do you have any idea if there are demo versions of Serato to download?

thanks for answering my questions, Chris!

11 September at 16:12 · Like



Chris Skelp If you go to the Serato website you can download the full program for free - it will only allow you to play two tracks together if you plug in the SL soundcard - it looks slightly different in this mode than it does in live mode but you can at least see library layout.

You could probably manage on a 10" screen, but it might be a bit cramped!

11 September at 16:15 · Like



Randall Helms yeah, that's what I was guessing

what's the SL soundcard? is that something you have to buy as well?

11 September at 16:23 · Like



Chris Skelp The soundcard is what makes the whole thing work - the current version is the SL3, I have the SL1. It sits between the decks, the mixer and the laptop. That's what your money buys, and then you get free software updates for life.

11 September at 16:27 · Like



Randall Helms OK, thanks. I take it that it plugs into the headphone/mic jacks simultaneously? Sounds simple enough!

11 September at 16:34 · Like



Chris Skelp Your decks plug into the inputs of the soundcard, and the outputs of the soundcard go to your phono AND line-ins on your mixer, allowing you to play both vinyl and mp3s/wavs. There is also a USB connection from the soundcard into your laptop for obvious reasons!

11 September at 17:04 · Like



Randall Helms sounds pretty good actually! think I'll download the prog and see what it looks like on my screen

11 September at 17:13 · Like



John Faulds FWIW you don't have to let traktor do the beat matching for you; just ignore the sync button (although it will help if you have a midi controller with jog wheels).

11 September at 21:51 · Like

Write a comment...

Appendix F: A Great Example of What Not to Do with Social Media

As part of the research process, a blog was established at www.randallhelms.com to discuss social media issues and to assist the development of ideas for the dissertation. In the end it was abandoned, since it proved impossible to research and write the dissertation whilst also creating blog content, but along the way a number of posts were published, including the one reproduced here, which discusses a failed social media campaign by Dr. Pepper. To see the original post, please visit <http://bit.ly/greatexample>.

Having discussed the brilliant Old Spice campaign a few days ago⁶⁷, it's worth mentioning now a social media screw-up of epic proportions, as discussed in this story from *The Guardian*⁶⁸:

The Coca-Cola company has pulled an internet promotion campaign, after parents accused it of targeting children by using references to a notorious pornographic movie.

The company had been running a promotion for its Dr Pepper brand, in which users allowed their Facebook status box to be taken over by the company.

As part of the promotion, supposedly embarrassing messages would be posted under the user's name, which could be seen by friends entitled to view their Facebook profile.

But the promotion backfired when a parent protested after finding that the profile of her 14-year-old daughter had been updated with a message that made direct reference to a hardcore pornographic film.

According to the original post on Mumsnet, the reference was to "2 Girls 1 Cup", a (very) extreme scat porn film that birthed a brief craze last year of YouTube users filming their disgusted reactions to it. To be honest, I've not seen the clip in question, but having read

⁶⁷ See <http://bit.ly/quickword> for a very short post on the Old Spice campaign

⁶⁸ Dodd (2010)

the description of it on the Mumsnet post, it simply beggars belief that anyone working on a campaign for a mainstream consumer product like Dr Pepper would think it a good idea to reference something so nasty in a marketing campaign.

Actually, even more than that, this is a management failure, because it is simply incredible that this idea wasn't filtered out before it actually reached the consumer. Sure, sure, I know that we live in an era where being 'edgy' is everything, where any product aimed at young people (even one as benign as a sugary carbonated soft drink) has to have some kind of (false) edge or grit or danger associated with it, but this is just stupid, and should have been axed long before it was put into the public domain.

Since I am obviously not privy to the internal workings of Dr Pepper's marketing department, I'm going to have to speculate as to what happened in this situation, but I would guess that this was a failure of oversight, presumably firstly on the part of the agency responsible, and then secondly at Coca Cola. It's possible that this slipped through because the overall campaign was seen as being 'only aimed at social media', and therefore less important, and so able to be less stringently assessed than a traditional media campaign. Unfortunately, making mistakes in social media can have immediate and deleterious effects on brands, whether corporate or personal, as 'Dr' Gillian McKeith discovered to her chargin last week after some ill-advised tweets.

I am generally a believer in people being given responsibility for their work without too much managerial interference, but this is an excellent example of the risks run by such an approach. Even if management is adopting a hands-off approach to creative work, you still need to maintain some kind of watchful eye over the content created in order to make sure that it is appropriate for what you are doing.

If the Old Spice campaign is an excellent example of how to use social media, then this is the opposite, illustrating as it does a worrying lack of understanding for what is appropriate content for a social media campaign.