ADDING VALUE IN BUSINESS BY UTILIZING SOCIAL MEDIA

By

Kelly Meinema
Certified General Accountant, 2007
Certified Fraud Examiner, 2009
Association of Certified Chartered Accountants, 2010
Bachelor of General Studies, Athabasca University, 2006

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Approval

Name: **Kelly Meinema**

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Supervisory Committee:

_____

Assistant Professor – Daniela Blettner
Senior Supervisor

_____

Associate Professor – Colleen Collins
Second Reader

Date Approved: _____

Abstract

Development of an approach that considers country specific data (Canada, The United States, Brazil, and Mexico – "The Americas"), cultural norms, and other criteria to assist businesses' in executing a marketing strategy utilizing social media. Social media provides a significant opportunity to enhance current growth initiatives.

The intention will be to utilize social media with clients, but also to exploit it to become the business' greatest form of connection to new and existing customers. Questions such as: Can social media be effectively used as a sales channel? What approach should be used in each country? Are competitors utilizing social media? Are there best practice uses of social media? Can success be measured? Can the best social media platform be predicted given certain criteria?

Organizations must utilize a focused social media strategy that considers the specific objectives, the cultural norms, and the popularity of each social media platform in each country.

Keywords: social media; the Americas (Brazil, Canada, Mexico, and the United States); strategy; platforms; Facebook; YouTube; LinkedIn; Twitter; Google +, Pinterest; Internet

Executive Summary

The organization has set forth to enhance their sales and growth strategies in the Americas by utilizing social media. This project answered questions such as: Can we effectively use social media as a sales channel? Should we have a different approach in different countries or different customer segments? Can we develop a sustainable competitive advantage? What are the best practices of social media marketing? What are their competitors doing? And ultimately, how should we measure the success of the project? Can we predict the best platform to use given specific criteria?

To sufficiently answer these questions items such as best practices of social media usage for Business-to-Businesses, as well as Business-to-Consumer needed to be considered. Research identifying which platforms would or could be best used to achieve sales growth. It was important to gain a clear understanding of the organization's customers and segmentation within their industry. Obtaining this information in such a highly competitive environment was a challenge. Assumptions were required because of the lack of specificity in customer demands. A significant portion of this project became researching what key competitors were accomplishing with social media, as well as general statistical penetration rates of technology in the Americas. This enabled the quantification of the viability in each country. Furthermore, the utilization of the CAGE (Cultural, Administrative, Geographic, and Economic factors) framework allowed for the collection of qualitative and quantitative components.[1] Items outside the boundaries of this project included: search engines optimization or Internet applications, vendor and other non customer facing relationships, social media platforms for internal communications to the organizations. Inbounds, were items such as all social media platforms utilized in the current year, country specific data for the Americas, and customer interests in regards to value added services.

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[1] The framework was developed by Pankaj Ghemawat, a professor at the IESE Business School in Barcelona, Spain

USING THE "CAGE" (Cultural, Administrative, Geographic, and Economic) FRAMEWORK

The "CAGE" framework is useful when developing international strategies or when organizations are determining trade configurations, information or people flow, among other strategies. It allows managers to assess distance and to identify differences between and throughout countries. In addition, it can be used to compare markets from the perspective of one organization.

The cultural concept allows for the evaluation of differing values and norms. Cultural issues to consider were items such as the: official languages of each country; could social media marketing be adapted to the multiple languages? In addition, it was important to determine if business in each country could be conducted via non-traditional routes – electronic format. Residents of each country conduct business in very different forms from each other and the level of trust with conducting business electronically differs dramatically. All social media platforms can easily be transmitted into different languages. There is a lack of trust with regards to electronic information in Brazil, and Mexico, which mostly correlates with the relatively new concept conducting business over the Internet.

From an administration point of view, it was important to determine if there were specific regulations governing social media marketing. Moreover, the establishment and determination of the necessary resources required to effectively deploy, monitor, evaluate, and review the organizations' strategy was required to ascertain if a social media campaign could be successful. It was essential to determine the level of information to provide and the timing of the release of the information. Fundamentally, it was critical to understand the organizations' customers and the type of information they were seeking. Also, it was necessary to appraise each country with regards to the political instability and corruption; or whether there was a "home" bias as compared to a foreign organization and if each country were a member of certain trade organizations. Canada, the United States, and Mexico all form part of the North American Free Trade agreement. This should allow for better reach across these three countries. There are many regulations in the United States and Canada relating specifically to conducting business electronically; privacy laws, and consumer protection acts. Regulations such as: PIPEDA (Personal Information Protection and Electronic Documents Act) or Anti -spam legislation, privacy settings within social media platforms, Internet surveillance legislation, or Cookies used

to track the habits of customers have existed for years in the United States and in Canada. In Brazil and Mexico these regulations are just beginning to emerge, be reviewed and implemented.

The geographic component of the framework assisted in the evaluation of the level of sophistication with regards to the advancement of technology in each of the countries and even the availability of the technology – especially in extreme rural areas. The Americas (with the exception of Mexico) are each in excess of eight and a half million kilometers squared. The question remained was there sufficient technology and infrastructure to reach the majority of the organizations' customers? Moreover, was the technology and connections available, sufficient to launch a marketing campaign via social media platforms? In the United States seventy-eight percent of the population has access to the Internet and eighty percent of those people use some form of social media (the numbers for Canada are somewhat similar 83% have access to the Internet, and 70% of those utilize social media). (Miniwatts Marketing Group, 2012) (Reed, 2009) (Lewis, 2009) In Mexico, and Brazil the percentage of population who has access to the Internet drop dramatically (37%, 46% consecutively). Of those in Mexico and Brazil who have access 65% and 86% use some form of social media. (European Travel Commission, 2012) (Social Media Today, 2012) The organization's revenue streams are significantly to other organizations rather than directly to the consumer. This presents a significant opportunity in emerging markets; as it has become an important element of both countries' governments to develop the infrastructure required to reach more of their population, which in turn will increase the organization's ability to reach their customer. (Appendix A)

With regards to the economic distance, two of the four countries are in a highly sophisticated, highly "linked" area with high per capita incomes (USA and Canada) whereas Brazil and Mexico are substantially the opposite. In addition, the cost and quality of information, resources, and infrastructure are considerably more advanced in the United States and in Canada, as compared to Brazil or Mexico. Economically, if the organization deployed a strategy based on social media, could this launch them past their competitors or into new markets? This required benchmarking against current competitors and best practice uses of social media. Developed countries have significantly high smart phone and mobile broadband penetration rates. They are significantly saturated with individuals and businesses' utilizing social media in various ways to conduct business. The developing countries have low mobile and smart phone penetration rates; therefore this presents the greatest opportunity to utilize social media for rapid dissemination into their markets. The strategy to utilize social media to add value will be significantly different in each - emerged markets and emerging markets. In developed countries, customers will be looking

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for information that sets the organization apart from all other businesses using social media. In developing countries, using social media to conduct business is a relatively new concept therefore customers will have fewer expectations. The challenge in emerging markets will be shifting the mindset of the consumers and organizations that business relationships can be developed and conducted electronically.

THE INDUSTRY

The electric power industry delivers everything required to produce and deliver electric energy, (typically referred to as power, or electricity) usually through a "grid" connection. There is a strong emphasis by governments worldwide on saving energy to reduce costs and increase reliability. Market players have seen higher returns with innovation and concentration on niche products. In addition, more successful organizations are those that are integrated solution and service providers.

From a structural analysis viewpoint, the industry requires significant investments in infrastructure and research and development. It therefore makes the industry less attractive to new entrants. In addition, the industry requires significant amounts of knowledge and experience making it less desirable to new competitors. The product requires significant amounts of commodity-driven inputs. Implications of this result in limited supply and an overall increase in the risk of successfully producing product in a timely manner (if supply becomes limited) or efficiently (if the price of raw materials is driven upwards due to demand). The bargaining power of suppliers is high for these very reasons. The industry tends to focus on short-term profit objectives. This being the case innovation and product development may suffer while providing higher margins in the long run.

Competition is through modernization, product leadership and solutions to clients. The industry is trending towards energy efficient products, sustainability ("green" energy), and directives to save energy. The industry has a fast growth rate but staying current is a significant risk (technology risk). There is a strong and varied customer base (it could range from end users to large multinationals to government organizations). Moreover, the product is high in demand – for the most part seen as a "necessity" in most of the world.

THE ORGANIZATION

The organization is a global specialist in energy management with operations in more than one hundred countries. They are publicly owned and are listed on numerous stock exchanges. Greater than twenty five percent of their sales is realized in the Americas. Sales

growth over the last three years exceeds forty-four percent. The foundation of the organization's growth strategy is managing energy challenges and understanding how they can address it.

The company has strong pricing power in one of its major product lines – this places them in a leadership position in this market (their market share is twice that of the immediate follower). Furthermore, they have an unmatched distribution network, allowing them to build and acquire a competitive advantage because of the time-consuming and expensive nature to develop these relationships.

Due to the commodity driven pressures faced by the organization, the company seeks alternative product, methods and suppliers regularly. Moreover, the organization began a path of vertical and horizontal integration more than ten years ago. They have accomplished this mainly through mergers or direct acquisitions. The integration allows them to reduce costs through the sharing of common assets and resources, volume purchases, economies of scope and also leveraging the core teams' knowledge.

Globally, the company sells through four categories of customers – distributors, specifiors, strategic accounts, and the contractor segment. Each group requires a different strategy for marketing. Some of these groups sell to the end user, while others sell to other businesses. Resellers within Canada and the United States are major home improvement stores. Most of these customers have a significant presence on social media in order to attract their customers. The contractor segment uses the organization's product to satisfy their customer, and generally have very little presence in social media. Each of these groups is a significant portion of the organization's customers' base in Canada, Mexico, and the United States. In Brazil, the customer base relates directly to the Information Technology sector. In new, growing economies (and in potential new clients), there is a need to increase the organizations' presence and offerings. In this sense, the use of social media as a tool to support new business should be considered as an approach.

The organization ranked the following objectives of the social media strategy in each country:

Customer Retention/Loyalty	Most Important in all Countries
Customer Acquisition	2nd Most Important in all Countries
Engagement	3rd Most Important in Canada and the USA
	Average Importance in Brazil and Mexico
Thought Leadership	3rd Most Important in Brazil, and Mexico
	Less Important in Canada and the USA
Brand Awareness	Least Important in all countries

THE ORGANIZATIONS CURRENT USE OF SOCIAL MEDIA

The organization has presence on all five major social media platforms (Facebook, LinkedIn, Twitter, YouTube, and Google +). They broadcast company news, corporate events, calculation tools, industry related news, and corporate videos. Their presence in social media is weak as compared to their competitors. They have significantly less followers on Twitter, or less "likes" on Facebook. Other social media channels, fail in comparison to the organization's competitors and to other businesses that are using social media as an approach to marketing.

Facebook is primarily region or branch specific, while Google + is used as the company's headquarter news platform (i.e. annual reports). Facebook is the only channel where all four countries have a presence but it is mostly used as an employee related conversation channel.

Twitter is used as the platform to release information that is current and ongoing. The organization tends to use it as an "information dissemination" platform. The company developed their own YouTube channel, and tends to develop videos that will assist their customers with setup or technical related issues with their product. LinkedIn has more than one hundred related groups however the interaction is minimal, and for the most part only includes individuals employed by the organization. The organization posts more frequently on Facebook and Twitter as compared to the other top five platforms.

Currently, the company has developed many applications that relate directly to white papers, and a user friendly version of their website for mobile devices. In addition, the organization has recently entered the Pinterest platform. They use this platform mainly for

customers seeking technical advice or further information on products. Pinterest is the emerging platform to use with images, videos, news stories and even local searches. It has strong growth rates and data reveals that it may be the next platform for businesses to use regularly. In this sense, the organization is ahead of their competitors.

BEST PRACTICES OF SOCIAL MEDIA USAGE: COMPETITORS

Some of the organization's competitors are present on all of the top five platforms. In most cases the competitors outperform the organization with regards to social media marketing. The competitors are large in nature, however unlike the organization, the competitors tend to focus their social media marketing on one segment or product line. In addition, they tend to emphasize their social media marketing towards their end user segments. Presumably because of the personal nature of social media, and not directed towards connecting businesses or groups.

One competitor (Company X) developed a ground breaking website which brings their products to life. Most importantly, it allows their customers to interact with them through various channels and at the same time promoting new products and services. It even allows customers to upload pictures, and videos to display how Company X's product is performing. It allows conversations between customers, and links directly to a customer service agent if assistance is required. Company X's representatives regularly provide feedback and interact with the individual or group. This same organization has developed an online service for its retailers. It allows the retailers to print catalogues, brochures, technical papers and other literature with the retailer's logo. The online service allows the retailers to completely customize their literature so that it best serves their needs. In addition, Company X has developed technical training courses that can be downloaded to a mobile device, a Mac operating system or even a desktop. This service accommodates the company's technical advisors, sales agents and even their end users.

A second competitor (Company Y) links all of their customized websites, and learning tools directly to their social media sites. They are very interactive on YouTube, where they showcase learning techniques geared towards their network on how to install, repair and maintain their product. In addition, they have developed an application that provides fun facts to their customers regarding "Green" energy, conservation and sustainability. From this application you can link directly to any of the company's social media platforms where it is possible to connect directly with someone (virtually) from the organization that is monitoring each site for posts, comments and interactions during extended business hours. Company Y has a closed group on LinkedIn that discusses topics of key importance to the industry. Further, the competitor posts

many articles, scholarly articles, and other entrepreneurs' blogs on Google +, which encourages collaboration and nurtures new ideas for products and services relating to energy management.

A third competitor has developed an application that allows end users of their product to upload a picture of a room or a setting to one of the company's social platforms which in turn connects to another program that determines the best use of lighting and energy in that room. A second application provided via social media utilizes smart phone technology and users to an energy manager application; it allows users to determine where the next "eco friendly" business is. For example where the next refueling station may be for electric vehicles.

Smaller competitors use social media but to a lesser extent. It is difficult to find a competitor that has not created an Apple® application, mainly for the purposes of technical information, white papers, or order status updates (research found 1). Many of the competitors use Twitter for updates on media news releases, or public releases of information (annual reports, quarterly filings, major contracts awarded) regarding the company. Interesting is one competitor's development of an internal global collaboration tool designed to link all the social media platforms together. In this regard, an internal agent to the organization signs up to be a member on one social platform, and the network then creates user accounts for that individual and links the individual to the internal global group, across all of the company's social platforms.

The common denominator among all competitors as compared to the organization is complete integration of all popular social media platforms. In addition, providing end users with interesting ideas and concepts that are easy to use and navigate but above all allowing interactions amongst common stakeholders (i.e. employees globally interacting and sharing innovative ideas or customers networking globally and sharing technical guidelines and advice).

BEST PRACTICES OF SOCIAL MEDIA USAGE: B2C & B2B EXAMPLES

Social media marketing is relatively new in comparison to other forms of marketing campaigns. There are some exceptional examples on how to best use social media to promote products to end users and intermediaries.

The Clorox® team established a promotion to raise their research and development, virtually. This empowered brainstorming with customers and suppliers. A representative query published:

> "We're working on X product idea. What features would you like to see
> included? To encourage participation, Clorox® uses incentives borrowed
> from gaming. For example, people who post answers or add rating comments

are awarded points. The site features   different levels of difficulty and

contributors who demonstrate expertise can advance to problems requiring

greater creativity, knowledge, and involvement. The sharpest contributors gain

visibility, making participation rewarding. One early success came after

Clorox® posted a question about a specific compound for its salad dressings.

Five   responses quickly came in. The company decided on a solution within

a day and brought the problem solver into the product development process."

(Wilson, Guinan, Parise, & Weinberg, 2011, p. 1)

Consider Ford ®'s 2009 "Fiesta Movement" campaign, used to prepare for the car's re-establishment into the United States. It required coordinated efforts among marketing, communications, and the executives. Ford® provided one hundred Fiestas (for six months) to individuals who had a high following base. They used social media to discuss their experiences with the cars in an authentic, direct way. To further reduce uncertainty, they required the individuals create content on themed "exercises" (for example, volunteerism) and designed a schedule for postings. Within six months the drivers had posted more than sixty thousand items, which gained millions of clicks, including more than four million YouTube views. The five million dollar campaign created a prelaunch awareness rate of thirty seven percent, generated fifty thousand sales leads to new customers, and prompted thirty-five thousand test-drives. This level of results are what might be expected from a traditional campaign costing significantly more. (Wilson, Guinan, Parise, & Weinberg, 2011, p. 1)

SAP®'s systems partners are engaged in their social communities, sharing best practices with customers. This creates more meaningful solutions that do not come from the product engineer. They are on LinkedIn, Facebook, Twitter and YouTube, among others. SAP® has branded sites, like SAP® on Facebook, or their brand-level Twitter accounts that they manage. They are pushing information into the pages that they think will be interesting or valuable to customers and partners. They are watching and listening to what their fans, followers or members are posting. They respond, as a first-level customer service function. They review the posts for any trends that are developing around a certain topic or product. SAP® is moving from a push model to a pull model in marketing, which means being there, when their customers are ready to engage. It doesn't matter where in the world the customer is – they can conduct research on different products or solutions, in the format they want, and when they want it. (Kiron, 2012, p. 1)

UPS®, was launching a new ad campaign to foster its credentials with small businesses. They did this by leveraging social media networking power. They used a multi-media ad

campaign, with an emphasis on digital and social channels. They created a new website which was designed to facilitate sharing content. Customers or clients are referred to the new official Facebook and Twitter pages, where a variety of media and case studies will compliment the business-to-business discussion. This is a significant change from the previous Facebook page, which was primarily a complaint medium. The key to their online success lies in their ability to make it a channel for discussing business-changing possibilities instead of logistic failures. This campaign is intriguing because of is its focus on business-to-business communications. (Skepys, 2010)

The final organization utilizing social media to a great extent and has been very successful with the campaigns, is Kinaxis. In their blogging and use of social media, Kinaxis does not emphasize themselves. One of their key strategies is to collect industry content for customers and potential customers–making it easier for them to find important information in one location. They also use humour to engage their customers. They are a supply chain company and their corporate culture exudes humour. They understand that it can help them be more "human" as a company, and that can lead to business down the road. KinAxis has used famous individuals to star in YouTube videos that links their company's strategy to humour, which in turn connects them with their customers. (KinAxis, 2012)

The common denominator amongst best practice organizations is their willingness to engage their customers and above all interact with them. They provide interesting and thought provoking ideas or concepts to ensure their campaign will "reach" beyond traditional marketing promotions. The customers then have the ability to connect and network. Moreover, each organization listened to what their customers' were saying (positive or negative) and encouraged the interaction. They did this in a way that was timely, especially for negative feedback. They followed up on conversations ensuring that other users would see the organization corresponding. Additionally, the organizations' made it easy for their customers to find them by being present on all of the major platforms, and by linking these platforms together (buttons on each site allows users to maneuver between the platforms effortlessly).

GENERAL SOCIAL MEDIA INFORMATION

Computer penetration in Canada and the United States exceeds eighty percent in both countries, while in Brazil and Mexico penetration rates drop below twenty five percent. (Appendix B) Of the Internet users in each country greater than fifty five percent of them visit social media sites at least daily, via computers. (Appendix C)

Smart phone penetration rates in each country are low (less than forty-five percent). (Appendix B) However, of those users using smart phones greater than fifty percent in all countries visit social media sites. (Appendix D)

The top five social networking countries, ranked by growth (change in number of users) in 2012 are: 1. India: +51.7%, 2. Indonesia: +51.6%, 3. China: +19.9%, 4. Mexico: +17.9%, 5. Brazil: +14.4%. (European Travel Commission, 2012)

The top social media sites in 2012, include: Facebook (>1B users globally) (Miniwatts Marketing Group, 2012), YouTube (>800M users globally) (Youtube), Twitter (>500M users globally) (Koetsier, 2012), Google + (>400M users globally) (Wikipedia), and Linked In (>175M users globally). (LinkedIn, 2012) These top five have remained consistently the same since 2011.

Social media outlets such as Twitter and Facebook are popular platforms employed to gain users. To gain credibility an organization should use LinkedIn or YouTube. Another commonly used platform to achieve credibility would be Google +. In addition, it is important to recognize that Pinterest is gaining in popularity everyday; whereas months ago it was relatively new and under utilized. Business-to-consumer organizations currently focus on Facebook while business-to-business firms tend to utilize Facebook, LinkedIn, and Twitter. (Appendix E).

SOCIAL MEDIA IN THE AMERICAS

In regards to the number of users (business or individuals), Facebook is the top platform for all four countries.

In the United States and Canada, the top platforms for business use are LinkedIn (79%) or YouTube (73%). (Stelzener, 2012)

In Mexico, the top platforms by major proportions (for use by businesses) are Facebook (92%) and Twitter (86%). (Jaurez, 2012)

In Brazil, Facebook (94%) is the most used social media platform, followed by Orkut (75%) and Twitter (73%) by businesses. (Interconectada Comunicacao, 2012) Of particular interest in Brazil is that the platform holding the second most significant user base is Orkut. This is an important point to consider when developing the strategy for Brazil.

As reported by Stelzener in 2012, the top two benefits of social media marketing are increasing exposure and increasing traffic. (Appendix F) Business-to-Consumer organizations tend to focus on Facebook, while business-to-business organizations, in addition to using Facebook, also use LinkedIn and Twitter. Business-to-Business marketers use an average of five

social media sites too distribute content. Most commonly the platforms used are Facebook, Twitter, LinkedIn, YouTube, and Google +. LinkedIn has bumped Twitter out of the top spot as the site Business-to-Business marketers use most to distribute content.

MEASURING THE EFFECTIVENESS OF SOCIAL MEDIA

Obtaining accurate metrics and a specific output to determine the success of a social media campaign is complex. There are many measurements and tactics that organizations are using. Given the fact that truly isolating the cause and effect relationship of a social media campaign is unclear. It is imprecise to use just one measurement tool. To assign a monetary value to a follower, a like, a view, a mention, a re-tweet, is inexact. Considering this, companies have begun to develop individual approaches, metrics and dimensions in order to establish the campaigns achievements. The following are the most common approaches found.

It is essential to find the correct metrics to determine the success or failure of the social media campaign.. This can be accomplished firstly by investigating the historical information. A very general analysis of the historical data (current customers vs. new customers, as an example) will provide clear metrics for the organization to use going forward (How many customers did we gain? Can we verify they first refer to the social media campaign?). Another example of this could be establishing the correlation between social media engagement with brand preference and/or sales. It is meaningful to benchmark against other organizations that are utilizing social media for the same reasons you are. For instance, if you are an airline organization competing against other airlines who are communicating via social media, with their fans in minutes, that is probably a strong rationale to increase your response rate or to invest in that particular platform.

It is possible to piggyback and ensure relevance by using metrics already established. For instance, return on investment metrics (utilizing number of likes per dollar invested). There are some simple measurements to use: re-tweets, number of shares, number of likes, number of fans, or number of people "talking" about your comment. There is a metric called the twitter impression reach which is the cumulative individual tweets going into people's feeds based on all your tweets and re-tweets. This number does not represent all of the people who saw your tweets, but it's the sum total of your tweets' possible impressions and frequency.

Alternatively, organizations are using click counters like Bitly to shorten URLs. With this it is possible to see how many clicks you get and what category of posts drives the most clicks. It is considered important by most organizations to measure how much time "friends" spend on your webpage or are using your application. Organizations want this factor to increase

over time, not remain stagnant or declining. When Internet users click through from a social media site or webpage to your website, this is called the "bounce rate". It measures the length of time people remain on your page. Essentially, if users are not spending time on your site, then the organization needs to determine if the content they are publishing is relevant. Extended networks also need to be monitored. In other words, when one of your network members shares a link or post from you to one of their friends outside the network, whom are they re-sharing it with? This is called the "viral factor."

Finally, one can determine the return on investment by using data obtained in previous metrics. Social Bakers determines the return on social marketing based on user engagement – the more users who engage with your brand´s content the better. Social Bakers has created an engagement metric called the Engagement Rate. (Social Bakers, 2012) The formula is number of likes plus number of shares plus number of comments in one day divided number of posts by organization in one day, then divided by total fans on that day, multiplied by one hundred in order to achieve your percentage value. (Appendix G)

The importance of these measurements allows organizations to: quantify the value of every dollar spent in social media, compare the value in dollars spent on social media vs. traditional advertising, measure webpage traffic by comparing pages visited from social media vs. the organizations webpage, and to determine the cost of promotions in social media if the value per visitor is known. Research has shown that there are certain proven platforms that have supported more value through social media marketing. The data suggests that Facebook is the most valuable social marketing platform as determined by the return on investment calculation. (MDG Advertising, 2012) (Exhibit H)

Indeed, this provides important data to consider but it does not evaluate the current penetration rates by country or by industry. Both of these are important to contemplate as the growth will be higher in developing countries where penetration rates are increasing significantly in short amounts of time as compared to developed countries where the social media market has already penetrated greater than eighty percent of the population.

DEVELOPMENT OF A PREDICTIVE TOOL

Throughout the project, there are numerous data points and a multitude of factors to consider in deciphering whether a social media strategy would be successful. Specifically, could one attempt to synthesize and codify this data in a way to assist the organization with a go to market strategy for social media, given certain goals and parameters in a multinational context? For example should the criteria be quantitative or qualitative? Using different components, could

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a model be weighted to determine importance of the criteria? What would be the benchmark across countries and across platforms? The predictive tool needed to consider the organization's goals (for example – Brand Awareness or Lead Generation). In addition, who was the target audience – business-to-business or business-to-consumer? The following framework formed the basic components of the predictive tool:

- Basic Penetration Component – this included the percentage of the population with Internet capabilities and as well as the percentage of the population who had Internet and who also used social media.

- Opportunity Component – this included adding a premium essentially for markets or countries where penetration rates of social media usage were low, and deducted points for countries that had high penetration rates. Furthermore, this component looked at the growth rate of social media usage in each country.

- Qualitative Component – considered items such as Cultural, Administrative, Geographic and Environmental concerns. The cultural subsection considered items such as: Acceptance of social media in conducting business, business relationships – non-traditional versus traditional, and the trust of digital Information. The administrative section measured the amount of government regulation in each country relating to social media advertising, as well as if there were any potential infrastructure constraints. Geographic component considered items such as if there were large areas or populations within each country that did not have Internet access or capability was low. The environmental section considered whether or not a competitive advantage could be obtained by using a social media platform. Lastly the predictive tool measured and benchmarked a relative cost component. Essentially which platforms were more costly to operate or maintain as compared to others.

Accumulating these components together, assisted with the prediction of a "best fit" platform. The tool, as history is developed and more data is input, will become better at predicting the platform to use given the above criteria. It should be consistently re-evaluated as part of a continuous improvement process. (Appendix I)

ADVANTAGES AND DISADVANTAGES OF UTILIZING SOCIAL MEDIA

<u>ADVANTAGE</u>	<u>DISADVANTAGE</u>
Brand Recognition, Extended Reach - Word of Mouth potential	Costly to maintain
Trust is established through natural connections and relationships	Diversity in cultures and level of trust in digital information
Capability to differentiate from competitors	Privacy concerns
Build a community of "followers" & Increase Exposure	It takes time to build momentum
Ability to build "influence" & Actively manage reputation	Lack of control over corporate content
Access to information from customers regarding your products or services	Risk damage to your reputation. A mistake offline, only a few know but online, hundreds know, (thousands in seconds, and more).
Main website will gain traffic	Disorganization - lack of strategy apparent if organization enters without plan
Strengthen customer service	Significant commitment required

CONCLUSIONS

Social media can be used to engage people to connect with the organization, to understand and to associate those products and services in a practical, more efficient way. Social media strategies must address cultural norms specific to each country. To be successful with a social media campaign the organization needs to determine their specific goals of the promotion. They should specifically identify which platform best suits their agenda. Who is their target audience; and what is the sales channel (Business-to-Business or Business-to-Consumer). Geographically, where is the customer. Understand the differences in culture, and determine how that culture prefers to conduct business. Administratively are there regulations the company needs to consider in order to conduct business electronically. Most importantly the organization needs to learn from their previous experiences and others successes and failures; and adapt their promotions to meet their desired outcomes.

On a basic and general level the content should be visually appealing (avoiding dense, unbroken blocks of long text); and the information should be easily available. All social media platforms are cost effective and are not technically challenging to use. If an organization is broadcasting a white paper, through social media, remember that, increasingly, people are put off by having to provide data such as email and phone numbers in order to download. The information you are disseminating should be well promoted through all channels of social media in order to achieve your maximum reach.

In traditional media when your campaign launches your work is done - in a social campaign, the majority of the work begins as it launches. Effectively managing social media has staffing, resourcing, training and education implications. Organizations need to acknowledge the need to invest in resources to successfully manage these programs. As with everything technology driven, it is important to remain current, and be prepared to enter new platforms quickly. For example, Facebook grows by a hundred million users in months, not years. Consider the once prevalent MySpace platform, which lost ten million users in a month's time. (Barnett, 2011)

Do not confine social media to its own separate department. Social media is a dynamic marketing function and not an information technology function. Think of social media as gears that are constantly turning. In order to be successful at it, you will need people to discover your organization, you will need them to interact with you, you will need them to pass the information along, and lastly you need them to be encouraged to buy your products or services.

It is important to look at the engagement of the sites; it is not enough to have many followers. Ensure that a representative from the organization is responsible for having conversations on each platform. Creating dialogue will increase your brand affinity and therefore increase revenues. Ensure that your organization is consistently reviewing, updating, and responding to posts. Encourage the conversation (positive or negative), simply approach each conversation differently; if the feedback is negative ensure the organization rectifies the situation, then post the solution to ensure other customers or future customers can see the interaction and dialogue. Do not take enormous amounts of time to blog, repost, or respond; society has become an instant gratification and response culture.

More specifically, Facebook tends to be more personal, if a product is fun and consumer oriented, then one should utilize Facebook. Twitter has the advantages of public searches, and business searches; this allows one to analyze how much a given topic "matters". Pinterest is growing in popularity and will soon be in the top five platforms. The important lesson is that, it doesn't matter which platform you choose, or how many different methods are chosen, it's the content of what is offered that is key.

If organizations plan on developing multiple channels it would be best to subscribe to a social media integrator like "Radian 6" or "Hootsuite". Ensure that all sites have buttons near the comments sections that allows them to repost, or share across platforms. Organizations should inspire customers to ask questions, they should inspire customers to rate their product; ask

customers what they would change, or what they would like to see. This will help guide the organizations product or service lines.

Increasingly country's regulators are developing the infrastructure required to ensure Internet and high-speed capabilities. Penetration rates of these countries are expanding at exponential rates, and rates in developing countries will soon match the rates of developed countries. The ability to measure the effectiveness of a social media campaign should not be the final objective. Marketing itself is not a science and does not give a cause/effect relationship, but rather to provide a measure to connect the relevance of the campaign to the outcomes. Social media provides a significant opportunity to enhance the organizations' current growth strategies. Social media can be used to engage people to connect with the organization, to understand and to associate those products and services in a practical, more efficient way. (Appendix J)

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Appendix A Percentage of Population with Internet Access, and Percentage of Population with Internet Access Utilizing Social Media
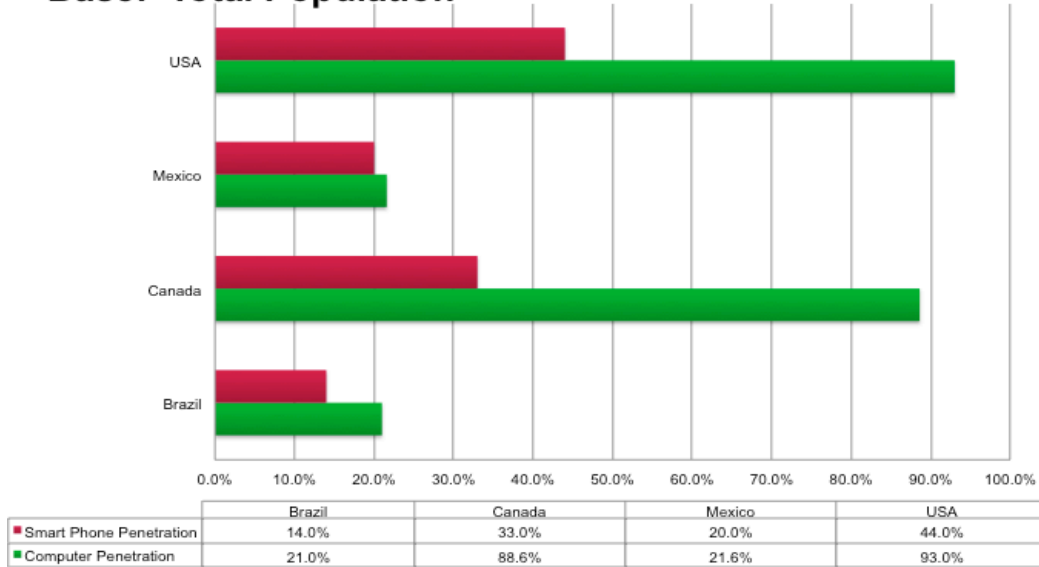
	% Of population with Internet	% Of population with Internet who use Social Media
US Population (millions) 310	78%	80%
Mexico Population (millions) 112	37%	65%
Canada Population (millions) 35	83%	70%
Brazil Population (millions) 203	46%	86%

(Miniwatts Marketing Group, 2012)
(European Travel Commission, 2012)
(Lewis, 2009)
(Reed, 2009)
(Social Media Today, 2012)

Appendix B Smart Phone and Computer Penetration

Smart Phone / Computer Penetration
* Base: Total Population

	Brazil	Canada	Mexico	USA
Smart Phone Penetration	14.0%	33.0%	20.0%	44.0%
Computer Penetration	21.0%	88.6%	21.6%	93.0%

(Google, 2012)

Brazil – Our Mobile Planet
http://services.google.com/fh/files/blogs/our_mobile_planet_brazil_en.pdf
Canada – Our Mobile Planet
http://services.google.com/fh/files/blogs/our_mobile_planet_canada_en.pdf
Mexico – Our Mobile Planet
http://services.google.com/fh/files/blogs/our_mobile_planet_mexico_en.pdf
United States – Our Mobile Planet
http://services.google.com/fh/files/blogs/our_mobile_planet_us_en.pdf

Accessed Sept, 10, 2012 – Study conducted by IPSOS – for Google in May, 2012

Appendix C Visits to Social Media Sites via Computers

(Google, 2012)

Brazil – Our Mobile Planet
http://services.google.com/fh/files/blogs/our_mobile_planet_brazil_en.pdf
Canada – Our Mobile Planet
http://services.google.com/fh/files/blogs/our_mobile_planet_canada_en.pdf
Mexico – Our Mobile Planet
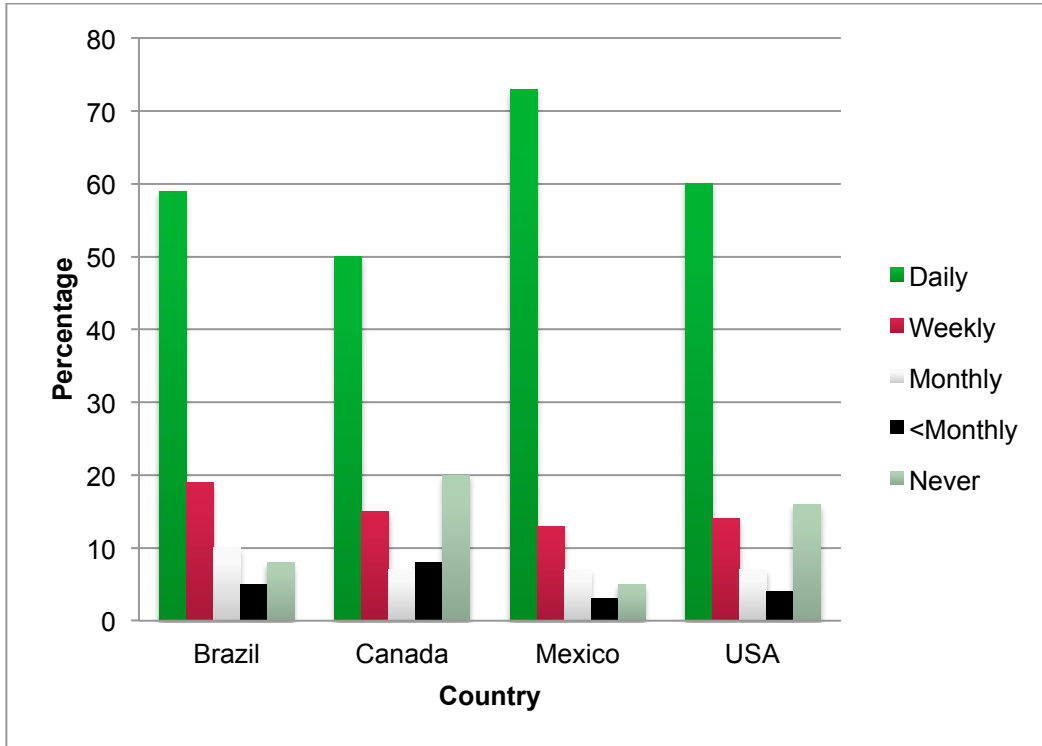http://services.google.com/fh/files/blogs/our_mobile_planet_mexico_en.pdf
United States – Our Mobile Planet
http://services.google.com/fh/files/blogs/our_mobile_planet_us_en.pdf

Accessed Sept, 10, 2012 – Study conducted by IPSOS – for Google in May, 2012

Appendix D Visits to Social Media Sites via Smart Phones

(Google, 2012)

Brazil – Our Mobile Planet
http://services.google.com/fh/files/blogs/our_mobile_planet_brazil_en.pdf
Canada – Our Mobile Planet
http://services.google.com/fh/files/blogs/our_mobile_planet_canada_en.pdf
Mexico – Our Mobile Planet
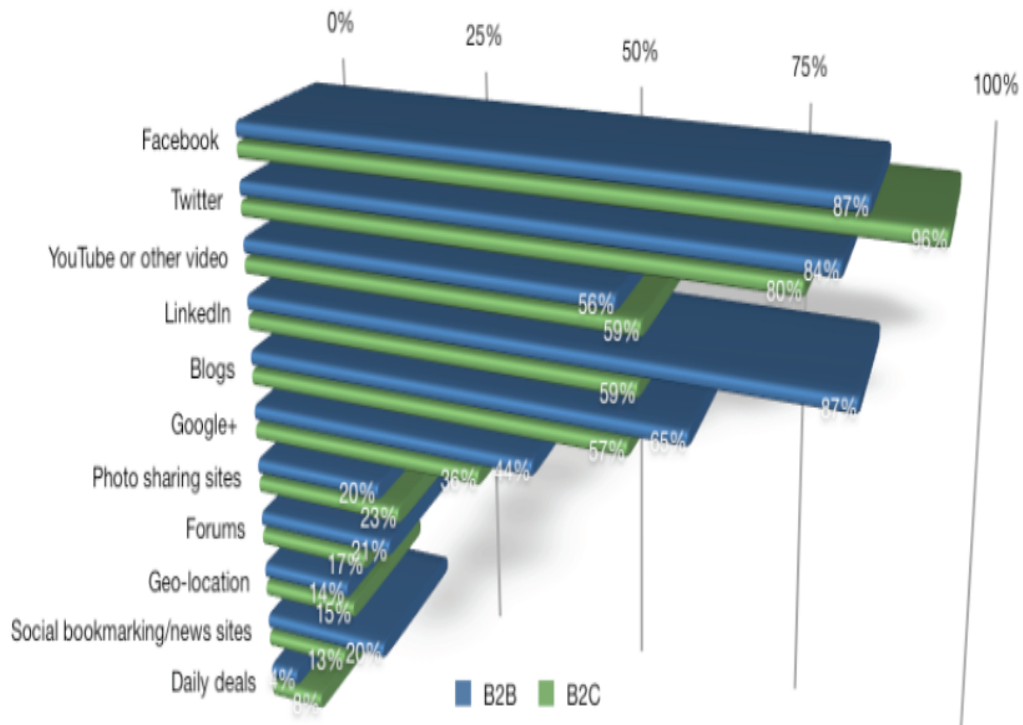http://services.google.com/fh/files/blogs/our_mobile_planet_mexico_en.pdf
United States – Our Mobile Planet
http://services.google.com/fh/files/blogs/our_mobile_planet_us_en.pdf

Accessed Sept, 10, 2012 – Study conducted by IPSOS – for Google in May, 2012

Appendix E B2B vs. B2C Social Media Platforms

Bar chart comparing B2B and B2C social media platform usage:

Platform	B2B	B2C
Facebook	87%	96%
Twitter	84%	80%
YouTube or other video	56%	59%
LinkedIn	59%	87%
Blogs	59%	65%
Google+	57%	44%
Photo sharing sites	36%	20%
Forums	23%	21%
Geo-location	17%	14%
Social bookmarking/news sites	15%	20%
Daily deals	13%	4%

(Stelzener, 2012)

|	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%
increased exposure									85%	
increased traffic							69%			
provided marketplace insight							65%			
generated leads						58%				
developed loyal fans						58%				
improved search rankings						55%				
grew business partnerships					51%					
reduced marketing expenses					46%					
improved sales				40%						

(Stelzener, 2012)

Appendix G Social Bakers Average Engagement Rate

$$\text{Average Post Engagement Rate} = \frac{\dfrac{\text{Likes + Comments + Shares on a given day}}{\text{\# of wall posts made by page on a given day}}}{\text{Total Fans on a given day}} \times 100$$

(Social Bakers, 2012)

Appendix H Social Media Marketing highest ROI platforms
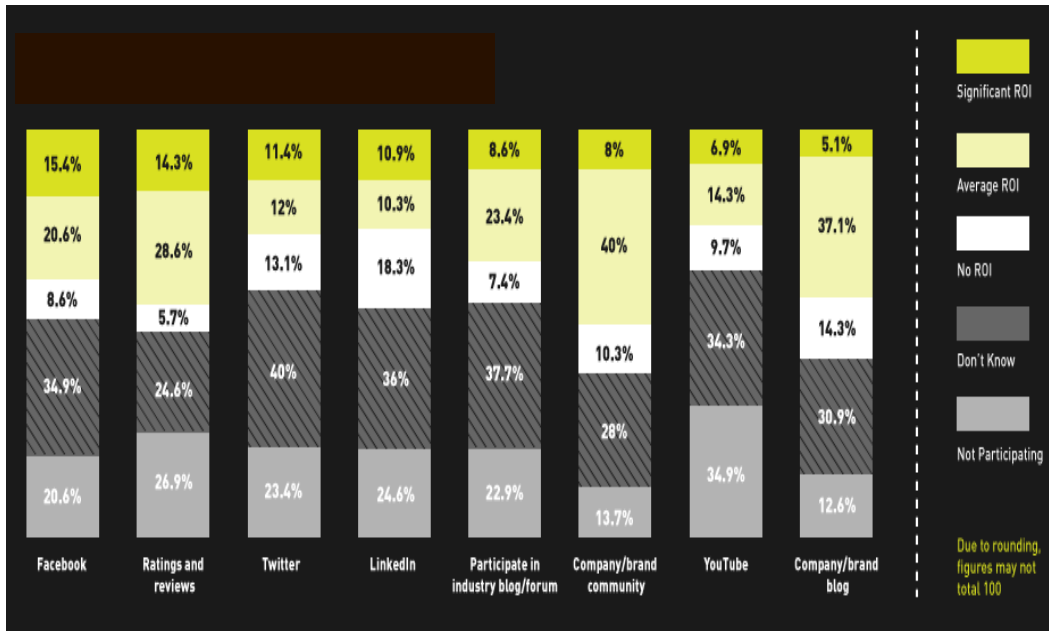
(MDG Advertising, 2012)

Appendix I Predictive Tool Snapshots

|	% of population with internet	% of population with internet who use SM		Base Penetration Component			Opportunity Component		
				Population with internet capabilities (People)	Internet Population using Social Media	Total Weighting	Growth Rate of Social Media Per Country	Additional Users Assuming Same Growth rate for 2013	Total Weighting
US Population (millions)			Score	5	5	10	6.80%	21	10.00
310	78%	80%	data	241.8	193.44	435.24			
Mexico Population (millions)			Score	0.86	0.56	1.41	27.90%	31.25	14.82
112	37%	65%	data	41.44	26.94	68.38			
Canada			Score	0.60	0.42	1.02	4.70%	1.65	0.78
35	83%	70%	data	29.05	24.50	53.55			
Brazil			Score	1.93	1.66	3.59	13.50%	27.41	6.50
203	46%	86%	data	93.38	174.58	267.96			

CAGE COMPONENTS

CULTURAL (2.5 points)
Acceptance of SM in conducting business
Business Relationships – non-traditional versus traditional
Trust of Digital Information

In order to grade this Cultural component consisting of the 3 aspects enlisted   above, we used:

% of Businesses actively engaged in Social Media
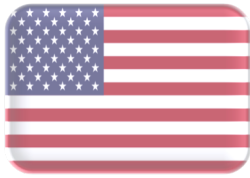
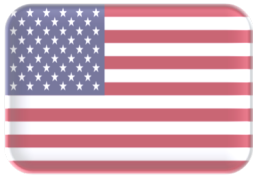90% 1)   90% 2)   65% 3)   63% 4)

Administrative (2.5 points)

Infrastructure constraints

In order to grade this Administrative component consisting of the aspect enlisted above, we used:

% of wired Broadband access (1)

| 86k (28%) | 11k (31%) | 17k (8%) | 12k (11%) |

GEOGRAPHY

For our purposes in this model, we have assumed the impact of geography to be zero. Urban and rural customers may be reached virtually with Social Media assuming you have appropriate infrastructure (covered in 'A').

Environmental (2.5 points)

Competitive Advantage or Disadvantage:

This criteria is based on the percentage by country of companies that use social media tools
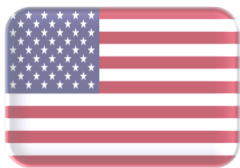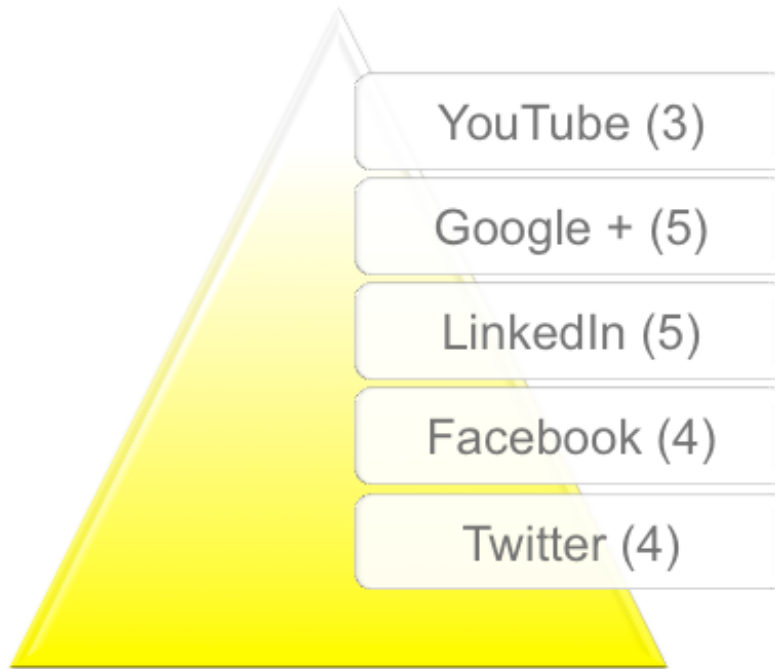
| 10% 1) | 10% 2) | 35% 3) | 63% 4) |

Relative Cost Components

Platform	USD Average	
Facebook	5,500	Per month
Twitter	5,125	Per month
YouTube	30,000	Per video
LinkedIn*	3,750	Per month
Google +**	3,750	Per month
Blogs	3,250	Per month

Assumptions:

Does not include initial setup

Maintenance, and ongoing monitoring

Personnel internal to organization, not outsourced

* Assumed 37.5 hours at 100/hour

** Assumed 37.5 hours at 100/hour

Appendix J Predictive Tool Conclusions

Social Media Predictive Model

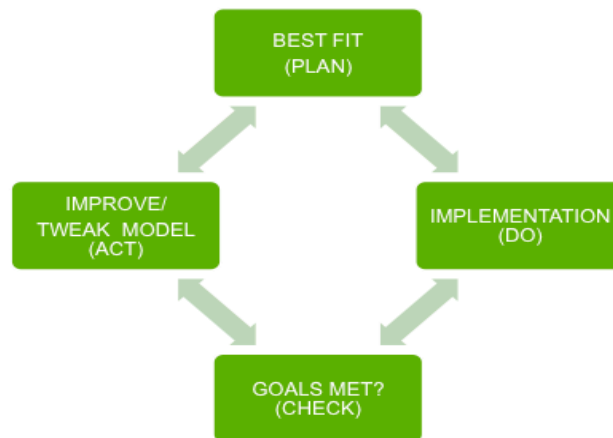| Country | Brazil |
| Channel | B2C |
| SM Goal | Thought Leadership |

Current Inputs

Brazil
B2C
Thought Leadership

Results	Ranking By Score
2 Platfrom	youtube
3 Score	18.16
4 Current Users ~	55,000,000
5 # of Years to normalization	8.29
6 # of users at normalization ~	157,300,000

Predictive Tool Conclusions

This predictive tool is a starting point. This tool, to be useful, must be continuously improved. Measuring its effectiveness to produce the desired results by altering weightings, including/omitting different components, etc.

BEST FIT
(PLAN)

IMPLEMENTATION
(DO)

GOALS MET?
(CHECK)

IMPROVE/
TWEAK MODEL
(ACT)

Appendix K Social Media Campaign Process

Company Objectives	Marketing Strategy	Customer needs Analysis	SM Platforms	Metrics Analysis	Economic Value
Mission	Goals	Solutions	Outlets & Interfaces	Platform Reach	ROI
	•Customer Acquisition •Lead Generation •Brand Awareness •Customer Retention / Loyalty •Thought Leadership •Engagement •Website traffic •Lead Management / Nurturing	• Applications • Customer Service • Catalogs • Ordering • Problem Managers • News • Games	YouTube Facebook Twitter radian6	• Views • Tweets • Follows • Shares • Clicks • Bounces • Posts	• Value per $1.00 spent in SM. • $ on SM vs. display advertising. • Comparison vs. other marketing. • Impact on brand. • Cost of promotions, returns value per visitor

Engagement with customers

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