Chapter 7:

Social, Mobile, and Local Marketing

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E-Business

1

Learning Outcomes

- Understand the difference between traditional online marketing and the new social-mobile-local marketing platforms and the relationships between social, mobile, and local marketing.

- Understand the social marketing process from fan acquisition to sales and the marketing capabilities of social marketing platforms such as Facebook, Twitter, and Pinterest.

- Identify the key elements of a mobile marketing campaign.

- Understand the capabilities of location-based local marketing.

2

1

Facebook: Putting Social Marketing to Work

◆ Class Discussion

- Have you ever made a purchase based on something you have read or seen on Facebook/Instagram/Telegram…? What was the product and what made you interested?
- Are there other ways for Facebook/Instagram/Telegram to make a profit from marketers and advertisers?
- How does /Instagram/Telegram engage its users differently than "traditional" online marketing?

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3

Marketing before 2007

◆ Facebook was a fledgling company limited to college students.
◆ Apple had not yet announced the iPhone.
◆ Online marketing consisted largely of creating a corporate website, buying display ads on Yahoo, purchasing AdWords on Google, and sending e-mail.
◆ The primary measure of success was:
- how many "eyeballs" (unique visitors) a website produced, and
- how many "impressions" a marketing campaign generated. An impression was one ad shown to one person.

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4

Introduction to Social, Mobile, and Local Marketing

◆ Introduction of smartphones (iPhone), social networks (Facebook), and local marketing.

◆ New marketing concepts (conversations & engagement)
- Multiple online conversations with customers, potential customers, and even critics. The brand is being talked about on the Web and social media (that's the conversation part).
- Marketing your firm and brands requires you to locate, identify, and participate in these conversations.
- Social marketing means all things social: listening, discussing, interacting, empathizing, and engaging.
- In this sense, social marketing and advertising is not simply a "new ad channel," but a collection of technology-based tools for communicating with shoppers.

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5

The Rapidly Changing Trajectory Of Worldwide Online Ad Spending

• Impact of smartphones and tablets
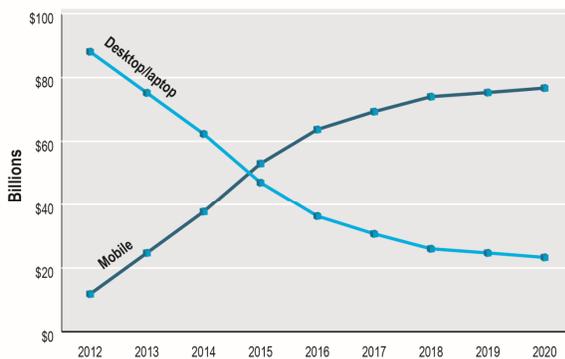
In 2015, for the first time, spending on mobile marketing exceeded that spent on desktop/laptops.

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6

3

Social Marketing

◆ Traditional online marketing goals
  - Deliver business message to the most consumers and hopefully encourage them to come to your website to buy products and services, or to find out more information.
  - The more "impressions" (ad views) you get, and the more unique visitors to your site, the better.

◆ Social marketing goals
  - Encourage consumers to become fans and engage and enter conversations.
  - Your further objective is to encourage your business's fans to share their enthusiasm with their friends, and in so doing create a community of fans online.
  - Strengthen brand by increasing share of online conversation
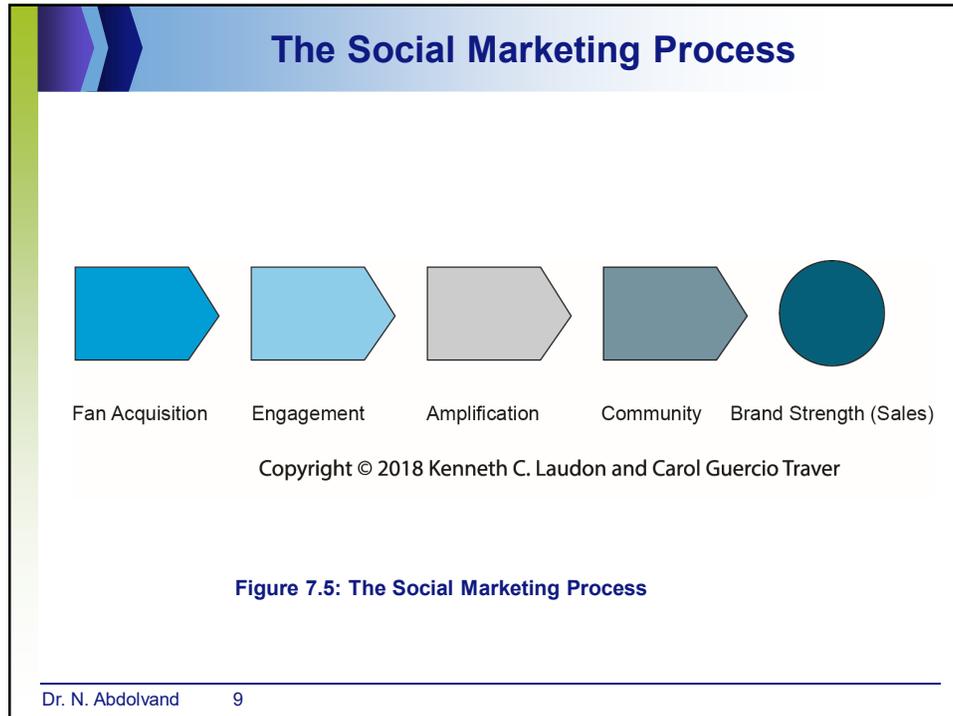
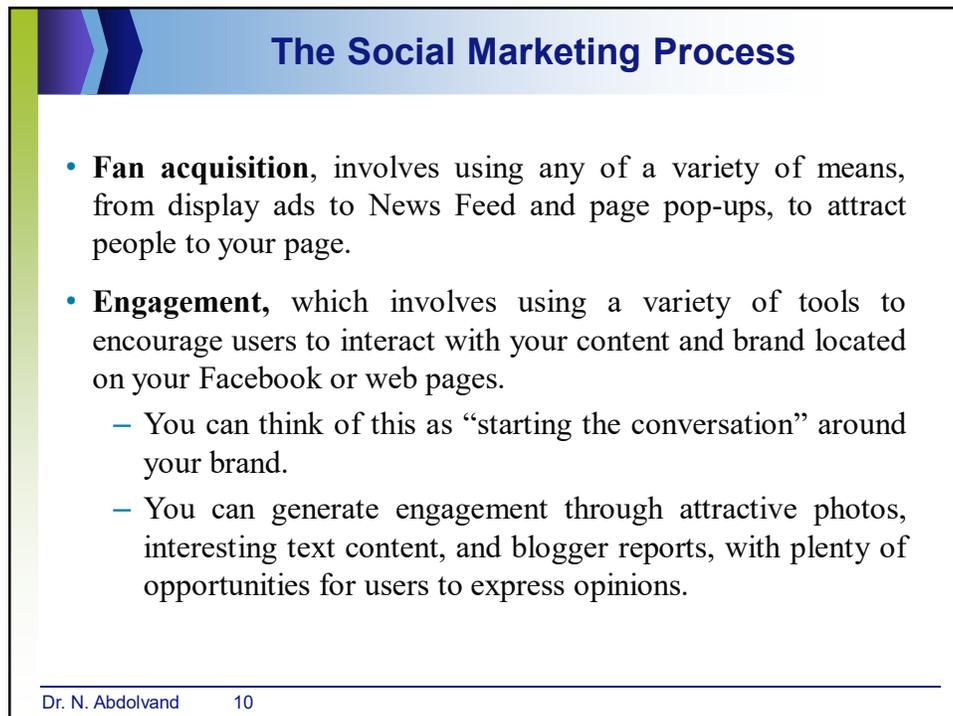Dr. N. Abdolvand   7

7

Social Marketing Players

◆ The most popular sites account for over 90% of all social network visits
  - Facebook, Google+, Twitter, LinkedIn, Pinterest, Instagram, Tumblr
  - Unique visitors vs. engagement
    - number of monthly unique visitors is a good measure of market reach.
    - Engagement measures the amount and intensity of user involvement
    - Facebook dominates in both measures, accounting for 85% of the total monthly visitor minutes
    - For a manager of a social marketing campaign, these findings suggest that in terms of reach and engagement, the place to start a social campaign is Facebook.
  - Dark social – sharing outside of major social networks (e-mail, IM, texts, etc.)

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8

The Social Marketing Process

Fan Acquisition   Engagement   Amplification   Community   Brand Strength (Sales)

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Figure 7.5: The Social Marketing Process

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9

The Social Marketing Process

- **Fan acquisition**, involves using any of a variety of means, from display ads to News Feed and page pop-ups, to attract people to your page.

- **Engagement,** which involves using a variety of tools to encourage users to interact with your content and brand located on your Facebook or web pages.
  - You can think of this as "starting the conversation" around your brand.
  - You can generate engagement through attractive photos, interesting text content, and blogger reports, with plenty of opportunities for users to express opinions.

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10

The Social Marketing Process

- **Amplification** encouraging visitors to share their Likes and comments with their friends.

- **Community**: a stable group of fans engaged and communicating with one another over a substantial period of time about your brand.
  - Marketers' tactics: inside information on new products, price breaks for loyalty, and free gifts for bringing in new members.
  - The ultimate goal is to enlarge your firm's "share of the online conversation."
  - The process ends with strengthening the brand and, hopefully, additional sales of products and services.

- Ultimately, the point of marketing is to drive **sales revenue.**

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11

The Downside of Social Marketing

◆ Loss of control
  - Where ads appear in terms of other content
  - What people say
    - Posts
    - Comments
    - Inaccurate or embarrassing material
◆ In contrast, TV ads maintain near complete control

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12

Mobile Marketing

◆ Mobile marketing involves the use of mobile devices (smartphones & tablets) to display banner ads, rich media, video, games, e-mail, text messaging, and couponing.

◆ Devices used multiple times per day

◆ By 2020, retail m-commerce account for over 50% of all retail e-commerce.

◆ Challenges: Mobile search
- Motivating consumers to click
- Raising fees for each click

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13

How People Actually Use Mobile Devices

◆ Average of 3 hours daily on mobile devices
- 42% entertainment
- 16% social networks
- 70% occur in home

◆ Activities are similar to desktop activities

◆ Rapidly growing smartphone m-commerce sales

◆ Mobile devices currently used more for communicating and entertainment over shopping and buying

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14

In-App Experiences

◆ Mobile use (Experiences)
- mobile users in the United States spend almost 60% of their total digital time using apps.
- Smartphone apps in particular have been the biggest driver in the growth in digital media usage, and they account for almost half of total digital time.
- Almost 75% of app time spent on user's top 3 apps
- Users use about 27 apps/month.
- Facebook is the top app both in audience size and share of time spent, followed by Facebook Messenger in second place.
- Google has four of the top seven apps (Google Maps, Google Search, Google Play, and Gmail).

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15

In-App Marketing

◆ Most effective are in-app ads
◆ Placed in most popular apps
◆ Targeted to immediate activities and interests
◆ There may not be many users of the app, but those who do use it are highly motivated on the topic.
◆ Focus on entertaining video ad that captures the viewer's attention or an ad in an app that is precisely targeted to the consumer's current activities and interests.

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16

How the Multi-Screen Environment Changes the Marketing Funnel

◆ Consumers becoming multi-platform
  ▪ Desktops, smartphones, tablets, TV
  ▪ 90% of multi-device users use multiple devices to complete action
    ▪ View ad on TV, search on smartphone, purchase on tablet
◆ Marketing implications
  ▪ **Consistent branding** across platforms and marketing on several devices are very important.
  ▪ **Responsive (creative) design** based on different screen sizes (mobile, tablet); graphics and creative elements will appear differently depending on the screen.
  ▪ **Increased complexity, costs**: Companies need to develop a presence and market not only on websites, but on mobile websites, and/or smartphone and tablet apps as well.

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17

Mobile Marketing Features

◆ Mobile marketing 64% of all online marketing
◆ Dominant players are Google, Facebook
◆ Mobile device features
  ▪ Personal communicator and organizer (always on, always with us)
  ▪ Screen size and resolution
  ▪ GPS location (precise location of consumers)
  ▪ Web browser - Standard browsers
  ▪ Apps – millions of apps
  ▪ Ultraportable and personal - Fits into a pocket, or a briefcase for tablets
  ▪ Multimedia capable - Fully capable of displaying all common media
  ▪ Touch/haptic technology - Enhances touch screens by providing feedback in the form of vibration, force, or motion.

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18

Mobile Marketing Tools: Ad Formats

◆ All the marketing formats available on the desktop are also available on mobile devices.
◆ With few exceptions, mobile marketing is very much like desktop marketing—except it is smaller.
◆ Mobile marketing formats
  ▪ Search ads
  ▪ Display ads
  ▪ Video
  ▪ Text/video messaging
  ▪ Other: e-mail, classifieds, lead generation
◆ Mobile interface versions of social network techniques

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19

Mobile Marketing Campaigns

◆ Mobile website
◆ Facebook and Twitter brand pages
◆ Mobile versions of display advertising campaigns
◆ Ad networks
◆ Interactive content aimed at mobile user
◆ Tools for measuring responses
  ▪ Key dimensions follow desktop and social marketing metrics

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20

Measuring Mobile Marketing Results

There are many different mobile marketing objectives, and therefore different types of mobile marketing campaigns.

- Sales-oriented campaigns
- Branding campaigns - strengthening consumers' engagement with the brand.

- **Acquiring fans** is measured by the number of unique visitors.
- **Engagement** is reflected in the time on-site (in thousands of minutes);
- **Amplification** is measured by the number of Likes,
- **Community** is measured by the number of posts, suggesting fans are actively engaging with one another and the brand.
- **Brand strength** is best summarized in this figure as the composite picture of fan acquisition, engagement, amplification, and community measures.

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21

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Figure 7.12: Measuring the Effectiveness of a Mobile Branding Campaign

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22

Local and Location-Based Marketing

◆ Location-based marketing
- Targets messages to users based on location
- Marketing of location-based services

◆ Location-based services
- Provide services to users based on location
  - Personal navigation - (How do I get there?)
  - Point-of-interest - (What's that?)
  - Reviews - (What's the best restaurant in the neighborhood?)
  - Friend-finders, family trackers - (Where is my child?)

◆ Consumers have high likelihood of responding to local ads
- Consumers want local ads, offers, information, and content.
- Consumers have a high likelihood of acting on local ads and purchasing the products and services offered.
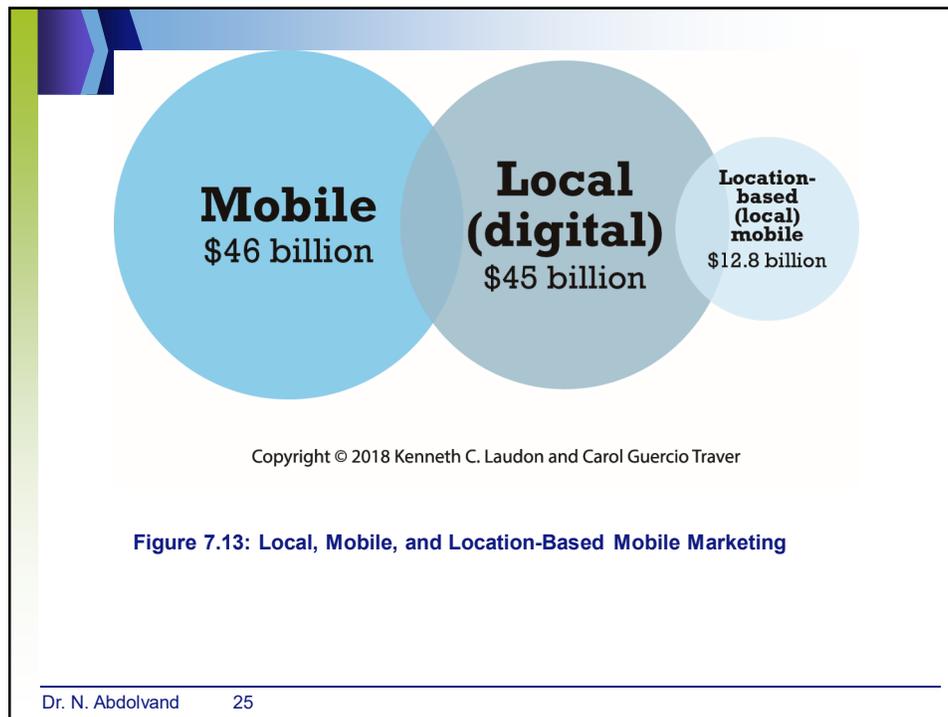
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23

The Growth of Local and Location-Based Mobile Marketing

◆ Prior to 2005, nearly all local advertising was non-digital
- Google Maps (2005)
  - Enabled merchants to display ads to users based on the general location of potential customers, usually within a several square-mile radius.
  - IP addresses can be used to identify a city, and a neighborhood within the city
- Smartphones, Google's mobile maps app (2007)
  - Enabled targeting ads based on GPS

◆ Location-based mobile marketing
- Location-based (local) mobile marketing is currently a small part of the online marketing environment, but it is expected to triple over the next 5 years.

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24

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Figure 7.13: Local, Mobile, and Location-Based Mobile Marketing

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25

Location-Based Mobile Marketing Technologies

◆ Two types of location-based marketing techniques
  ■ Geo-aware techniques
    ■ Identify location of user's device and target ads, recommending actions within reach
  ■ Proximity marketing
    ■ Identify a perimeter around a location and target ads and recommendations within that perimeter
◆ Identifying locations
  ■ GPS signals - The user's device downloads GPS data from a GPS satellite. First introduced with the Apple 3G iPhone in 2008.
  ■ Cell-tower locations - Wireless carriers use a cell phone's MAC address to identify the phone and the location.
  ■ Wi-Fi locations - Estimates user's location within a radius of a known Wi-Fi access point.

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26

Why Is Local Mobile Attractive to Marketers?

◆ Mobile users more active, ready to purchase than desktop users

◆ Over 80% of U.S. smartphone users use mobile devices to search for local products, services

- 50% of smartphone users visited a store within a day of their local search.
- 18% make a purchase
- over 60% of smartphone users wanted ads customized both to their city/zip code and to their immediate surroundings

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27

Location-Based Marketing Tools

◆ Geo-social-based services marketing

- Users share their location with friends.

◆ Location-based services marketing

- Provides services to consumers looking for local services and products.

◆ Mobile-local social network marketing

- Facebook expands local offerings of deals by local firms, display ads using News Feed. Launches Facebook Marketplace, which enables people to easily buy and sell within their local communities, in October 2016.
- Intent marketing: scanning social networks for indications of real-time consumer interest in specific products.

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28

Location-Based Marketing Tools

◆ Proximity marketing
- Send messages to consumers in the area of a store or outlet to generate sales using a virtual fence around a retail location (could also be an airport, train station, or arena).

◆ In-store messaging
- Messaging consumers while entering or browsing in a store.
- Retailers collect, analyze, and respond to customers' real-time shopping behavior.

◆ Location-based app messaging
- PayPal's mobile app detects customers near a store that offers PayPal payment options and entices them with offers to visit.

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29

Location-Based Marketing Campaigns

◆ Measuring marketing results
- Same measures as mobile and web marketing
- Metrics for unique characteristics
  - **Acquisition**: Impressions; click-through; unique visitors to a mobile or desktop website; pages viewed; time on site.
  - **Engagement:** Inquire; reserve; visit a physical store; click-to-call; check maps for directions; register; request more information; posts and comments; responders to offers; Likes generated per visitor; click-to-call rate.
  - **Amplification**: SMS to friends; notify friends of location; share location or offers with friends.
  - **Community**: Content generated by visitors or responders; reviews; posts; positive comments generated.
  - **Sales**: Purchases; percentage increase in sales due to local mobile campaign; percentage of customers from local mobile.

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30

31