

SOCIAL MEDIA

Professor Kartik Hosanagar



Social Media Scale

- Social Networks reach most of the world's online population (e.g. Facebook ~1.5B users)
- Social Networking sites account for 28% of all time spent online worldwide
- Social media has unparalleled reach and is used by many startups




Why Social Cues are so Powerful?

- Experiment with an artificial music market run by Prof Matt Salganik
 - 14,000 participants
 - 48 unknown songs from 48 unknown bands
 - Independent control condition
 - Songs ordered randomly
 - Participants downloaded what they wanted
 - 8 social conditions (experimental markets)
 - Songs ordered randomly
 - Participants could see how many times each song had been downloaded by others in their market group

Music Lab – Song Selection - Mozilla Firefox

File Edit View Go Bookmarks Tools Help



http://www.musiclab.columbia.edu/me/songs

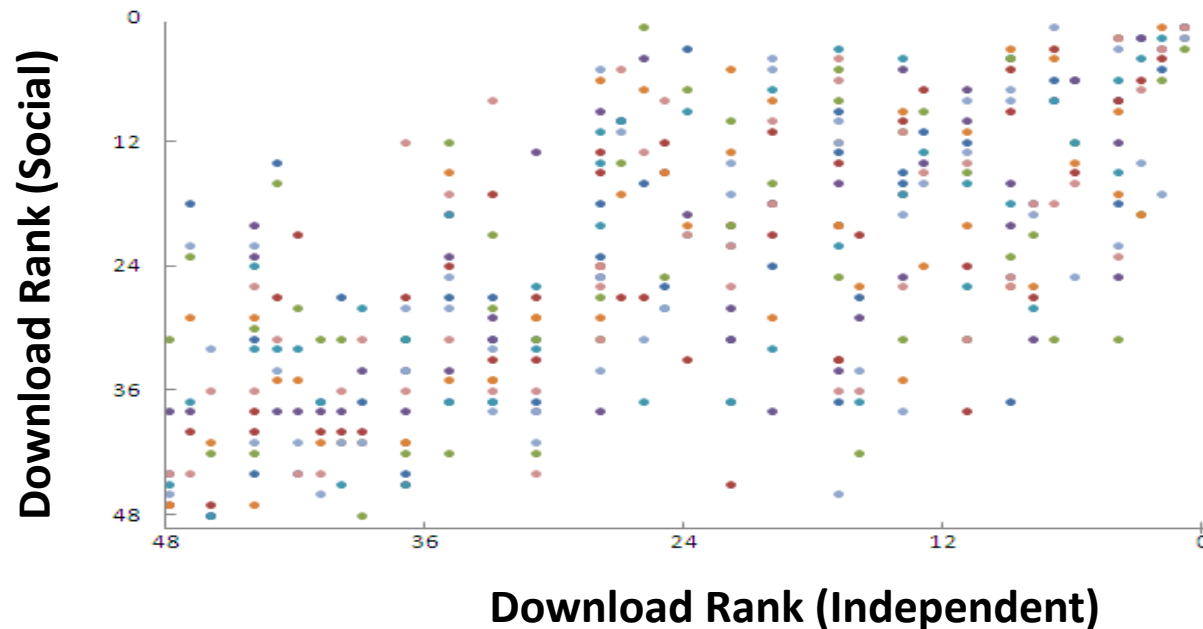
[Help]

[Log off]

	# of down loads		# of down loads	# of down loads	
HARTSFIELD: "enough is enough"	20	GO MOREDCAI: "it does what its told"	12	UNDO: "while the world passes"	24
DEEP ENOUGH TO DIE: "for the sky"	17	PARKER THEORY: "she said"	47	UP FOR NOTHING: "in sight of"	13
THE THRIFT SYNDICATE: "2003 a tragedy"	20	MISS OCTOBER: "pink aggression"	27	SILVERFOX: "gnaw"	17
THE BROKEN PROMISE: "the end in friend"	19	POST BREAK TRAGEDY: "florence"	14	STRANGER: "one drop"	10
THIS NEW DAWN: "the belief above the answer"	12	FORTHFADING: "fear"	24	FAR FROM KNOWN: "route 9"	18
NOONER AT NINE: "walk away"	6	THE CALEFACTION: "trapped in an orange peel"	20	STUNT MONKEY: "inside out"	46
MORAL HAZARD: "waste of my life"	8	52METRO: "lockdown"	17	DANTE: "lifes mystery"	14
NOT FOR SCHOLARS: "as seasons change"	27	SIMPLY WAITING: "went with the count"	16	FADING THROUGH: "wish me luck"	10
SECRETARY: "keep your eyes on the ballistics"	5	STAR CLIMBER: "tell me"	38	UNKNOWN CITIZENS: "falling over"	34
ART OF KANLY: "seductive intro, melodic breakdown"	10	THE FASTLANE: "til death do us part (i dont)"	31	BY NOVEMBER: "if i could take you"	20
HYDRAULIC SANDWICH: "separation anxiety"	20	A BLINDING SILENCE: "miseries and miracles"	17	DRAWN IN THE SKY: "tap the ride"	12
EMBER SKY: "this upcoming winter"	25	SUM RANA: "the bolshevik boogie"	15	SELSIUS: "stars of the city"	22
SALUTE THE DAWN: "i am error"	13	CAPE RENEWAL: "baseball warlock v1"	12	SIBRIAN: "eye patch"	14
RYAN ESSMAKER: "detour_(be still)"	14	UP FALLS DOWN: "a brighter burning star"	11	EVAN GOLD: "robert downey jr"	10
BEERBONG: "father to son"	12	SUMMERSWASTED: "a plan behind destruction"	17	BENEFIT OF A DOUBT: "run away"	38
HALL OF FAME: "best mistakes"	19	SILENT FILM: "all i have to say"	61	SHIPWRECK UNION: "out of the woods"	16

Impact of Social Cues

- Markets with social cues became blockbuster markets
- ... and unpredictable



Social cues are powerful in driving product discovery

Scope of Social Media Marketing

- Social media presence on Facebook, Twitter, LinkedIn, etc.
- Blogging
- Social shopping
- Viral marketing strategies
- User generated content (reviews)



Identify which platforms your customers are on and select the social media platform

Social Media Marketing: Uniqueness

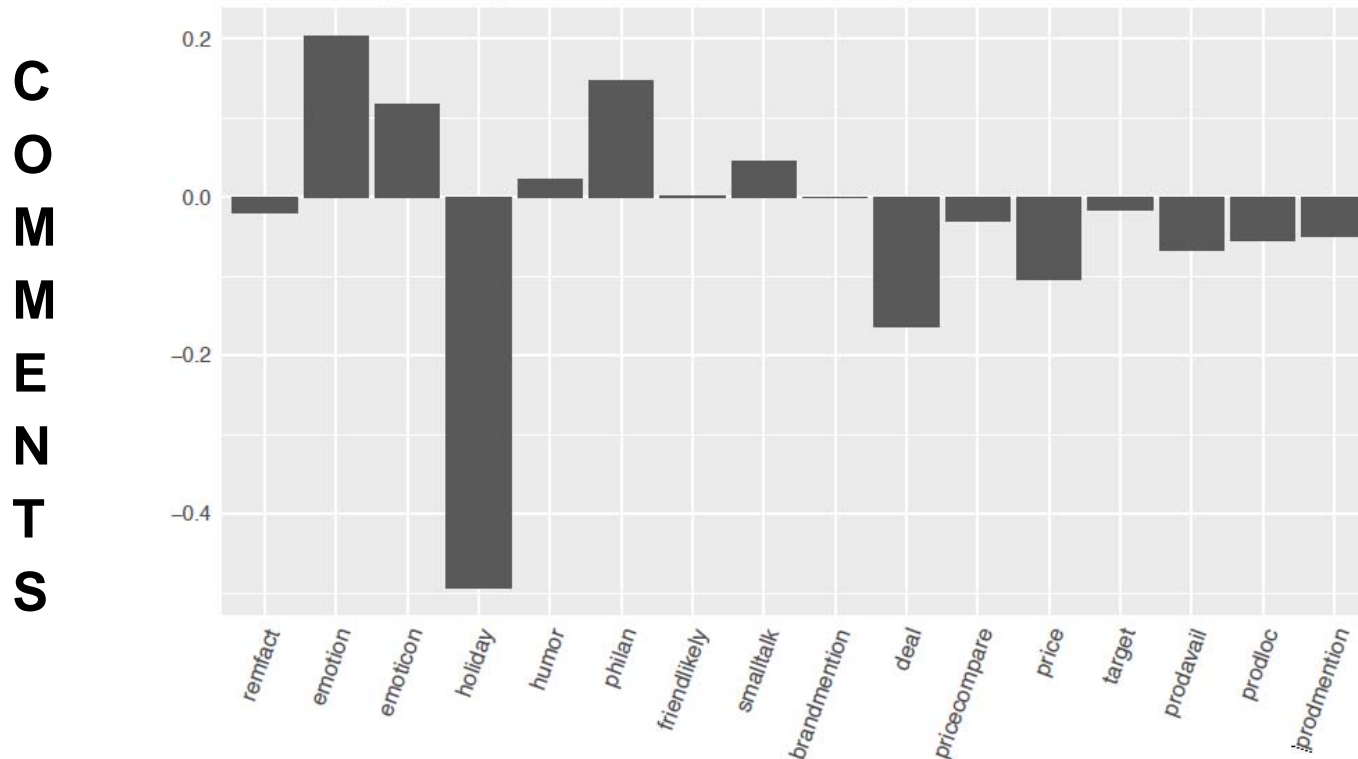
Opportunity

- Build base of brand-loyal followers
- Instantaneously spread product info & deals
- Chance of posts going viral

Challenge

- 0.2% of total possible status updates actually reach users
- 1% of Facebook fans engage
- *Content marketing* is becoming increasingly important

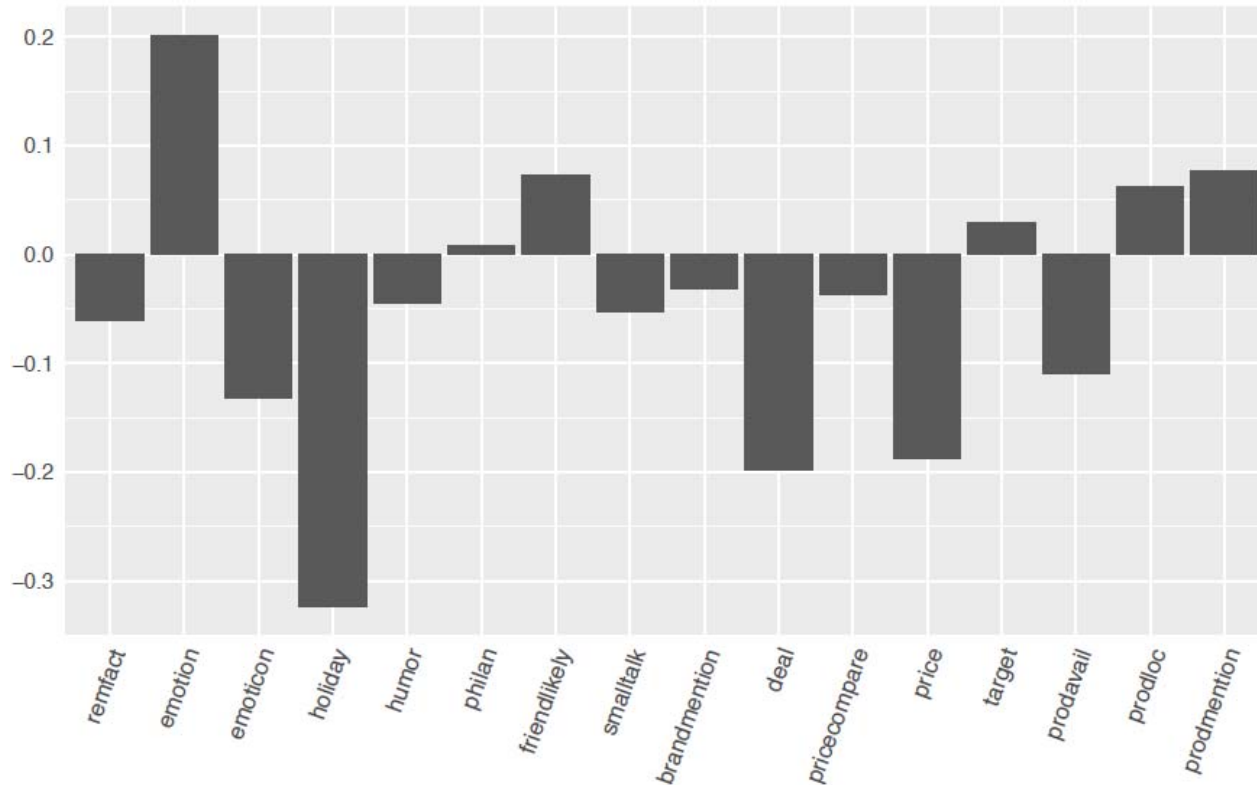
Designing Social Media Content for Effectiveness



Impact of message characteristics on the likelihood of a user commenting on a Facebook message by a firm
Full study available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2290802

Designing Social Media Content for Effectiveness

L
I
K
E
S



Impact of message characteristics on the likelihood of a user liking a Facebook message by a firm
Full study available at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2290802

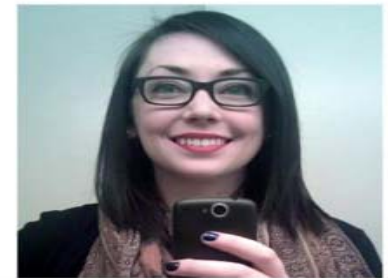
Most Companies Have Social Media Presence

- But these mostly have limited impact
- Social media must naturally fit into the customer journey
 - Pre-purchase process
 - Purchase process
 - Post-purchase process

Design for Social Influence



#1 Japhy



#2 Zagg



#3 Pierce



#4 Wiloughby



Please pick your favorite. I'm trying to narrow it down to only 2 pair. [Possibly 3]

Informing and Entertaining >>> Selling



Innovation with Content and Commerce

User Generated Content



In This Look



Stussy Pink Strapback
Baseball Hat

[Shop It](#)



Calvin Klein X UO Re-Issue
Denim Trucker Jacket

[Shop It](#)



Urban Outfitters Pigment
Pocket Tee

[Shop It](#)

Summary

- Social media helps build brand personality and create brand affinity among customers
- Social cues left behind by customers are powerful in influencing customer behavior
- ROI from social media marketing requires
 - Identifying the right social media platform (e.g. BlendTec, GoPro, RunKeeper)
 - Careful attention to content design
 - Organically matching social media to the right stage in customer journey (Warby Parker versus GoPro)



ONLINE