



# Social spending: Managing the social media mix

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## KEYWORDS

Social media;  
Marketing;  
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Social media mix;  
Mission control

**Abstract** There is incessant demand for ‘proof’ of return on investment (ROI) for social media spending, and a significant degree of uncertainty among marketers with respect to allocating effort and budget to social media. In this article, we address these issues by identifying different ways that organizations use social media, highlighting important distinctions in these approaches and describing how to frame the spending decision for social media. Additionally, we identify dimensions that can be used to differentiate important types of social media in a social media mix, and relate this to tactical marketing execution. We also highlight the different nature of social objectives, the ‘backward’ process for meeting them, and the importance of establishing a social media ‘mission control’ as part of that process.

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## 1. Marketing spend on social media

Organizations both large and small have jumped on the social media bandwagon, feeling their way around to make sense of its usefulness. They have tweeted on Twitter, created fan pages on Facebook, and posted videos on YouTube. Perhaps akin to the development of websites in the latter part of the 20<sup>th</sup> century, organizations today sense that social media is—and will remain—an important fabric of commerce, and that they must get on board. However, given the frequent demand by management for ‘proof’ of return on investment (ROI), it appears that there is a fair degree of uncertainty with respect to allocating marketing effort and budget to social media, and limited understanding of important distinctions among various types of social media.

This article provides guidance on reducing this uncertainty by describing a lens for strategically thinking about social media, and by identifying important dimensions of social media with respect to tactical execution. First, like Kaplan and Haenlein (2010), we find it useful to clarify the difference in meaning between social media and Web 2.0, two terms used frequently as synonyms—which they are not. Next, we identify different ways that organizations use social media, highlight important distinctions in these approaches, and describe how to frame the spending decision for social media. Finally, we identify dimensions that can be used to differentiate important types of social media, and relate this to tactical marketing execution.

## 2. Web 2.0 and social media

It still remains geeky cool—at least among marketers or management types; perhaps less so among

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Figure 1. Spectrum of approaches to using social media



techies—to interchangeably throw about the terms ‘Web 2.0’ and ‘social media’ when talking about relatively new online network-related approaches for reaching, listening to, and interacting with, consumers and others. These terms will likely remain popular and be used as synonyms to the extent that they ultimately help identify value or sell a concept, project, or product. We believe that it would be strategically useful to understand the difference in meaning of these two related terms.

Simply, and in a broad sense, Web 2.0 is comprised of computer network-based platforms upon which social media applications/tools (referred to as social media, for short) run or function. Many organizations create their own Web-based platforms which run on the Internet. For example, Facebook, Twitter, and Apple offer their own Web 2.0 platforms, upon which social media—say, mobile iPhone applications or FarmVille—may run. Each platform has a set of ‘rules’ for writing and running applications, and these applications are developed in accordance with this.

Managerially, the distinction between Web 2.0 and social media is important. Each can be an important conduit to consumers and others (e.g., competitors, employees, suppliers) for a variety of purposes, such as listening, information gathering, and communicating. Further, organizations can assess the strategic implications of developing a platform and/or applications, or of using them in marketing.

Another important distinction is that between marketer- and consumer-generated media, with respect to social media and Web 2.0. The latter is content created by consumers (Kaplan & Haenlein, 2010) appearing in social media (e.g., a tweet on Twitter, a post on a Facebook Wall, a video on YouTube). Marketers/organizations can, of course, create social media content; it’s not necessarily ‘paid’ media, although in spirit this may be the perception of such content.

### 3. Approaches to using, and spending on, social media

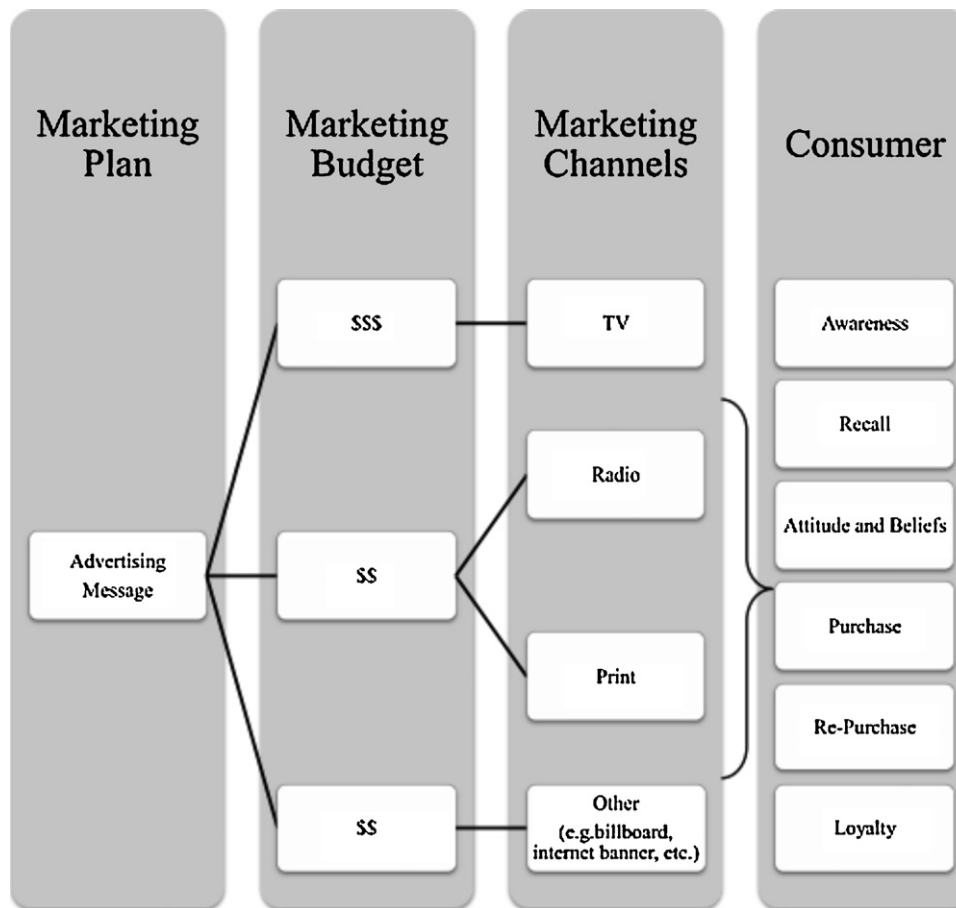
Let us recognize, up front, an important currency or skill set for effective social media implementation that is elaborated upon in other articles within this special issue: Whether you are using social media to communicate directly with consumers, or to influ-

ence others to carry a message related to your brand, effective use of social media can benefit greatly from a personal touch that is relationship oriented. This is comprised of several important qualities, such as authenticity, being conversational and ‘human,’ reciprocity, ceding at least some control, and fighting the urge to explicitly and constantly close a sale (Parise, Guinan, & Weinberg, 2008). In this article, we make reference to this critical skill set.

In our conversations with, and observations of, organizations engaged in social media, we’ve identified three general approaches toward using social media, varying in extent to which the approach is traditional or emergent (Berthon, Hulbert, & Pitt, 2005) in nature (see Figure 1). At one extreme is a method that is traditional in marketing nature, treating—in spirit—social media channels much as long-established media channels (e.g., television, radio, print), and using tried and true metrics with a focus on deriving a predictable response (from an associated social-media related action) on established critical ends in marketing (e.g., awareness, recall, purchase) and assessing return on investment (ROI). Another approach is experimental in that it involves testing and learning to discover important factors/critical-ends associated with social media (e.g., conversation, engagement, evangelism); and, it is traditional as well, in that efforts are made to associate social media decisions and actions to ROI—albeit one that could be referred to as, perhaps, ‘social ROI.’ A third approach also entails experimentation, leading to discovery of factors inherent in, or distinct about, social media (e.g., communicating with a more ‘human’ voice than a ‘corporate’ voice). However, rather than necessarily trying to relate these factors to established or new ends of marketing success—or, perhaps, any measure of success—organizations allow for the emergence of structures or processes brought about through the practice of social media, where the end effects may be transformational and could impact significantly a firm’s culture (e.g., more open/flat structures with respect to a power, control, and spanning of influence and interaction).

There are several key differences in each approach with respect to guidance for marketing spend. We believe that relatively few organizations using social media place significant emphasis on emergence, for a variety of reasons (e.g., due to organizational or industry structure, or degree of

Figure 2. Traditional process for media spending



social media experience or wisdom). Hence, we'll focus primarily on the two types of approaches that aim to explicitly relate social media activities to end-means of marketing success and ROI. In order to later help clarify important distinctions in each social media approach, we characterize a somewhat traditional process for media spend and allocation, and generalize important process elements that obtain in this process as well as in a social media process.

In general, marketers have a budget for spending on media in delivering messages to satisfy marketing

objectives (see Figure 2); metrics associated with the objectives are used to evaluate the media spend, which can include estimating ROI. Of course, tactics used are meant to optimize the objectives/outcomes given a set budget. Indeed, social media (e.g., Twitter, Facebook) differ from traditional media (e.g., television, radio, print).

In addition, we've observed differences in other key process elements (see Table 1). The marketing spend on delivering a message has, historically, been with cash and has often been viewed as a cost/expense. Indeed, this can hold true with respect

Table 1. Media process elements

	Traditional	Social
<b>Media</b>	Television, radio, print, billboard, etc.	Social networks, blogs, microblogs, communities, etc.
<b>Spend</b>	Cash, cost	Social currency, trustworthiness, authenticity, transparency, investment
<b>Delivery</b>	Direct from marketer, unedited	From source, delivered by volition of, and in words selected by, source
<b>Objectives</b>	Awareness, knowledge, recall, purchase, etc.	Conversation, sharing, collaboration, engagement, evangelism, etc.

to social media. However, given the relationship-oriented nature of social media, we have also observed a relationship-based currency, a social currency, and a spending process that can be characterized as investing (e.g., in establishing, building, or maintaining relationships). A message delivered through traditional media is perceived as being delivered directly from a marketer in their own, unedited voice. Again, this can obtain in social media (e.g., a marketer can post a video of an advertisement on YouTube). However, in social media, a brand-related message delivered by a source other than the marketer is not necessarily—and, often is not—perceived as direct from the brand's marketer; rather, as from a non-marketer source (e.g., customer) in an authentic manner (i.e., in the words/voice as desired by that source). Finally, as noted earlier, social media objectives can differ from traditional media objectives. With social media, organizations may emphasize engagement with consumers and consumer evangelism (e.g., generating positive word of mouth, engaging conversations about a brand).

#### 4. Traditional versus social media spending

As mentioned earlier, a highly traditional approach to using social media treats the vehicle as another channel, and seeks to optimize the spend with respect to well-established objectives and to realize—or assess for future actions—an acceptable ROI. A key aspect of this approach, like that for traditional media, is that resources/cash are devoted primarily to the direct delivery of marketer-produced media messages, and an associated key marketing decision is how much to spend in each media channel.

Another approach looks at the spend a bit differently, reflecting marketers perceiving important distinctions in social media such that it should not be treated as just another channel, and demanding proof of worth in a social ROI. In addition to making assessments about how much to spend in each channel for directly delivering messages, investment decisions are also made to build social currency, and on motivating or facilitating—but not forcing or demanding—others to carry a brand-related message. This is a key distinction between traditional media spending decisions and social media spending decisions.

For example, in a traditional media spending decision scenario involving a set budget amount, a marketer will decide how much to spend in various media channels to directly deliver marketer-constructed messages. However, with respect to

social media spending, a marketer is focused on spending that same amount in a way that will result in others carrying or distributing their 'own' messages that are related to the marketer's brand. (Indeed, as we defined it, some of the spending could be devoted to direct delivery of a message via social media channels; however, to dramatize the difference in focus on media spending, we have assumed in this example that none of the spending is for direct delivery from the marketer) The focus of the spend is not on direct delivery of a marketer constructed message. Rather, it is on mechanisms that result in others communicating brand-related messages; for example, (1) investing in social currency through conversation, sharing, supportiveness, helpfulness, and the like, (2) finding opinion leaders or those with high influence to spread the message, and (3) employing promotions, contests, and the like to stimulate brand-related messages by others.

#### 5. Social media mix and traditional objectives

In many respects, all types of social media have been lumped together and thought of as a unitary phenomenon with respect to impact. In using different types of social media, however, marketers have noted different purposes or ways in which consumers respond to or use these media. Thus, we propose the notion of a social media mix when deciding how to allocate effort to various types of social media. Further, in this section we focus on traditional objectives, as for many marketing managers who are relatively early on in the process of exploring, using, and integrating social media there is significant emphasis on traditional marketing mechanisms, such as objectives, metrics, and proof of performance (i.e., ROI). Accordingly, we detail distinctions in some prominent forms of social media and propose a framework that can be used for tactical decision making with respect to traditional marketing objectives.

Indeed, not all social media are the same (Bernoff & Li, 2008). From a technology perspective, the platforms vary and, along with that, so do the rules of utilization and functionality (e.g., Twitter tweets/posts can be no more than 140 characters). In turn, there is variation in how people use these platforms and/or associated applications (e.g., bloggers tend to post at most once per day, and their posts tend to be up to one page in length). In order to support managerial and strategic decision making, we looked to understand this variation and searched for relationships between the platform rules and how people process and use social media.

While social media may vary on a variety of dimensions, we identified two factors that explain well the variation in social media and that can be used to guide decision making with respect to marketing objectives and purpose. These two factors are the half-life of information and the depth of information. *The half-life of information* is a function of both the medium and the content, and refers to the longevity of the information in terms of availability/appearance on the screen and interest in a topic. For example, information appearing on Twitter can move quickly off the screen—perhaps in a matter of seconds or minutes—depending on a variety of factors, such as, in the case of Twitter, the number of users that one is following. *Depth of information* refers to the richness of the content, and the number and diversity of perspectives. For example, an online community forum or Facebook can bring together a relatively large amount of rich, involving information on a topic; consider, for example the Edmunds.com Town-Hall/CarSpace forum on automobiles.

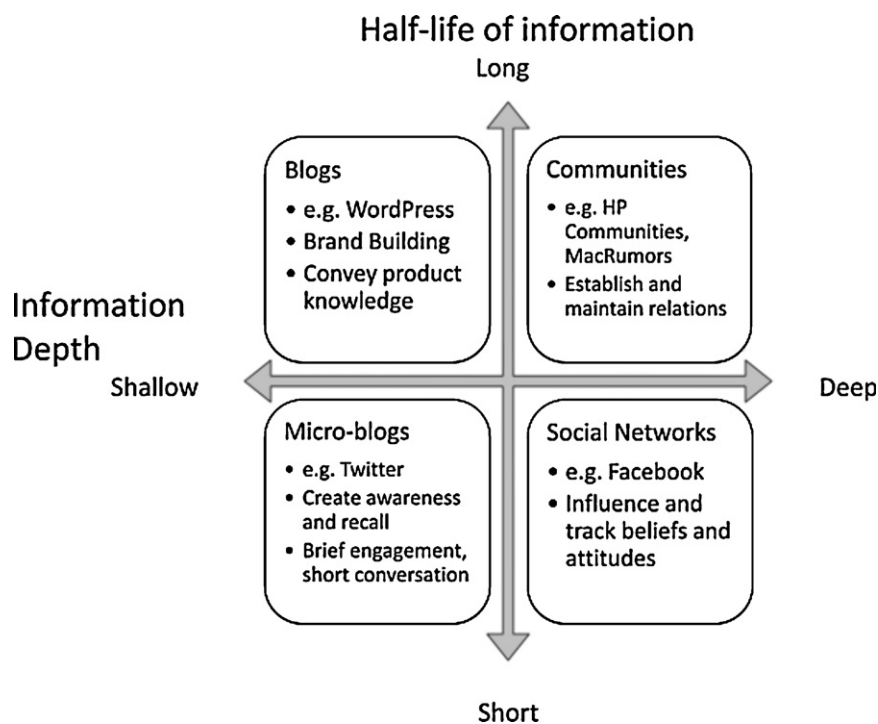
These two factors can be used to show important distinctions among various types of social media and, in turn, to identify, on average, the best types of social media to serve various marketing objectives (see Figure 3). *Microblogs* (e.g., Jansen, Zhang, Sobel, & Chowdury, 2009) such as Twitter—by far, the dominant platform of this type—are structured and used to share relatively shallow

information with a relatively short half-life. This type of social media enables fast, brief conversations and engagement; there also seems to be significant activity at all hours of the day and night. Microblogs may be best used for serving marketing objectives such as awareness and brand recall for established brands. While microblogs are an easy and quick way for companies to keep their customers informed on short topics, other types of social media or platforms are better used to convey and share deeper, richer information. In fact, it is not unusual for a tweet to include a 'shortened' link (e.g., see [www.bit.ly](http://www.bit.ly)) to another source of information that provides greater elaboration on a topic.

Many well-established brands use Twitter to stay top-of-mind with their consumers. For example, Harley Davidson has an official Twitter feed with more than 14,000 followers. The content of these tweets ranges from information about featured bikes to racing results. The frequency of Harley Davidson's tweets tends to be once per day, which, most likely, does not 'crowd' followers' screens while keeping the brand visible and memorable.

Blogs (e.g., Singh, Veron-Jackson, & Cullinane, 2008), which tend to prominently feature one or a small number of perspectives on a subject, have an information half-life that is relatively long compared to microblogs. For example, Best Western's travel blog—entitled You Must Be Trippin'—shows

Figure 3. Social media by information half-life and depth, and associated marketing objectives and purposes





and makes easily accessible 2 weeks' worth of blog posts through the home channel/link, and more than 1 year's worth in others (e.g., Packed & Ready). We've observed that marketers may use blogs to effectively increase product knowledge, and to build and reinforce a brand. Although blog platforms usually have mechanisms for interaction (e.g., via 'comments' or 'replies'), there tends to be, in many cases, relatively little conversation and variety in perspectives. (Even Mashable.com, which is currently ranked second among the Top 100 blogs by the authoritative Technorati, has many blog posts with no or very few replies) However, it is interesting to note that consumers often use blogs to provide their opinions about organizations/brands and products (e.g., via product reviews).

Online communities (e.g., Peypoch, 1998; Rheingold, 2000) bring together people, including both consumers and organizations, for interaction/conversation on a variety of topics. They can attract a diverse set of people of varying backgrounds, and conversations can be deep and carry on for years. Because content in online communities can reflect a great variety of perspectives, richer conversations, and long-term engagement, we classify such information as having a relatively long half-life and being deep. Accordingly, this type of social media would be well-suited for customer relationship management tools, and facilitating the establishment and maintenance of relationships between consumers and organizations/brands/products.

Hewlett-Packard (HP) does this through a series of communities that focus on a variety of support and brand-related topics such as customer support, printing, information management, IT resources, small business, and even gaming forums. These are all maintained and moderated by HP staff, enabling rich conversation between the organization and customers. These communities facilitate HP strengthening its existing relationships with customers, as well as establishing new relationships with non-customers.

Of course, others—such as consumers and professionals—may also form and manage brand-related communities for a variety of purposes including sharing information, providing guidance to consumers and organizations, advocating for a brand, and voicing opinions. For example, MacRumors, a website focused on Apple-related news and rumors, provides Apple and Apple-related product information, buying guides, and community forums containing more than 10 million posts from more than 500,000 members. While this site is not an official part of Apple, the information and guidance provided is substantial and could be used by Apple employees to research consumer opinions/perspectives and to engage

consumers in conversations about various aspects of Apple, such as its products or brands.

*Social networks*—such as Facebook, which has garnered the lion's share of attention in this space—are another prominent social media application/tool that marketers/organizations use to connect and communicate with consumers and their customers (e.g., Mangold & Faulds, 2009). We've observed significant depth of information in organizations' Facebook pages, including content from the organization and 'fans.' For example, Target has many photos and 'wall' comments from amongst its 2+ million fans/friends. The half-life of information is often relatively short in social network areas that are maintained regularly. For example, information on CNN's Facebook wall and its breaking news tab can change rapidly, or move off the screen; Burger King can quickly shift gears from offering one campaign, such as its Whopper Sacrifice campaign (which asked fans to exchange Facebook friends for a Whopper sandwich), to another; or Starbucks can promote globally a one-day sing-along via Facebook (in support of Project RED).

We believe that social networks are useful for influencing and tracking consumer beliefs and attitudes toward a product or brand. For example, Coca-Cola's CokeTag application enables consumers to post pictures from daily life that feature Coca-Cola cans, bottles, or the drink itself. These shots may be featured as fan highlights, and enable Coca-Cola to track attitudes.

## 6. Social objectives and mission control

In the previous section, we identified key factors for differentiating social media and for guiding utilization of the social media mix to serve various traditional objectives in marketing. In this section, we will elaborate on processes for using social media to address social objectives; again, see Table 1. Recall that this frame is different in terms of spending. The focus is on processes or mechanisms that result in others (e.g., consumers) carrying their own, authentic message or action that is related to the organization/brand/product/from a managerial perspective—acting, perhaps in spirit, as a marketer; but, with different motivation and bias. Certainly, marketers continue to aim for traditional objectives, such as purchase. However, a social media spend focused on meeting social objectives—perhaps, analogous to purchase, the ultimate being evangelism—differs significantly.

Indeed, in terms of using the social media mix, it turns the process on its ear. A traditional approach

consists of, first, segmenting a market; then targeting a segment; then selecting a vehicle for reaching that segment with desired content; then, ultimately, funneling consumers toward purchase. A marketer with social objectives in mind, though, first monitors all vehicles for content of interest (e.g., mentions of a brand or product); then identifies individuals associated with that content (e.g., a customer indicating satisfaction or dissatisfaction); then decides whether to target those individuals and, if so, with what action (e.g., continue to monitor, engage in conversation, offer appreciation); then, ultimately, funnels them toward evangelism (see [Figure 4](#)).

This may sound backwards. Perhaps it is 180 degrees different from the status quo with respect to strength of voice and control of media, where organizations with deep pockets of money and influence rule the traditional airwaves. At present, it appears that the consumer voice is dominant in the social space, relying on social currency, which is greater than that of organizations for a variety of reasons (e.g., inherent trust of a consumer by consumers, 'flatness'/openness of the social space). However, organizations can leverage the social currency of others by devoting resources to relationship building with them.

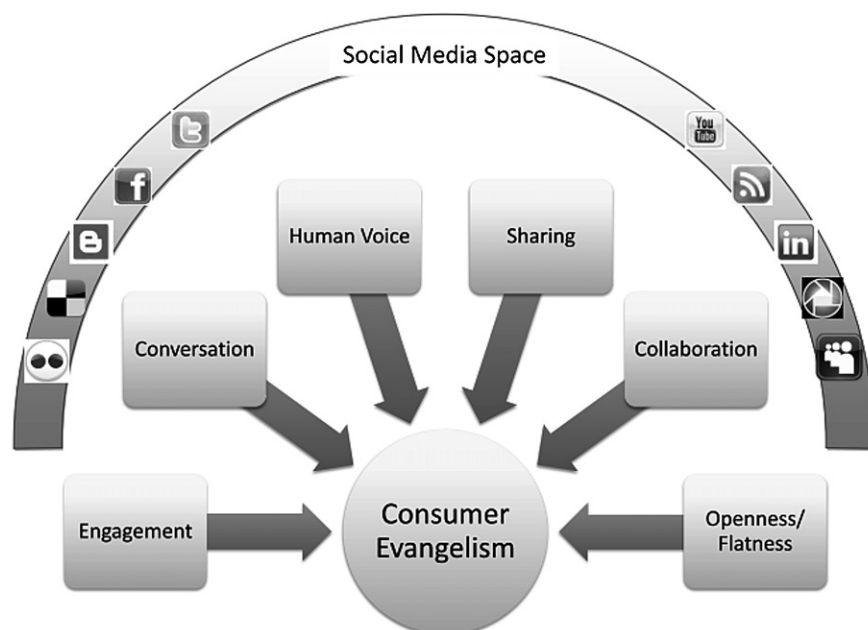
Mechanisms for doing this in social media are much like those in other contexts, such as: engaging in conversations on topics of interest with others; showing support (e.g., Jet Blue tweeting to a consumer who was in search of reasonable prices for travel during Christmas: "We certainly want to make it possible for you to go home for Christmas.

Sign up for fare alerts.""); and sharing, collaborating, or co-creating (e.g., designing Dunkin' Donuts next donut and showing the entries on Facebook; see [Van Grove, 2010](#)). Of course, a key element for facilitating this is being able to know when individuals are speaking in the social space; that is, to be able to hear them! As we said earlier, when focused on social objectives, an important first step is monitoring for content of interest. This is, in essence, listening to what people are saying in/with social media.

To this end, organizations have begun constructing social media 'mission control' centers where they can monitor social-space activity, engage it, analyze it, and share observations and analysis in the organization—all in real time. For example, Pepsico's Gatorade has developed a mission control via which it monitors social media, has engaged in thousands of conversations with consumers, and assesses customer preferences in formulating new products ([Zmuda, 2010](#)). Dell will soon be launching its own social media mission control center ([Owyang, 2010](#)).

These systems do not necessarily come cheap; for example, Radian6 offers a sophisticated monitoring and engagement system for leveraging social media, which is employed by Gatorade in its mission control center. Nevertheless, there are a variety of low-cost or free solutions that can be used effectively. While these may not be integrated solutions, they are capable of supporting important relationship management activities, such as listening in on conversations and searching for individuals and organizations.

**Figure 4.** Social process for media spending



## 7. Spend traditionally and socially

Social media is neither a perfect substitute for traditional marketing, nor is it one-size-fits-all. Marketers can effectively use social media by taking their message directly to consumers and focusing on traditional objectives. In this process, they should recognize distinctions in elements of the social media mix and act in accordance with marketing objectives. It is also important to recognize that social media has properties which—at least, to date—empower consumers and give them influence, enabling relationship building between organizations and individuals. This calls for a more ‘social’ approach to engaging the digital social space. Recognizing the newness of this to organizations, we have herein provided frameworks that should allow for thoughtful resource allocation to social media efforts and campaigns.

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