

INTERACTIVE SESSION MANAGEMENT

Engaging “Socially” with Customers

Facebook, Instagram, Twitter, Snapchat, and other social tools create myriad opportunities to engage consumers, amplify product messages, discover trends and influencers, build brand awareness, and take action on customer requests and recommendations. Social media monitoring helps marketers and business owners understand more about buyers' likes, dislikes, and complaints concerning products, additional products or product modifications customers want, and how people are talking about a brand (positive or negative sentiment).

Instagram is one of the fastest-growing social networking platforms, with more than one billion active monthly followers, and is especially popular with younger Internet users. It is a powerful tool for business, enabling brands to get quick messages and photos to target audiences, engage with them, and build closer relationships. Users can interact with other Instagram users by following them, being followed by them, commenting, “liking,” tagging, and private messaging. Instagram has about 25 million registered business accounts and 1 million monthly active advertisers who use sponsored ads to reach more people on this platform. Instagram generated \$20 billion in ad revenue in 2019.

With over 86 million followers, Nike is one of the most popular Instagram business brands. Nike posts a mix of content, including celebrity-endorsed and lifestyle-based performance shots using still imagery, animated imagery, and video to define “moments.” Like many other companies, Nike has learned that its followers are not just buying their products, they are buying the lifestyle associated with those products. Nike continually promotes its products, but it does so via lifestyle-related storytelling.

Nike's mission statement is “To bring inspiration and innovation to every athlete in the world,” amateur or professional. The Nike brand reflects the belief that people can achieve more by believing in more, and that average people can be empowered to feel like full-fledged athletes if they “Just do it.” Many Nike Instagram posts inspiring followers to make a jump shot or run on the beach evoke this emotive motivation, earning the brand up to 500,000 “likes” per post.

Instagram is one of many social media tools used by NBC Sports to engage with its viewers. NBC Sports has 20 million primetime viewers nightly. Instead of asking people to watch its games, as it had in the past, NBC Sports urged them to engage in conversations about games at the moment they were happening live when it covered the PyeongChang Winter Olympics in 2018. Rather than pushing news, NBC Sports wants to know how people *feel* about the news. When an ad or piece of news is released, NBC Sports wants viewers to engage in spirited social debates using its social platforms. Through social listening and analysis tools, NBC Sports is able to see in real time which ads resonated with customers.

NBC Sports uses Oracle's Customer Experience Social Cloud, a cloud-based software service that enables businesses to listen, track, analyze, and make decisions based on “consumer chatter.” If a topic is heavily discussed, NBC Sports includes it in more of the content it shares. If something doesn't generate much buzz, the company shies away from it.

NBC Sports has found that different social media platforms attract different audiences, and that a piece of content might not work for every platform or every member of its audience. For example, Instagram appeals to a young audience, whereas Facebook appeals to an older following. To adapt content to different audiences, NBC Sports uses Facebook to post more in-depth stories about what's trending in sports. NBC Sports has over 50 channels for connecting with viewers socially on Instagram, Facebook, Twitter, Vine, Snapchat, and Pinterest.

Although engaging with customers via social media has benefited many companies, not all have achieved the results they hoped for. Lush UK, noted for its vegan and animal cruelty-free, all-natural face, bath, and body products, environmentally friendly packaging, and captivating Instagram posts, decided in the spring of 2019 to close its social media accounts. Lush claimed that social media was actually inhibiting its ability to engage with fans. Lush had massive followings on Instagram (570,000 followers), Twitter (200,000 followers), and Facebook (400,000 followers).

In an Instagram post, Lush stated that it was tired of catering to constant social media algorithm changes

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to keep in front of followers. The company did not want to pay to appear in newsfeeds, nor did it want to limit conversations to a few places. Instead it preferred to open up conversations with customers via live chat on its website, email, and telephone. "Social media is making it harder and harder for us to talk to each other directly....We want social to be more about passions and less about likes," Lush stated.

Experts note that companies have recently had to struggle more to get in front of audiences because many social media platforms have stopped ordering news feeds chronologically in favor of algorithms that order content by "relevancy." Many businesses have been frustrated with their posts not being shown to users. They suspect the social media

platforms are making these changes to encourage more brands to pay for ads as a way of increasing impressions (number of times an ad is served).

Did Lush make the right decision? Will ignoring social media work for Lush? How much value is social media really driving? Can Lush succeed in creating a meaningful community outside social media? Many companies are watching closely for answers.

Sources: Brian Peters, "Nike's Secret to Success on Instagram Building an Engaged Community," *buffer.com*, accessed March 28, 2020; *www.nbcsports.com*, accessed March 28, 2020; "Nike," *www.trackalytics.com*, accessed March 28, 2020; Iris Hearn, "Lush Is Quitting Social Media Due to Frustrations over 'Fighting with Algorithms,'" *Impact*, April 11, 2019; and Genna Lepore, "What You Can Learn about Social Media Marketing from NBC Sports Unique Approach," *Impact*, March 19, 2019.

CASE STUDY QUESTIONS

1. Assess the management, organization, and technology issues for using social media technology to engage with customers.
2. What are the advantages and disadvantages of using social media for advertising, brand building, market research, and customer service?
3. Give an example of a business decision in this case study that was facilitated by using social media to interact with customers.
4. Should all companies use social media technology for customer service and marketing? Why or why not? What kinds of companies are best suited to use these platforms?

customers builds trust and sends the message to your customers that you care about what they are thinking and that you need their advice.

Beyond merely soliciting advice, firms can be actively helped in solving some business problems by using **crowdsourcing**. For instance, BMW launched a crowdsourcing project to enlist the aid of customers in designing an urban vehicle for 2025. *Kickstarter.com* is arguably one of the most famous e-commerce crowdfunding sites where visitors invest in start-up companies. Other examples include Caterpillar working with customers to design better machinery, IKEA for designing furniture, Lego Ideas for developing new toys and games, and Pepsico using Super Bowl viewers to build an online video.

Marketing through social media is still in its early stages, and companies are experimenting in hopes of finding a winning formula. Social interactions and customer sentiment are not always easy to manage, presenting new challenges for companies eager to protect their brands. The Interactive Session on Management provides specific examples of companies' social marketing efforts using Facebook and Instagram.

10-4 How has e-commerce affected business-to-business transactions?

Trade between business firms (business-to-business commerce, or B2B) represents a huge marketplace. The total amount of B2B trade in the United States in 2020 is estimated to be about \$14.5 trillion, with B2B e-commerce (online B2B)