

Contents

1. Assess the management, organization, and technology issues for using social media to engage with customers.....	1
2. What are the advantages and disadvantages of using social media for advertising, brand building, market research, and customer service?.....	2
3. Give some examples of management decisions that were facilitated by using social media to interact with customers.....	4
4. Should all companies use Facebook and Twitter for customer service and advertising? Why or why not? What kinds of companies are best suited to use these platforms?.....	4

1. Assess the management, organization, and technology issues for using social media to engage with customers

Social media is an inherently useful and often brilliant platform for businesses to communicate with their customers. It's important not only because just about everyone is on it and utilizing it in some form or another, but also because it provides businesses with an extremely convenient and instantaneous form of communication with their customer base.

Social media like Facebook and Twitter have transformed the way companies think about advertising. It has become powerful tools to companies for engaging customers. Companies use these media to run promotions, sweepstakes, to shape the customer perception of their brands, to build relationships with their customers, and achieve greater companies' visibility in the market. Mobile technology and social network users are increasing daily. The companies should take this as opportunities to keep their customer closer to them (Lauder & Lauder, 2015, pg 422-424).¹

Most companies have embraced social media as part of their marketing mix, but they don't always understand what makes it successful. That means their efforts are often through trial and error.

Meanwhile, there's rising pressure on marketing budgets even as organizations look for ways to identify, measure and optimize key performance drivers of social media activities.

Earnst & Young (EY) recently studied corporate blogs from Fortune 500 companies to examine effective communication traits and provide recommendations for managing corporate social media. Of the companies that were either running or planning to run social media initiatives, only 12% thought they were doing it effectively.

So, how can organizations make sure their social campaigns are effective? Below, EY share three techniques for organizations that are looking to [engage with their customers](#).

1) Be relevant

¹ Laudon, J.P., Laudon K.C. (2015) Management Information Systems, Managing the Digital Firm (14th ed.). Boston, MA: Prentice - Hall, Inc.

Social media users are looking for expertise, competency and insights that aren't available in traditional media settings. Corporate social media is only successful if the right spokesperson is chosen.

2) Tell a story

In the social media space, where everything is about connecting with peers, narratives represent the most common way of addressing an audience. Our results show that storytelling heavily influences traffic numbers.

3) Be conversational

When activity on a corporate social media presence is conversational in nature, it draws more visitors. People participate in online conversations because they value interpersonal connections.

Businesses will now be forced to improve the quality of their content in order to engage customers and compete with other brands on Facebook or Twitter. Engagement on social media is important for businesses because it can provide valuable feedback, build a good reputation for the business, increase customer's trust and attract new potential customers through word-of-mouth marketing.

2. What are the advantages and disadvantages of using social media for advertising, brand building, market research, and customer service?

Social media can level the playing field in business—it's the equalizer between small and large companies. Even solo entrepreneurial businesses can create a global presence using the right social media. With a strong website, optimized with the right words and phrases, a small business can have a big presence.

Another benefit of social media is the cost. Actually, it's the lack of cost. With social media, you don't need to pay for newspaper or billboard ads. You don't need to hire a media company to buy airtime on radio and TV. You just need to exploit the free or low-cost opportunities that social media provides. And, of course, you have to create content and information to post that will keep your customers engaged.

Social media platforms allow you to reach your target audience in the places where they hang out the most. They help you network with others in your industry (and stay up to date/keep an eye on what they're up to). They give your audience the opportunity to follow along with you and it give you the opportunity to engage and communicate with them.

Unfortunately, though, not all is bright and sunny in the world of social media. Accordingly to, Laudon, J.P., Laudon K.C, here are just few advantages & disadvantages of using social media for advertising, brand building, market research and customer service;

First, the advantage of using social media is decreased cost and increase revenue. Using social media for advertising and promotion activities is cheaper than traditional marketing methods. The company can put the advertisement in the social media like Facebook, Twitter, Instagram and others. It helps the company save the cost to do promotions because it was free to display ads in social media. The use of social media is more efficient because the company can update the information at any time (Lauder & Lauder, 2015, pg 422-424).

Secondly, the advantage of using social media is targeting the customers. The company, through Facebook, can identify the target market based on age, sex, geography and education. This is because the user of Facebook will fill out their personal information which will let the company more understand about the audience characteristic and interest. Facebook is one of the popular platforms that provides information about the people and it makes the process of market research become easier and fast (Lauder & Lauder, 2015, pg 422-424).

Moreover, the advantage of using social media is interactivity. The social network provided a platform for the company to interact with their potential customers. For example, Twitter posting the company products or services, the promotion that offer by the company to customer and the news about the products. The followers are able to give comment and feedback in Twitter messages. The follower also can post their question in the Twitter and the company can answer the user questions. This was increase the customer relationship and interactivity between customers. It is more easily to communicate with potential customers by the time to time (Lauder& Lauder, 2015, pg 422-424).

Furthermore, it can increase the customer loyalty. The social media enables the company to provide real time data on the Facebook wall. Nowadays, almost everyone have Facebook accounts and the user

includes all level of people in the market. The company brand will be famous when the customers saw a lot of likes on the brand (Lauder & Lauder, 2015, pg 422-424).

Although using social media for advertising, brand building, market research and customer service have many advantages but it also have disadvantages the company need to commit resources to managing the social media, respond to feedback and producing new content. The company might not have expert people to managing the social media so the organization need to engage knowledgeable people to managing the social media and responsible to respond to customer feedback (Lauder & Lauder, 2015, pg 422-424).

Another disadvantage is lack of feedback control. The company cannot control the customer to leave negative comment or post in social media. For example, when a customer is not satisfied with the company products, the customer will comment on the company Twitter about the weakness of the products. If the management team unable to overcome this complaint, it will damage the company image. When potential customer saw the post, they might lose the interest to buy the products. Therefore, the company must efficiently respond on negative responses but it takes more time (Lauder & Lauder, 2015, pg 422-424).

3. Give some examples of management decisions that were facilitated by using social media to interact with customers

Companies are rolling out ads that capitalize on the social media features of Facebook to achieve greater visibility. Best Buy uses the information from their Twitter followers and Facebook fans to gauge the success of promotions, which products are hot and duds, and the impact of advertising campaigns. Many companies are running online ads that focus less on pitching their products than on promoting their Facebook pages and Twitter accounts. Wrigley Ville Sports uses Facebook to post their Mother's Day Campaign and they track and analyze purchases related to its promotions. AT&T and T-Mobile companies increased their sales by providing different offers to customers. Those offers were implemented after receiving feedback from customers through social media. Other companies like Domino's Pizza and Pizza hut increased their sales through social media customer's feedback and made management decisions accordingly (Lauder& Lauder, 2015, pg 422-424).

4. Should all companies use Facebook and Twitter for customer service and advertising? Why or why not? What kinds of companies are best suited to use these platforms?

Not all companies should use Facebook and Twitter for customer service and advertising. It depends on the company business type and product. Companies that focus on specialized products, such as heavy machinery for road construction, do not need social media to interact with their clients because their clients prefer face-to-face support and interaction. Companies with products or services with mass markets are best suited to use Facebook and Twitter for customer service and advertising due to their client and target market being huge. The social media platform can easily manage their customer service and reduce their cost on other media platform advertising (Lauder & Lauder, 2015, pg 422-424). In my opinion all companies are best suited to use social media platform. At the same time the company should figure out what they want to accomplish via Social Media.