

THE BUSINESS OF SOCIAL MEDIA AND MAKING THE ROI CASE

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QUESTION 1

LET'S SAY YOUR CURRENT ANNUAL SALE IS \$ 1 MILLION.
YOU IMPLEMENT A SOCIAL MEDIA STRATEGY AND BEGAN
GENERATING \$200 000 IN REVENUE THROUGH YOUR
FACEBOOK PAGE. AT THE END OF THE YEAR YOUR SALES
ARE STILL \$1 MILLION.

WAS YOUR SOCIAL MEDIA STRATEGY SUCCESSFUL? WHY OR
WHY NOT?

QUESTION 2

EVERY SOCIAL MEDIA STRATEGY COST MONEY TO IMPLEMENT AND WE LISTED A FEW OF COSTS IN THIS CASE STUDY.

CREATE A MORE COMPREHENSIVE SOCIAL MEDIA STRATEGY COST.

BRIEFLY DESCRIBE EACH COST AND IDENTIFY IT AS EITHER AS A FIXED COST OR VARIABLE COST.

SOCIAL MEDIA COSTING

FIXED COST	VARIABLE COST
Staff Salaries	Extra paid media (campaigns)
Paid Media	Extra cost for content development (additional requirement)
Cost to produce planned content	Additional resources required for content development (feature updates)
Training and education	Cost for other campaigns (applications such as mobile apps, microsite, agencies etc)
Software licensing and listening tool	Cost of associated starting community (existing (upgrade) or old (redevelopment))

QUESTION 3

Suppose you have well like business with a well liked product. One day something goes wrong and you ship 100,000 defective products. Almost the entire customer base is disgruntled.

What social media strategy would you employ to help?

Would you be better off just “waiting for it to blow over” or even “sticking your head in the sand”?



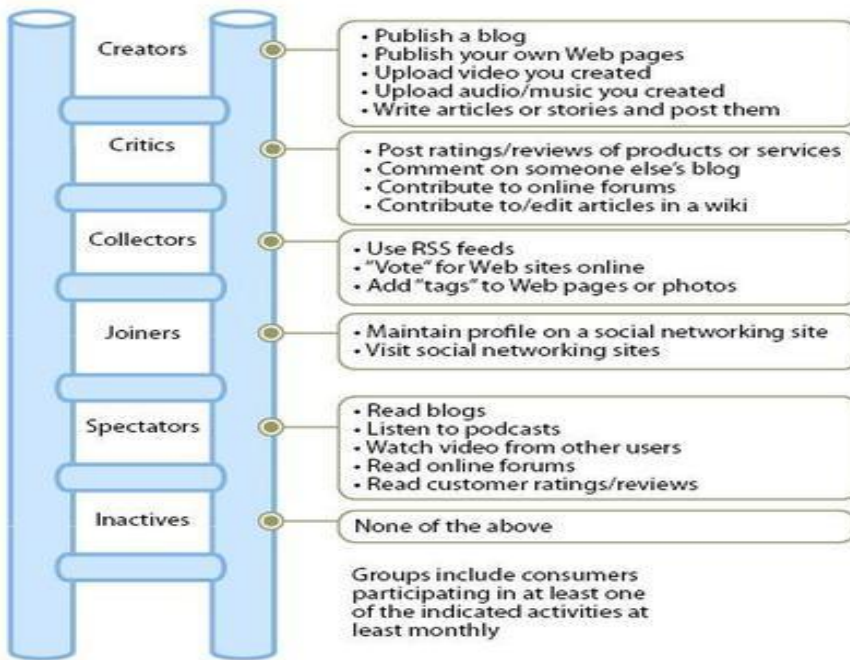
- ▶ The best social media strategy to rectify this matter would be encourage interaction and build relationship. A brief explanation and apology should be posted in the social media.
- ▶ This would create a sense of sympathy among the customers. Besides that customer would gain trust towards the company and waiting for it to blow over or sticking my head in the sand would not be a wise idea. This will make me to lose customer's trust and would hinder my business in the future.
- ▶ Competitors would use this as their winning trait and take advantage of my flaw. The best action would be own up to mistake and rectify it.



QUESTION 4

In the case study, we listed five steps to success. Identify two others and briefly discuss them.

- ▶ In my opinion one important criteria in using social media would be identifying the target market. Boil your customer down to one or more personas in terms of demographics (age, gender, income, education) and psychographics (lifestyle). Market research agency Forrester coined the term “technographics” to describe how people use social media.
- ▶ They refer to it as the [Social Technographics Ladder](#), and break usage into six categories: (Next Slide)
- ▶ Important key to success is to be social or in another words social media should have active interactions. For example coca cola fan page which manage to capture 77 million fans thus manage to increase company sales



Social Media Strategy Hierarchy



THANK YOU

