We’re all connected: The power of the social media ecosystem

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Abstract Consumers are adopting increasingly active roles in co-creating marketing content with companies and their respective brands. In turn, companies and organizations are looking to online social marketing programs and campaigns in an effort to reach consumers where they ‘live’ online. However, the challenge facing many companies is that although they recognize the need to be active in social media, they do not truly understand how to do it effectively, what performance indicators they should be measuring, and how they should measure them. Further, as companies develop social media strategies, platforms such as YouTube, Facebook, and Twitter are too often treated as stand-alone elements rather than part of an integrated system. This article offers a systematic way of understanding and conceptualizing online social media, as an ecosystem of related elements involving both digital and traditional media. We highlight a best-practice case study of an organization’s successful efforts to leverage social media in reaching an important audience of young consumers. Then, we conclude with several insights and lessons related to the strategic integration of social media into a firm’s marketing communications strategy.

1. Marketing myths revealed

Consumers are no longer merely passive recipients in the marketing exchange process. Today, they are taking an increasingly active role in co-creating everything from product design to promotional messages (Berthon, Pitt, McCarthy, & Kates, 2007). The rise in interactive digital media has catapulted company and consumer contact from the traditional Web 1.0 model to the highly interactive Web 2.0 world, where consumers are dictating the nature, extent, and context of marketing exchanges. As Garretson (2008, p. 12) so aptly observed, “Consumers increasingly use digital media not just to research products and services, but to engage the companies they buy from, as well as other consumers who may have valuable insights.”

Dramatic developments in interactive digital media are revolutionizing marketing, and social media has fundamentally altered marketing’s ecosystem of...
influence (Walmsley, 2010). For example, consider the following generally-accepted product and promotion beliefs that are now almost mythical in nature:

- **Traditional product/service belief**—21st century **myth**: Brand managers own and orchestrate their brands

- **Traditional product/service belief**—21st century **myth**: Phones are for making phone calls

- **Traditional product/service belief**—21st century **myth**: The Web is for finding information

- **Traditional promotion belief**—21st century **myth**: Companies use marketing communications to control their message

- **Traditional promotion belief**—21st century **myth**: Consumers purchase products promoted by marketers

- **Traditional promotion belief**—21st century **myth**: Providing a forum for customers to talk is dangerous and risky

How these myths have altered marketing coincides directly with a paradigmatic shift in the commercialization of the Internet. In the early days of the commercial Web, a firm’s focus on technology overshadowed marketing strategy as the central element of business models—models which turned out to be less than profitable (Anderson & Wolff, 2010). The result of this technology-oriented business model was evidenced in the demise of numerous dot-com companies, leading up to the dot-com bust of 2000–2001.

In the new social media-driven business model defined by customer connectivity and interactivity, content goes hand in hand with technology, producing far-reaching effects for the way marketers influence current and potential customers. As noted by Reid Hoffman, co-founder and chairman of LinkedIn, the ability to leverage relationships embodied in social networks will become one of the most transformative uses of the Internet (Ricadela, 2007). Content in the form of social networks and blogs that enable individuals to create, share, and recommend information is extending the spheres of marketing influence, and a wide variety of social media platforms are providing the tools necessary for these influential and meaningful firm-customer exchanges.

With ‘influence’ as the operative word in social media marketing, our intent here is to consider the platforms which prove useful in the 21st century connected consumer marketplace. In Section 2, we describe the social media platforms that can be used in the influencing process. These myriad tools have allowed consumers to connect, share, and collaborate. As such, following discussion of the available platforms for influence, Section 3 describes the way the spheres of influence have unfolded over time. In Section 4, we describe a social media ecosystem in general, followed by a detailed illustration of how the social media ecosystem was utilized to catapult the 52nd Grammy Awards to its highest ratings in years (Section 5). Finally, lessons learned from the implementation of the Grammy Awards social media marketing campaign and implications for practice are offered (Section 6).

2. Platforms for influence

According to Hansen, Shneiderman, and Smith (2011), social media technologies have engendered radically new ways of interacting. To this end, Harris (2009) notes that there are literally hundreds of different social media platforms (e.g., social networking, text messaging, shared photos, podcasts, streaming videos, wikis, blogs, discussion groups), and Anderson and Wolff (2010) highlight the importance of mobile devices for accessing these platforms. Interestingly—and, possibly, confusingly—it is not easy to discern among types of social media platforms. Alexa, a Web information company that provides website traffic rankings, offers broad categories for characterizing social networks, social networking, and social media. Of these, companies such as Facebook, YouTube, Blogger, Twitter, MySpace, and Flickr appear across all categories. According to Alexa (2010), the top 10 global websites by late 2010 were: (1) Google; (2) Facebook; (3) YouTube; (4) Yahoo; (5) Windows Live; (6) Baidu.com; (7) Wikipedia; (8) Blogger.com; (9) Twitter; and (10) QQ.com. Another Web analytics company, Compete, reports that the top 10 websites in 2010 accounted for about 75% of total page views in the United States, up from 31% in 2001 and 40% in 2006 (Anderson & Wolff, 2010).

Because of the myriad social media and networks available, it is not surprising that marketers are actively experimenting on several of the major platforms. Companies such as Zappos, Whole Foods, Dell, and Gap actively connect with consumers on a variety of social networking sites. Blogs are proving to be a useful method of generating sales leads; mobile devices (e.g., smartphones) are facilitating rich two-way interactions with customers with a contextual, location-based richness unheard of just a few years ago; and businesses are creating their own YouTube
videos to drive sales (Crittenden, Peterson, & Albaum, 2010). It is clear that interactive digital media platforms are changing the marketing landscape, and the nature and sources of information and connectivity are vast, in effect creating a 24/7 collaborative world. These platforms have empowered consumers to connect, share, and collaborate, creating spheres of influence that have fundamentally altered the way marketers engage in influencing activities (Singh, 2005; Walmsley, 2010).

3. Spheres of influence

Recently, the Economist’s Intelligence Unit examined how technology would empower individual customers in the next 5 years (Garretson, 2008). Referring to this empowerment as ‘bottom-up marketing,’ Karpinski (2005) describes consumers of media and marketing messages as intelligent, organizing, and more trusting of their own opinions and the opinions of their peers. This bottom-up marketing occurs because “billions of people create trillions of connections through social media each day” (Hansen et al., 2011, p. 3). These connections build relationships that result in a vast social network, tapping into a consumer marketplace where marketers would never be allowed to tread. Related to marketing performance, Metcalfe’s Law suggests that the value of a social network increases in proportion to the square of its connections.

One of the earliest insights into this new 21st century consumer marketplace, which later became known as a social media ecosystem, was the Cluetrain Manifesto in which the authors asserted that markets are not about messages, but about conversations (Levine, Locke, Searle, & Weinberger, 2001, p. 87):

Conversations are the “products” the new markets are “marketing” to one another constantly online. . . . By comparison, corporate messaging is pathetic. It’s not funny. It’s not interesting. It doesn’t know who we are, or care. It only wants us to buy. If we wanted more of that, we’d turn on the tube. But we don’t and we won’t. We’re too busy. We’re too wrapped up in some fascinating conversation. Engagement in these open free-wheeling marketplace exchanges isn’t optional. It’s a prerequisite to having a future. Silence is fatal.

In other words, marketing can no longer solely be about capturing attention via reach; instead, marketers must focus on both capturing and continuing attention via engagement. This calls for a blend of both traditional and social media.

3.1. From bystander to hunter to participant

Traditional media is all about reach. For example, the 2010 Super Bowl reached an average of 106.5 million viewers (Steinberg, 2010). In other words, programming such as the Super Bowl casts a broad net upon viewers for the companies advertising therein. The same holds for banner ads on websites. According to a 2009 comScore study, only 16% of viewers ever click on an ad, with 8% of viewers accounting for 85% of all clicks (Anderson & Wolff, 2010). Thus, while reach can be achieved in large numbers, it often does not translate into a true marketing exchange. Consumers become innocent, and often unwilling, bystanders in the actions of marketers.

Digital technology enabled marketers to bring these passive bystanders on-board as active hunters, with Internet-based campaigns. This was evident when automotive brand BMW incorporated the Internet into its advertising campaign in early 2000. The campaign consisted of several films, collectively titled The Hire (Moon & Herman, 2002), distributed solely on the Internet. In a unique use of television advertising, BMW directed viewers to the BMW Films website, where they could watch any of several films in their entirety. The site registered almost 2 million ‘hunters’ in a matter of weeks. Viral activity also played a central role in the campaign’s success, with friends emailing and instant messaging other friends about the films; this led to over 9 million film views in just a short time. BMW had achieved a level of intimacy with its audience of hunters, and these hunters wanted more.

Fast-forward 10 years and we see that consumers live in a cluttered media environment, where attention and interactivity cannot be assumed (Russell, 2009). Consumers are no longer content with advertising as a bystander sport (i.e., where traditional media is controlled by the advertiser in a firm-consumer monologue of sorts) or as a hunting sport (created by the advertiser with the consumer controlling the interactivity). Consumers now expect to be active participants in the media process. This requires new approaches to media strategy, involving media that do not simply replace traditional media, but rather expand media choices so as to capture reach, intimacy, and engagement.

4. The social media marketing ecosystem

As a sphere of influence, the social media ecosystem centers on the consumer experience. As stated by
Mike DiLorenzo, director of social media marketing and strategy for the NHL, "Social networks aren’t about Web sites. They’re about experiences" (Wyshynski, 2009). These experiences arise when marketers are able to incorporate reach, intimacy, and engagement into the company’s overall integrated marketing communications strategy through the interconnectedness of online social media combined with traditional media.

Unfortunately, too many companies make the mistake of treating these media as disparate platforms or silos that operate independently of each other. Instead, companies should view their approach to social media as an integrated strategy that brings consumer experiences to the forefront, all whilst recognizing that Internet-based media does not replace traditional media. Internet-based media expands marketing’s ability to move consumers from awareness to engagement, consideration, loyalty, and advocacy. While the use of traditional media constitutes a trade-off between reach and consumer engagement, social media enables both reach and engagement through judicious use of all formats and platforms. Marketers need both people and community platforms in order to create experiences that achieve the overarching goal of attention and influence.

The dynamics of marketing interchange and interactions between companies and consumers are far different today than they were 20, or even 10, years ago. Today, consumers actively influence brand messages and meaning, consumer opinions help dictate product and service assortment, mobile devices represent communication lifelines, and online ‘chatter’ serves as a crystal ball that helps companies determine future product or service initiatives.

Figure 1 provides an overview of the social media ecosystem. As noted by Schultz (2007)—the creator of this ecosystem visual—learning to weave through the ecosystem is a new, but necessary, skill in today’s changing world. Corcoran (2009) divides the ecosystem into three media types: owned media (controlled by the marketer; e.g., company website), paid media (bought by the marketer; e.g., sponsorship, advertising), and earned media (not controlled or bought by the marketer; e.g., word-of-mouth, viral). Li and Bernoff (2008) segment active participants in the ecosystem based on five different types of social behaviors: Creators (e.g., publish, maintain, upload); Critics (e.g., comment,
rate); Collectors (e.g., save, share); Joiners (e.g., connect, unite); and Spectators (e.g., read). While the platforms provide transmission of messages, the spheres of influence now become the consumers who engage in conversations about products and services via the various platforms. Marketers must therefore learn to navigate and integrate these multiple platforms, while understanding differences among consumers in the various social behavior segments. Not all participants in the social media ecosystem engage in the same manner, nor are actions on the same platforms equivocal.

Expected increases in social media expenditures by the end of 2010 imply that marketers, indeed, recognize the need to be involved in social media. According to the 2010 Social Media Marketing Benchmark Report from MarketingSherpa, companies in the United States plan dramatic increases in their social media budgets: from a 43% increase in the education/healthcare industries, to a 79% increase in the retail/e-commerce industry (Sullivan, 2009). Yet, many of these companies do not truly understand how to manage social media effectively; as noted by Sean Corcoran of Forrester Research, “the reality is, the space is still very much a Wild West” (Vranica, 2010).

While most marketing plans include the now-mandatory elements of YouTube, Facebook, and Twitter, few of today’s marketers operate within a systematic approach to understanding and managing their company’s social media strategy. As such, they risk chasing the latest application and treating elements as standalone platforms, rather than understanding the fundamentals. The concept of a social media ecosystem enables marketers to think first in terms of overall strategy, not tactics. Working within the ecosystem enables marketing managers to ask critical questions:

- Who is/are the target(s)?
- On which traditional and social media platforms do the targets live?
- What marketing content (story) does the company want to tell?
- How can marketers propagate or feed this content throughout the ecosystem?

5. The 2010 Grammy Awards: Engaging fans

An illustrative composite of how the social media ecosystem was utilized successfully by the music/recording industry is provided here as a case in point to portray how attention to reach, intimacy, and engagement can generate long-term rewards. This case study (Wesley & Rohm, 2010) provides vivid detail regarding how a social media campaign was formulated and implemented with little to no budget, in a very short time frame.

The Recording Academy is the premier organization for honoring achievements in the recording arts, and the Grammy is the most prestigious award in music. Unfortunately, even this illustrious academy was not immune to changing demographics and evolving technology. The annual Grammy Awards show was confronted with two major challenges. First, it faced a declining share of television viewers, as it competed with myriad cable and network channels and other forms of electronic entertainment. Second, its viewership was skewed toward an older female demographic. As such, advertising rates were declining because of the perception that the show offered less value in reaching the coveted 18-49 year old demographic. The social media strategy formulated and implemented by the Recording Academy for the 52nd Grammy Awards, aired in January 2010, provides an example of how a tightly integrated social media campaign catapulted the show to its highest ratings in years.

5.1. The Grammy Awards turned 50

Unfortunately, when the Grammy Awards turned 50 years old, so did its television viewership. Some detractors even jokingly referred to the show as ‘The Grannies.’ While the 2009 broadcast experienced an increase in viewership over that of 2008, only 14% of the viewing audience registered in the targeted 18-49 age demographic. With advertising rates based on the number of younger viewers, the show was offering less and less value for advertisers. This raised the question: How could the show engage the difficult-to-reach 18-49 demographic segment?

5.2. The virtual online ecosystem

For the 2010 Grammy Awards show, advertising agency TBWA\Chiat\Day developed an integrated marketing communications campaign entitled ‘We’re All Fans.’ In designing We’re All Fans, the agency combined traditional and online social media in an integrated fashion. Traditional media drove reach, while social media created intimacy and engagement. Social media was the centerpiece of the campaign. Print and television media were used primarily to support the social media focus. By making social media the centerpiece of the Grammy Awards, the Recording Academy and its agency
inverted the conventional advertising model. Figure 2 provides a visual of the We’re All Fans social media ecosystem.

5.3. The devil’s in the details

The We’re All Fans social media campaign required the bringing together of historically disparate parts, as well as the creation of new activities for which outside vendors were required. As an innovator in the field of social media for live television programming, the back end had to work perfectly, the front end had to work perfectly, the engagement with consumers had to provide strategic insight into their minds, and the bells and whistles had to be pulled off without incident.

5.4. The back end: Development

The core software for the We’re All Fans social media website was a program developed internally at TBWA\Chiat\Day. The program used keywords selected by fans to scrape (i.e., harvest and recombine in a different format) content from other sites—for example, YouTube videos, Flickr pictures, and Twitter comments—that fans could mouse over, or click on, to access content in real time. The content could then be organized to create a digital mosaic of the fan’s favorite artist. Since new content would fill in each time the screen was refreshed, there was always an incentive for fans to return to the site. At the same time, the Recording Academy did not own the data, so not storing this data meant that there would not be any copyright or privacy issues associated with pulling content from other sites.

5.5. The front end: Artist support

While development of the website was taking place, agency staff worked on garnering the support of artists who would be featured on the website. The interesting twist to this aspect of the construction of the ecosystem was that many artists saw digital technology as the enemy, and blamed digital media for the demise of music sales. Thankfully, not all artists proved to be skeptics, with Lady Gaga, Nine Inch Nails, and Coldplay recognizing the power of the social media ecosystem. After contacting around 100 prime artists who were going to be featured on the Grammys, the agency ended up with 20 artists who agreed to a feature placement on the site.
One of the first artists to sign on was Lady Gaga. This early support allowed the agency to feature her in a beta test that was shown to the press, and she was also featured in the first television spot announcing the We’re All Fans website. A Grammy Award promotional YouTube video of Lady Gaga resulted in the artist posting links to the video site on Twitter, Facebook, and MySpace. The YouTube video attracted over 2 million views in the weeks leading up to the Grammys. Thus, the reach of the 30-second spot was amplified dramatically. After the We’re All Fans website was launched, 36% of total web traffic on the site came from Lady Gaga-affiliated referrals.

5.6. Monitoring and analyzing online discussions

The popularity of participating artists was assessed via an online billboard chart/television rating format that used keywords from social media websites. Dubbed the Fanbuzz Visualizer, the barometer of fandom served to foster competition between artists and their fans. Considerable social media data had to be analyzed, to maintain current content and measure sentiment about musicians. This process was fairly straightforward. Online discussions, involving as many as 2 million music fans, were monitored and analyzed by an outside vendor. Collected data were then fed into the front end graphical display, designed to create an online display of popularity of participating artists.

Lady Gaga was the most popular artist on the Visualizer. Moreover, artists featured on the Visualizer won relatively few awards, thus confirming that the format had truly created an opportunity for fans to interact without biasing official voting processes of the awards system itself.

5.7. A social media conference

A webcast event, known as the Social Media Rock Star Summit, was held the day of the Grammy Awards. The intent was to have the most influential bloggers give their opinions on the We’re All Fans social media campaign. The summit brought together leaders from social media companies such as Mashable, Digg, Tumblr, and Facebook. The summit achieved its goal of reaching techies who were interested in the mechanics of the campaign, as well as other influence leaders.

5.8. Results

Engaging and leveraging the social media ecosystem helped the Grammy Awards achieve its best ratings in years. It was the top rated program for the week, with nearly 26 million viewers. Importantly, viewership in the all-important 18–34 year old segment increased 32%, to 9.1 million viewers. It was estimated that a 10% increase in ratings would translate into approximately 15% higher advertising rates for the 2011 Grammys.

Additionally, the We’re All Fans campaign was truly about the fans, as the integration of social media put them at the center of the campaign. The We’re All Fans website attracted more than 2 million visitors during and immediately after the Grammy Awards. Interestingly, online traffic did not peak during the Grammy Awards. Rather, the website traffic spiked on the day after the awards. This surge in post-show traffic is consistent with a phenomenon referred to as the ‘water-cooler effect.’ Coined to refer to conversations that take place around the water cooler after an event (e.g., news, sports, television program), water cooler discussions had now moved online.

6. Lessons learned and implications for practice

Technology has transformed the traditional model of marketing communications. The rise in interactive digital media has catapulted company and consumer contact from a Web 1.0 passive model, to a Web 2.0 interactive model where consumers are simultaneously the initiators and recipients of information exchanges. The combination of both traditional and social mediums allows companies to develop integrated communication strategies to reach consumers on a myriad of platforms, enabling a wide sphere of influence.

As illustrated by the Grammy Awards social media marketing campaign, social media is about creating, influencing, and sharing; and, importantly, it can have a powerful impact on performance. The Grammy Awards campaign offers several insights related to its strategic integration of social media into a marketing communications strategy. We explore these next.

6.1. Lesson #1: Visualize the ecosystem

A critical step in the development of a social media strategy involves the concept of the social media ecosystem. The ecosystem needs to be visualized in terms of the three types of media: owned, paid, and earned. This allows marketers to develop a clear idea as to what extent each media platform (e.g., website, Facebook, Twitter, television) interacts with the others. At the same time, knowing
that the sphere of influence will be equally dominated by five types of social influences—Creators, Critics, Collectors, Joiners, and Spectators—helps companies determine the type of messages that need to be central within the ecosystem. We propose that any company engaging in social media marketing, both large and small, should first conceptualize and develop its own version of the social media ecosystem.

6.2. Lesson #2: Identify and track key performance indicators

Companies and managers have long attempted to identify and track key performance indicators in order to measure success. This is no less a priority with a social media strategy. Interestingly, traditional metrics for reach and awareness are still viewed by marketers as critical to measuring success. However, given the power of digital platforms to measure conversion from clicks to click-throughs to actual purchases, we propose that these traditional metrics—as well as metrics unique to social media, such as Facebook 'Likes'—only tell part of the story. Marketers with a social media presence should focus on conversion tracking of downstream metrics such as sales to the extent that it is possible, in addition to those metrics that indicate brand lift and brand engagement. The move by Facebook and partners such as Disney to enable social commerce, which some label ‘f-commerce,’ works by enabling Disney to sell advance tickets for its new movies direct from within Facebook (Marsden, 2010). This reflects the power of social media to combine both brand affinity (e.g., liking) and sales conversion within the same platform. The bottom line: define the key outcomes associated with your specific ecosystem and quantify the related metrics (e.g., brand mentions, brand lift, sales) wherever possible.

6.3. Lesson #3: Begin with your story

As with any communications strategy, a company needs to be clear about the story it wants to share with the marketplace. This story might be about a new product, a new service, a new relationship, or an overall theme. The Grammy Awards theme was We’re All Fans. Based on that thematic expectation, the social media strategy moved forward with the idea that everyone in the marketplace was a fan. Consumers as fans were the influencers in the sphere, using the platforms that furthered the engagement process for them. As such, a consistent and integrated story permeated the ecosystem.

6.4. Lesson #4: Social media does not require elaborate budgets

Unlike traditional media that are often cost-prohibitive to many companies, a social media strategy does not require astronomical budgeting. Consumers—in particular, younger consumers—do not utilize the same media types as in the past. For example, social networking site Facebook now has over 550 million users, implying that almost 1/11 of the people around the world have a Facebook account. Companies can develop communication strategies that both reach and engage people in myriad ways, on platforms that do not require expensive media spends and creative development. A critical aspect of the Grammy Awards social media strategy was that there was little to no budget, and the related social media ecosystem was developed in about a month’s time. This ties closely to the need to define the media in terms of what is already owned, what is available for free on the open market, and what has to be paid for. If budgets are slim, the strategy will have to take advantage of what is owned and what is available for free. Social media is about users and being connected to other users; it is not about significant investments in expensive production and media.

6.5. Lesson #5: Be unique

Social media platforms provide extensive opportunities to customize user engagement. For example, the Grammy Awards employed the Fanbuzz Visualizer as a unique feature of the We’re All Fans campaign. The platform did not require participants in the sphere of influence to learn anything new; rather, the application used keyword indicators and scraping, both of which were readily available techniques based on existing technology. At the same time, some element of uniqueness and authenticity will give consumers a reason for engaging electronically and be a great weapon against boredom: the one sin for which there is no forgiveness online (Kaplan & Haenlein, 2010).

7. Conclusion

Social media platforms such as Facebook, Twitter, Digg, SCVNGR, YouTube, and numerous others have begun to revolutionize the state of marketing, advertising, and promotions. These social media have transformed the Internet from a platform for information, to a platform for influence. Because of the dramatic and global growth of social media such as Facebook (550 million users) and Twitter
(100+ million users), companies of all sizes from different industries now view social media marketing as a mandatory element of their marketing strategy. However, it is no longer enough to merely incorporate social media as standalone elements of a marketing plan. Companies need to consider both social and traditional media as part of an ecosystem whereby all elements work together toward a common objective: whether to launch and promote a new product or service; to communicate a new company initiative; or to simply further engage customers in a rich, meaningful, and interactive dialogue.

References


