How implementing social media strategies (the right way) attracts customer loyalty

A Directed Research Project

Submitted to:

The Faculty of the Public Communication Graduate Program
School of Communication
American University
Washington, D.C.

In Candidacy for the Degree of
Master of Arts

By:
Ellie Brown

April 2010
Abstract

Social media is transforming the way the public and brands interact. Marketing strategies that once included careful message development broadcast to mass audiences, are now giving way to the idea that the public is a co-creator of brand messages and a trustworthy promotion channel. Two-way interpersonal communication is re-emerging as a necessary strategy for engaging a public growing increasingly skeptical of traditional marketing tactics. Despite its emerging popularity, many brands are wary to invest the time to participate in social media because it remains unproven if social media engagement translates into increased sales. However, the experiences of three well-known brands, Ford, Chevrolet and Starbucks, show that brands can increase sales if their social media strategies build brand loyalty though the cultivation of reciprocal relationships and appropriate interaction within their social networks. Purchasing behavior is supported by inclusion in branded social media marketing strategies that encourage the promotion of guided messages.
Introduction
Is social media marketing here to stay? The tag “Follow us on Twitter” is becoming as
commonplace as adding a website or a phone number to an advertisement to encourage people to
find out more information. It seems like every brand has a Facebook page, and if they don’t
there is a vocal group of “experts” pushing them to adopt social media as a communication and
marketing strategy. Social media is a monetarily inexpensive, yet time-intensive medium that
encompasses the coveted word-of-mouth marketing (WOMM) technique for brands.

Social media has been defined as the “use of technology to co-create, know, like, and trust.”
Using tools such as blogs, social networking sites (e.g. Facebook, MySpace, Twitter), social
search/trending, book marking (e.g. del.icio.us, StumbledUpon), and video creation and sharing
(e.g. YouTube, Vimeo), social media opens up new access points to reach targeted groups and
adds to traditional marketing and communication strategies such as mass media advertising and
personal referrals (Jantsch).

Yet, social media is redefining what we consider successful word-of-mouth marketing.
Marketing has evolved from a transactional orientation to one that is based on relationships and
community-building (Kozinets et al.). It is only after a brand has built a sufficient level of trust
within the community through content sharing and engagement, should they market to their
social network (Jantsch).

Businesses risk ignoring this important paradigm shift if they rush into a social media strategy
based solely on increasing sales. Consumers’ attitudes towards corporate social media could go
the way of television advertisements in that they are becoming accustomed to screening out and
ignoring uninteresting advertisements (Mai, Schoeller). Also, jumping into a social media
strategy based on “hype” surrounding the platform (like Twitter or Facebook) or technique (user-
generated content) without understanding how to properly engage customers, is also cause for certain failure.

This paper will attempt to answer the questions of social media’s viability in an increasingly skeptical marketplace and how brands can and should build communication and marketing campaigns using social media strategies. It will explore how and why consumers and brands are engaging with one another using social media through a series of company-specific case studies for Ford, Chevrolet, and Starbucks.

While the utility of implementing a social media strategy to build relationships with consumers has been established, many brands are wary to invest the time to participate in social media because it is unproven if building these relationships does, in fact, lead to increased product sales. Based on an analysis of the social media strategies of the three brands mentioned above, this paper will show that inclusion in a social network and consumer participation in social media marketing strategies builds brand loyalty and ultimately leads to increases in purchasing behavior. Participation and inclusion in a social network not only increases brand visibility, but also strengthens connections between the public and the brand through personal interaction.

In order to encourage product purchase, brands must activate their loyal fans/followers and encourage their audience, influentials in particular, to complete the marketing “meaning manufacture” of the products they are selling (McCracken). Meaning manufacture is an important component in successful WOMM as influentials provide their own interpretation of the brand and communicate these opinions to others in their social networks. Meaning manufacture was something that traditional marketers were responsible for determining using
targeted marketing and promotion. However, in today’s social media infused marketing environment, it is the consumers that have the power to create the meaning of a brand.

A company entering into the social media space has the immediate challenge of building up a network of supporters. Brands with a historically loyal following like Starbucks and Chevy already have been established quite clearly in the minds of consumers. However, for a new product like the Ford Fiesta, the brand must generate a new loyal following. This is done by “buying” followers through promotions like give-a-ways and free samples. This is where the new concept of WOMM comes into play as these newly “bought” fans and followers are responsible for recruiting genuine fans and followers of the brand. Eventually, these new fans and followers will become brand loyal, and continue to complete the meaning manufacture of the brand among their own social networks. Loyalty is gained and maintained by the cultivation of mutually beneficial relationships among brands and their fans and followers.

A deeply loyal, participatory social network not only attracts new fans and followers, but also allows the brand to weather any unanticipated controversy caused by the uncontrolled messaging environment of social media. If active within their own social networks, brands can explain and defend negative criticism and reassure their loyal supporters with minimal risk of losing them.

**Literature Review**

In order to understand social media’s impact on commercial marketing efforts it is important to review the elements that define it, namely interpersonal influence, opinion leadership and diffusion of innovation theories. The literature has firmly established the importance of interpersonal communication, and in particular the role of opinion leaders, in the diffusion of ideas, information and innovation within social networks (Schenk and Dobler; Valente; Katz and
The diffusion of innovation is the basis behind successful word-of-mouth marketing; dependent on knowledge, trust and the type of ties within a social group.

**Word-of-Mouth Marketing**

WOMM has traditionally been defined as an informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding a brand, a product or a service (Okazaki). But now, WOMM is not limited to person-to-person communication between a non-commercial communicator and receiver; brands and the people who represent those brands have the opportunity to communicate directly and personally with consumers. Successful WOMM in this new environment depends on the transformation from persuasion-oriented, sales-objective oriented “hype” to relevant and useful information that helps build value within the social network (Kozinets et al.).

While social media is considered a new platform for WOMM, departing from traditional face-to-face interaction, it still involves interpersonal communication with perhaps an even higher standard for truthful engagement. Social media conversations between consumers and brands are not sales pitches, but rather open, honest and transparent interactions to help develop relationships and encourage brand loyalty (Jantsch).

In the late 1950’s, theories of WOMM began to reflect the importance of opinion leadership and network influentials in adoption behaviors. Katz and Lazarsfeld, in their ground-breaking study on personal influence, argued that marketing messages were not delivered in the “hypodermic needle” style in which marketers influenced the conversations and purchasing behaviors directly within mass publics. But rather, these messages were received and interpreted first by opinion leaders who then disseminated the message to the larger population, leading to a two-step communication flow. Katz and Lazarsfeld found that mass communication was more likely to
reinforce messages that corresponded to previously established attitudes among current supporters rather than convert new ones (Katz and Lazarsfeld). Opinion leaders initiate the two-step flow of information by first absorbing and interpreting ideas and messages from mass media and then communicating these “pre-masticated” messages to less engaged members of their social networks.

The research following Katz and Lazarsfeld’s study is extensive and the utility of opinion leadership in influencing publics has been discussed in depth. However, as Keller and Fay note, marketing strategies have continued to focus on creating awareness, preference, and purchase intent among mass audiences, and on attracting and then converting prospects rather than embracing the two-step communication model (Keller and Fay).

But as some announce “the end of advertising” due to declining trust, proliferation of media choice and rise of the Internet, scholars and professionals are once again paying attention to the two-step communication model. Social media has had a great impact of the way consumers and marketers approach interpersonal communication and WOMM. This most recent evolution coincides with the recognition of the importance of the Internet and how it has transformed WOMM from a transactional orientation to one first based on relationships (Kozinets et al.).

In this new marketing environment consumers are regarded as active co-producers of brand messages, value and meaning manufacture. While WOMM was previously regarded as a result of altruism and higher status-seeking behavior, it is now more complex and culturally embedded. Messages are shaped by communal interests and an individual’s personality, leading to ownership of the brand’s values and meaning. Social media gives people an unprecedented ability to connect with each other and because of this, consumers are abandoning their traditional
passive role as recipients of brand-developed content and are exercising more control over the messages they receive, generate and share (Okazaki). However, as Keller and Fay have found, there is not a complete dichotomy between traditional mass marketing strategies like targeted advertising and the more personal WOMM. In fact, online conversations about brands are more likely to contain references to advertising than not (Keller and Fay). Interpersonal communication needs preparation by mass communication in order to place certain issues on the public agenda (Schenk and Dobler).

Brands need to recognize the new context in which WOMM is occurring and learn to properly engage targeted publics in such a way that balances relationship-building, product promotion, and sales pitching. Additionally, brands need to understand the role and influence of a new classification of opinion leaders and influentials within these social networks. It is by properly leveraging relationships and engaging social network influentials to spread brand messages through content sharing, re-tweeting, and commenting to encourage purchasing behaviors, that social media strategies can be considered successful.

**Opinion Leadership**

Opinion leaders have been found to exhibit higher levels of social activity and gregariousness within their social networks. They display competence, credibility, authority and self-confidence and extensively use media (Schenk and Dobler). The classic opinion leader concept refers to influence within homogenous small groups, as people tend to trust those with whom they share similar characteristics (Schenk and Dobler) Opinion leaders’ influence is direct and derives from their informal status as individuals who are highly informed, respected, or simply “connected.” However, more applicable in the age of online social networks in which members tend to have diverse and weakly tied connections, is the concept that people with personality strength and
technological knowledge are often considered strong influentials as well. People with strong personalities and relevant online savvy tend to act as bridges between other weakly connected social networks, enabling diffusion on innovation to occur.

**Diffusion of Innovation**
The diffusion of innovation theory is based on the process by which a few members of a social system initially adopt an innovation (like purchasing a product or embracing a brand), then over time more individuals adopt, until all members have done so (Valente). The theory contains four classifications of adopters: (1) early adopters; (2) early majority; (3) late majority; (4) laggards. Within the diffusion of innovation theory, the threshold model posits that individuals engage in behavior based on the proportion of people in a social network that are already engaged in that behavior. Each classification of adopter exhibits a different threshold for adoption; early adopters with the lowest threshold and laggards with the highest, if they adopt at all. Valente’s social network threshold theory argues that individuals with lower thresholds influence individuals with higher thresholds. Individuals with higher thresholds look to early adopters and the early majority to help mitigate uncertainty and to provide information about the innovation (Schenk and Dobler). This is important because most people in a social network need to see that a certain number of people in a network have already adopted an innovation before they themselves will adopt it; hence supporting the need for a two-step flow of communication.

Companies looking to engage in social media should be cognizant of the diffusion of innovation because they need to implement strategies that target influential groups of early adopters to encourage late majority and laggards to eventually adopt the desired behavior – like becoming loyal to a particular brand and ultimately buying the product.
There are more than 3 million active fan pages on Facebook, with about half coming from businesses. Additionally, more than 20 million people become fans of Facebook pages every day (Facebook.com). A Facebook fan page allows brands to create pages dedicated to promoting their brand messages while encouraging activity from fans and non-fans alike. Facebook users can easily post comments and links on the fan page along with any brand-created content. Users are encouraged to become fans of the pages so that their own networks see their brand association and are encouraged to find out more information to become a fan themselves. Additionally, if any of a user’s friends become fans, that user will be alerted to it through the Facebook newsfeed. This allows friends to see who has “adopted” the behavior (become a fan) and may trigger a cascade of adoption behavior as different adoption thresholds are met.

**Social Influence and Size of Networks**
But the question that most brands want to answer is: Why do people become a fan of a brand like Starbucks or Ford on Facebook or re-tweet a Twitter post based on what their “friends” are doing? What makes them want to share these things with their social networks and propagate these brands for seemingly nothing in return? Interpersonal influence is the tendency to conform to the expectations of others. Individuals are motivated to adopt behaviors by a desire to enhance self-image by association with a reference group or to achieve a reward or avoid a punishment.

Word-of-mouth marketing is most successful when an innovation (or product) is diffused throughout a social network and adopted by the individuals in the group. Relationships and roles within online social networks are different than traditional social networks in that the connections are numerous, but weaker. The average Facebook user has 130 friends on the social network while his/her “core” group of real friends is between 5 and 10 (Geoghegan;
The availability of information on the Internet has allowed more and more people to become knowledgeable and share information. These informational “know-how” exchanges have been deemed important facilitators of the diffusion of innovation and originate mostly from weak ties within groups (Gruen, Osmonbekov and Czaplewski). The most influential WOMM originates from strong ties, however individuals with many weak ties are best placed to diffuse difficult innovations, like selling their network particular brand. It is possible that through these networks of weak ties that small-scale interaction becomes translated into large-scale patterns. The strength of a tie is a combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterize the tie (Granovetter).

**Weak Ties**
As brands continue to infiltrate relations within social networks, the “self-interested logics” of the market may undermine the “sharing/caring” communal ideal and threaten the traditional social contract of the group. Interaction with these brands in terms of adding content, providing comments and spreading messages therefore causes tension for the individual engaged and makes them less likely to share content with their strong ties (Kozinets et al.). Therefore, individuals with many weak ties are best placed to diffuse a difficult innovation like a marketing message. Adoption of a difficult innovation requires a higher threshold of adopters before a global cascade occurs and the diffusion is considered successful (Granovetter). Individuals with many weak ties and strength of personality function as bridges between weakly tied social networks (Schenk and Dobler). Thus, a Facebook user with numerous weakly connected “friends” may be more apt to share a message about Starbucks or send their network a link to join a Facebook fan page. These individuals are ideal for disseminating brand information and helping to complete the meaning manufacture for brand messages.
Case Study Analysis
What follows is an analysis of the strategies of branded social media campaigns that attempt to leverage interpersonal influence and the two-step flow of information to encourage brand loyalty and increase product sales. The case studies include Ford’s campaign to introduce the new Ford Fiesta, Chevy’s user-generated “Create Your Own Ad” to promote the 2007 Chevy Tahoe, and Starbucks’ use of innovative social media strategies to engage with consumers including the development of the user-generated suggestion site MyStarbucksIdea.

A significant portion of the research and commentary collected for each analysis has come from relevant blogs. Although these blogs are representative of the author’s opinion, there is growing recognition of the legitimacy of blogs, especially concerning social media. Many blogs are ahead of mainstream media in terms of breaking stories in their own industry (Kent) and for an industry that is changing so rapidly, blogs are an appropriate medium to collect and analyze information and opinion about the success of various social media strategies.

Ford Fiesta Movement
In late April 2009, Ford unveiled a campaign to generate excitement and support for the launch of the Ford Fiesta to be sold starting in the summer of 2010. Ford had not been a player in the small car market since discontinuing the Ford Fiesta in 1997 and at a time when consumers were spending less and more apt to respond well to a small, fuel-efficient vehicle, the Fiesta was seemingly well-positioned to generate substantial interest. However, a successful and profitable new car launch would be a difficult given the economic challenges faced by many of Ford’s potential customers.

Ford has developed a dynamic social media presence under the direction of Scott Monty, head of social media at Ford. Monty has transformed the way Ford has approached their communication
and marketing strategy and it is with this digitally innovative approach that the Fiesta Movement was expected to be “one of the most visible, informative social media experiments in the automotive world” (McCracken).

**Background**
The Fiesta Movement began with Ford giving 100 company-selected “agents” from all over the United States a new European-style Ford Fiesta to drive for six months. Ford assigned each agent a monthly mission to complete after which they were expected to record their adventures and opinions of the Fiesta in a series of blog posts, tweets and videos. The themes of each mission were travel, adventure, social activism, technology, style, design and entertainment. The agents’ stories were documented using Twitter, Facebook, Flickr and YouTube.

The agents were selected based on their potential as “culture creators.” Meaning each one was already a proven YouTube storyteller in their own right and could earn a fan community on their own. The Fiesta Movement missions would allow these individuals (and married couples) to experience situations they wouldn’t normally get to document; adding to their online narratives and creating value in their communities (McCracken). Each agent demonstrated a strong presence on the web, an ability to craft a compelling story through video, and an inclination for adventure.

**Social Media Strategy Details**
The Fiesta Movement used a combination of Twitter, Facebook, YouTube, Flickr, blogs, and a website dedicated to Fiesta Movement agent profiles, updates and information. Each platform included integration with the others through links, feeds or sharable “chicklets” prompting users to share, comment on or follow the Fiesta Movement via their preferred social network or information stream.
**Fiesta Movement Site**
The Fiesta Movement site is the main platform through which potential consumers can follow the activities of the 100 Fiesta agents. The site includes a live feed of all updates embedded from where they came from (e.g. YouTube video, Flickr photograph, tweet). Although content can be uploaded, updated and stored in different social networking sites, the Fiesta Movement site consolidates everything in one place. The site also includes detailed profiles of each agent featuring a short, pithy, self-description, as well as links to their blog and profiles in YouTube, Flickr and Twitter.

Not only can potential consumers search for content based on its creator, but they can also explore content based on its mission classification: travel, adventure, social activism, technology, style, design and entertainment. The mission examples below are from entertainment and technology.

For Brittani Taylor’s Parody Hilarity mission, she is challenged to parody a popular movie, record it and post it to YouTube. The video opens with a graphic of the Ford Fiesta and an introduction from Brittani explaining that she will be re-creating a scene from the film “Where the Wild Things Are.” The production is obviously homemade, with amateur costumes and Brittani’s friends in the supporting roles. However, it is expertly edited together which is evidence of Brittani’s online video savvy. The short video ends with a shot of Brittani asking her viewers to check out all her Ford Fiesta adventures and make comments on the content.
Twitter, YouTube and Flickr

If the Fiesta Movement site was the backbone of this social media campaign, then Twitter, YouTube and Flickr were the legs. The mission content added to each of these sites was then shared, embedded, posted across agent blogs and the Fiesta Movement site live feed. Twitter was the catalyst for information sharing, however comments were also collected directly on each agent’s content on YouTube and Flickr.

The Fiesta Movement included a number of Twitter names and hashtags, allowing consumers to follow @FiestaMovement or @FordFiestaAsk for agent updates and answers to submitted questions. Consumers were also able to follow the hashtags #fiestamovement #fiestaAsk to read additional content related to the Movement. The Twitter hashtags allowed users to follow tagged information designated by the “#” sign, rather than just following an individual account.

The “Ask a Driver” portion of the website allowed users to ask a Fiesta-related question to one of eight featured agents. Each question was classified with a #quality, #design, #tech, #drive or #fun hashtag depending on its content.

Each agent also maintained their own Twitter accounts where they answered questions, linked to information about their missions, and interacted with other agents and fans. Although these were seemingly personal accounts, it was made clear that each individual was communicating as a Fiesta agent.
**Facebook**
The @FordFiesta Twitter stream was also integrated with the Fiesta Movement fan page on Facebook. The fan page offers a platform for “fans” and Fiesta Movement staff to share Fiesta-related content with each other, post opinions and generate excitement for the launch of the vehicle in the summer of 2010. The content is representative of the free-spirit, adventurous, fun “persona” of the Fiesta itself and its potential drivers.

![The Fiesta Movement](#)
*Happy President's Day! Let’s all "fiesta" by having ordering one! (haha!) Ford Fiesta ordering opens today!*  
February 15 at 3:15pm via Context Optional

5 people like this.
View all 5 comments

However, the fun nature is also balanced with useful consumer information such as the announcement telling consumers they are now able to order a Fiesta.

![The Fiesta Movement](#)
The wait is over! Ford Fiesta ordering opens today!
February 15 at 10:45am via Context Optional

29 people like this.
View all 7 comments

Additionally, there is an active exchange of information as questions and comments are addressed directly by Ford Communications staff.

![Camille Mendoza](#)
*uhmm...i'm just wondrin'what are the things required to qualify to get a fiesta?I really like this car...love it!*  
January 26 at 10:22pm · Report

![The Fiesta Movement](#)
*What kind of things are you talking about? I'd be glad to help!*  
Elise Abbott, Ford Communications  
February 1 at 10:29am · Report

**Results**
From April to October 2009, the world got to experience firsthand what it was like to drive a Ford Fiesta through the videos, pictures and tweets of 100 social media savvy “culture creators.”
During the six months of the active campaign, the agents’ videos were viewed 6.5 million times on YouTube, their Flickr slideshows perused by 740,000 people and their Twitter updates reached approximately 3.7 million people. Over the course of the campaign Ford identified over 100,000 “handraisers” who expressed interest in the car, as well as secured 6,000 sales reservations – half of which were from customers who had never owed a Ford in the past. These reservations were made well in advance of the Fiesta’s actual release date in the summer of 2010 (Ford.com).

Additionally, these videos, pictures, tweets and blog posts generated during the campaign will remain on these websites, blogs and in search engines into the future, and will continue to be read on later dates. Unlike paid media, which disappears the minute you stop paying the fees, earned media such as this continues to be seen by millions long after the initial date of posting.

**Additional Components**

As a complement to the Fiesta Movement-created online content, the news media and blogosphere picked up on the popularity and “buzz” about the campaign and many drafted their own discussions of Ford, the Fiesta and the Fiesta Movement. From January 2009 to December 2009 a Google search of news stories produced 266 mentions – with December experiencing the greatest number at 34 mentions. Within the blogosphere, a Google search from the same time period produced 6,640 unique blog mentions.

Motivated by the growing popularity of the Fiesta Movement and its agents, Ford designed a tweet-up of Fiesta enthusiasts at the Palladium in West Hollywood. According to the social media glossary at Socialbrite.com, a “tweet-up” is an organized or impromptu gathering of people who use Twitter, or in this case people who are fans of the Fiesta Movement and the Ford Fiesta. The purpose of the tweet-up was to honor the Fiesta Movement’s favorite agents (as
voted on by fans) and to show off the North American model of the Fiesta before its official reveal at the L.A. Auto Show months later.

The tweet-up attracted 1,149 fans, agents and Twitter friends, making it the world’s largest tweet-up. The event even set a Guinness World Record for the most attendees at a tweet-up ever documented. It is most likely that this event incited the peak in news stories in December 2009.

Due to the excitement and awareness built by the first six months of the Fiesta Movement, Ford decided to create a second edition Fiesta movement beginning in February 2010. The second edition is designed in a similar fashion as the first, with agents completing various missions over a limited amount of time, except instead of 100 individuals or married couples, there are just 20 teams of agents. The first edition of the Fiesta Movement was about developing awareness, while the second edition is about increasing concrete purchasing decisions as the Fiesta’s official launch dates approaches (Motortrend.com).

Analysis/Conclusions
Because at the time this case study was written the Ford Fiesta had not yet been officially launched and initial sales figures not available, it is not evident yet if the Fiesta Movement social media campaign was truly successful in a sales sense (other than the 6,000 sales reservations). However, it is evident that the first edition of the Movement created substantial excitement and awareness of the brand, which according to Connie Fontaine, Ford brand content and alliances manager, was its purpose (Motortrend.com). Additionally, many social media campaigns are designed to promote awareness and brand recognition but never follow through on the increased interest that is generated. Ford shows a departure from the status quo with the introduction of events like the tweet-up and second edition Fiesta Movement. The company has developed a
way to sustain relationships developed with consumers until the official launch of the vehicle when Ford hopes their fans will turn their excitement and loyalty into spending.

Because the Fiesta is a “new” product for Ford the brand did not have a historically loyal following (apart from Ford loyals). By hand-selecting or “buying” loyal fans (the agents in this case) Ford was able to help encourage consumers with higher adoption thresholds to develop a relationship with the brand. However, the Fiesta Movement is seemingly a paradox between “real people with real experiences” and pre-determined representatives of the Fiesta’s target demographic assigned pre-packaged, brand-specific missions that “real” consumers probably wouldn’t encounter as an owner of a Ford Fiesta. The selection of the agents, while representative of the Fiesta’s target demographic, were not representative of the population in general as they were selected based on “characteristics of online social vibrancy” including active accounts on Twitter, YouTube and Facebook (comment from Scott Monty, Collier). But, Ford managed to temper the sense of “unreal” by instructing each agent to provide “100% honest feedback” including both positive and negative reviews. The agents were not expected to necessarily persuade potential consumers to buy a Fiesta, but rather provide useful and entertaining information to enhance their own online reputation and build loyalty around the brand that would eventually lead to sales. Successful WOMM through social media depends on the communicator’s ability to balance promoting brand messages with maintaining a positive reputation among their weakly-tied social network of fans, followers and even critics, by providing honest, engaging, useful information (Kozinets et al.).

Many companies are wary to engage in social media and online WOMM because they are afraid they will lose total control of their message (Maddock and Viton). WOMM in social media allows for the free exchange of messages among group members who each add their own value
and meaning to the message as they pass it along, many times altering its original meaning. Ford understood this concept, and although the Fiesta Movement was formed by messages created by “real people with real experiences,” those messages were guided by basic campaign pillars and reinforced major brand characteristics of high quality, technologically innovative, well-designed, and fun to drive. These characteristics were present in the nature of the missions each driver was assigned to complete and in the categorization of their videos, pictures, blog posts and tweets.

Because most consumers are resistant to marketers who clearly and directly seek to influence their attitudes and purchasing behaviors, Ford developed a creative way to unsuspectingly force-feed their brand messages to consumers in the form of transparent peer word-of-mouth marketing. In this way Ford turned its brand into an enabler of cultural production that is interesting and fun so that the marketer is working with contemporary culture instead of against it (McCracken).

Additionally, Ford was able to create a reciprocal relationship with the agents assigned to promote the brand. Not only were the agents given a new Ford Fiesta to drive, but Ford also provided them with content to add to their own personal brands they had built for themselves online. This “gift economy” approach worked because both Ford and the agents were giving and getting. This approach created a “happier, more productive, more symmetrical” relationship between Ford, the agents and the public receiving their messages (McCracken). Ford was able to cultivate the coveted peer recommendation, the agents were able to build their online following and the public was included in the Fiesta Movement social network. The truthful dissemination of information and inclusion in the social network encouraged brand loyalty among the agents and the public. The social media campaign helped drive interest and is trending to contribute to increased sales.
**Chevy Tahoe “Create your own ad” Campaign**

Before its release in January 2006, the 2007 Chevy Tahoe underwent its first make-over in years with serious styling upgrades and the introduction of luxury seats in new models. General Motors, Chevy’s parent company, wanted to launch the Tahoe brand with a bang, including innovative marketing efforts on television and online. In the mid-2000s, the concept of user-generated content began to gain attractiveness for marketers looking to capitalize on the growing influence of online world-of-mouth marketing and the popularity of video-sharing sites like YouTube. As part of the launch of the new Tahoe, Chevy executives developed a strategy that included both prime-time brand awareness-building and viral marketing to “reach young, tech-savvy consumers who will spread their marketing messages around the Web” (Bosman).

**Background**

The Chevy Tahoe campaign included a partnership with ABC’s “The Apprentice” television show featuring Donald Trump. At the time of the campaign, consumer research showed a high correlation between viewers of “The Apprentice” and the target market for the Tahoe – usually the outdoorsy type with large families and boats, particularly in the Midwest and South (Rose). Chevy partnered with “The Apprentice” and essentially bought an entire episode of the popular show. Contestants vying to become Trump’s “apprentice” would devise ways to sell dealers on the many virtues of the newly re-styled Tahoe. Knowing that the partnership with “The Apprentice” would generate significant coverage for the Tahoe, executives at Chevy decided to leverage such traditional marketing “buzz” with the growing trend of user-generated content and viral media marketing.

The show’s content inspired Chevy to offer a similar opportunity to the wider community to compete with each other (much like the contestants on the show) to design a new Chevy Tahoe advertisement with the winning ad being featured on an upcoming episode of “The Apprentice.”
The “create your own ad” campaign presented the general public with images and other visual elements to splice together to create a complete ad and each producer was able to insert their own copy into the ad they created. The Chevy Tahoe campaign had no pre-requisites for participation – anyone with knowledge of YouTube could design an advertisement.

Social Media Strategy Details
The Chevy Tahoe campaign primarily used a microsite called chevyapprentice.com to provide information about the contest, to serve as the source for ad content and to provide the mechanism through which ad creators could publish their submissions. Unfortunately, at the time this case study was written the site had been disabled, so critiques of its content come from blog posts, news articles and official Chevy updates written about the campaign.

Video Creation
To create a video ad, users were able to choose from a variety of video clips depicting the Tahoe in natural setting like driving through snowy mountain ranges or perched on the edge of a rushing waterfall. Once the setting was selected, users could pair it with one of eight pre-selected soundtracks and add their own text to narrate the commercial. The website even offered “director’s tips” to inform the creative process including “Inform: Deliver the key messaging in a straightforward, concise manner” (Bosman).

Results
The Chevy Tahoe campaign generated 22,000 ad submissions and approximately 629,000 people had visited the chevyapprentice.com microsite by the time the contest winner, Michael Thrams, was selected on April 27, 2006. The submitted videos included both positive and negative ads for the Tahoe – the majority of which were “earnest attempts to create positive advertisements” (Peper). However, users also submitted a series of negative advertisements that expressed concern about the state of the environment, condemned the Tahoe’s contribution to global
warming and blamed the SUV’s poor gas mileage on exacerbating the United States’ reliance on foreign oil. The negative ads were less like a direct criticism of the Tahoe itself, and more like a manifestation of polarized political issues such as the environment, global warming and foreign policy.

The quote below is the text from one of the most popular ads on YouTube. Nearly four years after the campaign, the ad was still popular on YouTube and had over 134,000 views by March 2010.

*We paved the prairies/ we deforested the hills/ we strip-mined our mountains/ and sold ourselves for oil/ to bring you this beautiful machine/ so you can finally drive/ to see what’s left of our wilderness/ and now that we’re finally here/ we can’t get out of the car/ America 2006:/ the ultimate padded cell.*

The ad reflects the creator’s concern over the deteriorating state of the environment and the irony of destroying the beauty of the wilderness to build a beautiful machine designed to see the wilderness that no longer exists because of its very construction.

The video generated 180 comments; many supporting the creator’s vision and criticism of the Chevy Tahoe, but also many defending the Chevy brand and the Tahoe itself. The comment content ranges from “The Chevy Tahoe is the greatest truck ever made,” and “Tree-hugging
“hippies,” to “SUVs are Stupid Unsafe Vehicles that soccer moms and Nascar dads use to run people over and kill children” and “I'm just sick of paying for SUV owner's gasoline.”

While many people may have visited the Chevy Tahoe microsite just to view the disparaging videos, as many as two-thirds of the 629,000 that visited that site also visited Chevy.com where they could find out more practical information about purchasing a Chevy (Rose). Additionally, the chevyapprentice.com microsite accounted for 2.4 million pages views, meaning the many of the 629,000 people who visited the site probably did so multiple times (Sandoval).

The visibility of the Chevy Tahoe campaign seemed to have a positive impact on Tahoe sales regardless of the surrounding controversy. In 2006, the new Tahoe accounted for more than a quarter of all full-size SUVs sold, outpacing its nearest competitor, the Ford Expedition, nearly 2 to 1. Beginning in April, the Tahoe was selling in only 46 days – remarkable considering at the same time in 2005, the vehicle remained on dealers’ lots for an average of four months (Rose).

For a company whose General Manager said the whole purpose of the campaign was to “get people talking about the Tahoe” the results show that Chevy did, in fact, accomplish their goal (Peper).

Additional components
The controversy surrounding the Chevy Tahoe campaign proved to be excellent fodder for both the blogosphere and traditional media outlets. During April 2006 when much of the contest took place, a Google search of news stories using the term “Chevy Tahoe” produced 436 mentions, compared to just 285 mentions during the previous April. Although some of the coverage was not directly related to the contest, it can be assumed that a significant percentage was since the increase in coverage at that time was so striking. Similarly, the controversy stirred up the blogosphere as bloggers debated the viability of such a marketing strategy and the risks of a
campaign focused on user-generated content. In 2005, a Google search of blog mentions of “Chevy Tahoe” during the period of April to June produced 110 blog mentions, while the same time period in 2006 produced 961 mentions.

**Analysis/Conclusions**

Chevy experienced firsthand the risks businesses take when they release their messages into the social media space and ask users to help complete the brand’s meaning manufacture. The controversial ads that positioned the Chevy Tahoe in a negative light – highlighting the vehicles’ potentially harmful effects on the environment and exacerbating U.S. reliance on foreign oil – caused many from the blogosphere and traditional media to strongly criticize the campaign. However, others applauded Chevy for pulling the wool over these “experts’” eyes, when in fact, the sales of the Chevy Tahoe remained strong after the campaign. If the purpose of the campaign was to get people talking about the Tahoe, as mentioned by General Manager Ed Peper, then the Chevy Tahoe campaign could be considered a success.

In an article written for *Marketing Magazine*, Scott Berg, director of worldwide media for Hewlett Packard, said “Chevy would have been fine if they had only asked Tahoe drivers to contribute ads.” Social media is about knowing who to talk to and who not to talk to (Gerlsbeck). In 2006, online video viewing was most voracious among young adults ages 18-29, and 15% of those users uploaded videos, compared with just 8% of those 30-49 and roughly 5% of users age 50 and older who had posted video for others to watch. With a price tag of approximately $34,000, the average Chevy Tahoe consumer was probably more likely to be in 30-49+ age range; the very age range that did not watch or post videos as frequently as their younger counterparts (Madden). So, the audience most likely to post videos did not match the audience most likely to own, want to own, or be able to own an expensive vehicle like the Tahoe.
The Chevy campaign, perhaps in a rush to capitalize on viral marketing trends, did not consider that the audience and content-producers for such a campaign were already polarized in their opinions of the brand. It is evident that the tone of the ads ranged from a historical affinity for the Chevrolet truck brand and its affiliation with “Americana” to the “tree-hugging” environmentalists who probably drove hybrid vehicles and would never consider purchasing a Tahoe, even if such a campaign increased their awareness of the brand. However, two-thirds of the visitors to chevyapprentice.com visited the chevy.com site after the campaign, meaning a large percentage of the public that participated in the campaign, either as a content producer or viewer, expressed some interest in learning more about the Tahoe directly. It is not known whether these viewers were loyal Tahoe customers, or if they were new customers who had never owned a Chevy before.

Chevy was also able to position its brand at the center of the social media transparency debate occurring at the time. Much was written about whether or not Chevy would remove the negative ads and what it meant for the nature of social media transparency if they took the ads down. Strategically, Chevy did not take down the negative ads, and was able to claim their commitment to maintaining an open, honest relationship with campaign participants.

The relationship between user and brand must be beneficial to both parties. Users should not be expected to demonstrate value to the brand by creating positive content or providing honest reviews without experiencing some sort of online reciprocity from the brand. In the case of the Chevy campaign, some users found very little value in promoting the Tahoe brand just for the possibility of appearing on “The Apprentice.” The unstructured nature of the submission process offered critics of the Tahoe a platform for expressing their personal views of politics,
environmental issues and status pressures using parodies of the very elements that Chevy wanted them to use to build up their brand – natural scenery, bold statements and the spirit of adventure.

Although Tahoe sales increased and executives heralded the campaign as generating significant awareness of the brand, the “create your own ad campaign” did nothing to reinforce the Tahoe’s brand and build loyalty among its consumers – new or continuing. The 2007 Chevy Tahoe was not remembered as GM’s innovatively re-designed inaugural model of its GMT900 big truck platform, but rather as the side idea of a controversial marketing campaign peppered with indulgent political statements from critics of SUVs in general. Chevy did not appropriately target their historically loyal influentials to help promote the brand and attract new supporters who could turn into purchasers. However, this case study shows that individuals who are loyal to the brand can, when included and activated within a social network, exhibit increased purchasing behavior.

**Starbucks**

Starbucks has had a presence in social media for years and has amassed a significant and active following both on Twitter and Facebook. From the beginning, Starbucks has viewed social media not as a marketing channel, but rather as a consumer relationship-building environment (Bryson York). Over the course of the last few years, Starbucks has experimented in the social media space with product give-a-ways and promotions, advertising contests, and a fully user-generated suggestion microsite called MyStarbucksIdea.

**Background**

As a result of their active presence on Facebook and Twitter, Starbucks has instituted a number of social media strategies to engage their consumer base and inspire brand loyalty and ultimately product purchase. One strategy is to use these outlets to offer coupons and publicize promotions,
although Starbucks maintains that the primary purpose of their social media strategies is as a relationship-building mechanism and customer feedback platform. For example, in the summer of 2009 the company publicized “free pastry day” and offered fans an online coupon for a free pastry through their Facebook page (Bryson York).

Additionally, Starbucks developed a Twitter photo contest that urged consumers to find new Starbucks advertisements posted around six major cities in the U.S. and be the first to take their picture next to it and post it to Twitter. The advertisements were created as part of a new campaign in May 2008 to compete with McDonalds’ 100 million dollar coffee campaign (Cain Miller).

In an effort to encourage additional engagement with the Starbucks brand, Starbucks created a platform for the public to make suggestions about the company, the coffee and the Starbucks “experience” in stores. The public is invited to share suggestions on MyStarbucksIdea, comment on other ideas and ask questions to Starbucks corporate management. MyStarbucksIdea is integrated with Twitter and Facebook and users are able to follow discussions either on the microsite or through the social network of their choice.

**Social Media Strategy Details**

Starbucks’ use of social media in efforts such as the MyStarbucksIdea microsite and the Twitter photo contest rely heavily on the company’s large and active Facebook and Twitter communities. Before implementing more targeted and aggressive social media strategies, Starbucks spent a great deal of time building up their communities on Facebook and Twitter in order to create a space where information about the brand could be shared, fans could interact with each other and the company could gather information about the needs, wants and desires of their consumers which has helped them develop innovative marketing initiatives.
This case study focuses on two of those initiatives, MyStarbucksIdea and the Twitter photo contest. However, Starbucks’ success in creating large and active Facebook and Twitter presences is worth mentioning as the base from which these other strategies were formed.

**Facebook and Twitter**
A Facebook search for “Starbucks” yields over 3,300 results ranging from the company’s main fan page to company-created country-specific fan pages to user-created pages both for and against the brand. A Twitter search for “Starbucks” generates a similar amassing of accounts including the company’s officially verified account, the MyStarbucksIdea account, a number of store-specific accounts, as well as user-created accounts.

**MyStarbucksIdea**
The Starbucks microsite, MyStarbucksIdea, was created in 2008 as a platform where users can post “product ideas, experience ideas and involvement ideas” about the Starbucks brand, store and food and beverages. The tagline presented on the home page of the site encourages visitors to “share, vote, discuss and see” anything and everything about their relationship with Starbucks. Each idea is publicly displayed and other users, as well as Starbucks employees, can offer comments on each post. If an idea is deemed appropriate, it is tagged as “launched, under review, reviewed or coming soon” so users can track the progress of the ideas submitted. The progress of ideas is also publicized through the MyStarbucksIdea Twitter account.

**Twitter photo contest**
In response to McDonalds’ 100 million dollar McCafe advertising campaign encouraging consumers to buy McDonalds’ more financially friendly coffee, Starbucks launched its most comprehensive marketing campaign to date – using a combination of newspaper, magazine, and print advertising along with social media elements. The campaign included putting up
advertising posters in six major cities and challenging people to be the first one to post a photo of
themselves next to the poster on Twitter. The advertising messages hail Starbucks as the
producer of quality coffee with headlines such as “If your coffee isn’t perfect, we’ll make it over.
If it’s still not perfect, you must not be in a Starbucks.” Participants and other interested users
could follow the progress of the contest by using the hashtag #starbucks (Cain Miller). Winners
received prizes such as free coffee and other Starbucks products.

Results
The Starbucks main Facebook page has increased to just over 6 million fans as of March 2010.
Updates are posted every minute and fans are uploading dozens of videos and thousands of their
own Starbucks-related photos. The Starbucks verified Twitter account has just over 800,000
followers as of March 2010. Tweets are sent out and responded to by real Starbucks employee,
Brad Nelson, who offers a personal element to the Starbucks brand.

MyStarbucksIdea has over 180,000 registered users and approximately 80,000 ideas have been
submitted from consumers. Of those 80,000 ideas, 50 have already been implemented in store
including a pastry donation partnership with Food Donation Connection, Starbucks-themed
computer wallpaper, and a wider selection of breakfast foods (Bryson York).

The Starbucks Twitter photo contest attracted notable participation among followers, however in
addition to the enthusiasm exhibited from Starbucks supporters, the contest also attracted some
unanticipated controversy. Taking advantage of the uncontrolled nature of social media
messaging, individuals harboring anti-Starbucks sentiments posted pictures assailing the
company’s unfair treatment of its workers. The virtual saboteurs posted pictures showing signs
with mottos such as, “I want a union with my latte” or “Shultz makes millions, workers make
beans.” The “Stop Starbucks” campaign was instigated by grassroots social advocacy organization Brave New Films.

Brave New Films is just one of many organizations that have emerged as pioneers in voicing discontent through social media. Environmental activist group Greenpeace has also utilized the open nature of social media to mobilize a protest against Nestle for using palm oil in their products. The use of palm oil has been documented as a source of deforestation, greenhouse gas emissions, and endangered species loss (McCarthy). In protest of this practice, Greenpeace encouraged individuals to change their Facebook profile pictures to unflattering caricatures of the Nestle logo and express their discontent on the Nestle Facebook fan page. Nestle posted what some critics deemed an inappropriate response in asking protestors to stop using altered versions of its logo. Threatened by an infringement of the “open” nature of social media giving consumers the power to criticize and even defame brands, the public erupted in outrage and berated Nestle for trying to stifle criticism and negative messages about the brand. The Nestle debacle highlights the downside of operating such a public forum to welcome consumer comments and the consequences to mismanaging social media strategies.

Like Nestle/Greenpeace, the Stop Starbucks campaign also generated attention from several blogs that reported that “rebels hijacked the campaign” and Starbucks lost control of their messages. However, the story did not garner much attention outside this limited network of bloggers and had little effect on diminishing Starbucks’ strong community presence. Social media manager for Starbucks, Matthew Guiste, says: “We’re the first to admit that we don’t control the conversation about Starbucks. The bad news for [the Stop Starbucks] campaign is that neither do they. Ultimately the community decides and we believe that’s a beautiful thing” (Ochman).
Analysis/Conclusions
Starbucks has built its social media presence not as marketing channel, but rather as a way to engage directly with consumers in a non-threatening way. As mentioned by Kozinets, consumers are resistant to marketers who clearly and directly seek to influence their attitudes and purchase decisions (Kozinets et al.). Starbucks did not “sell” anything to their fans and followers at first and focused on building its communities. The company shared pictures of CEO Howard Schultz’s trip to Rwanda and encouraged users to share their own moments around their favorite drink on the Starbucks Facebook page as a way to develop trust within the community. In social media communities, companies can gain permission to market to their fans and followers only once they have built a certain level of trust through content sharing and engagement (Jantsch).

Because Starbucks had established a community of loyal and active fans and followers, they were able to employ creative, yet potentially risky social media marketing efforts like the Twitter photo sharing contest and MyStarbucksIdea.com in which they left the message creation up to the users.

Although Starbucks has experienced a fair share of criticism and message “hijacking” as evidenced by the Stop Starbucks campaign, the company’s strong social media presence has enabled them to dodge and explain any controversial issues that come up. In addition to the controversy inspired by the Stop Starbucks campaign, last January the company was accused of donating profits to fund Israel’s army. Starbucks was able to address and explain this rumor using their social networks and “nip the misinformation in the bud” (Bryson York). Starbucks has illustrated the usefulness of building a loyal social media presence in order to first listen to what the public is saying about your brand – either positive or negative.
Listening to what their fans and followers say is what Starbucks seems to do well when developing social media marketing strategies. MyStarbucksIdea is only a formalization of what was happening on the Starbucks Facebook fan page previously – consumers making suggestions about the brand and fellow fans making comments. And although the site only boasts an idea implementation rate of less than 1%, the effort is successful in that consumers are participating and employees are actively responding. Thinking of ways to build a company is great, but directly asking consumers what they want is better. Acting on information and doing it publicly has been the key to the success of this campaign (Balwani).

Starbucks’ reliance on digital and social media promotions has enabled the company to connect with and empower their exceptionally web-savvy consumers and has also helped the company sell their product (Balwani). According to a recent study, consumers who are fans or followers of a particular brand are more likely to not only recommend those brands, but are also more likely to buy from those brands than they were before becoming fans/followers. The study of over 1500 consumers by market research firm Chadwick Martin Bailey and iModerate Research Technologies found that 60% of Facebook fans and 79% of Twitter followers are more likely to recommend those brands since becoming a fan or follower. And an impressive 51% of Facebook fans and 67% of Twitter followers are more likely to buy the brands they follow or are a fan of.

Starbucks, facing a decrease of sales and traffic in 2008 for the first time in its history as a public company, implemented the MyStarbucksIdea microsite and increased their digital and social media promotions. These strategies helped the company post its first U.S. same store sales gain in two years in the last quarter of 2009, with loyal fans and followers still purchasing more and more Starbucks products (Bryson York). Starbucks has been able to cultivate an active and
responsive social network around the brand which encourages brand loyalty and has led to these increased product sales.

**Discussion**

**Cultivating Reciprocal Relationships Builds Brand Loyalty**

Starbucks, along with the case studies presented for the Ford Fiesta Movement and the Chevy Tahoe “Create your own ad” campaign show that increased purchasing behavior is based on brand loyalty and supported by inclusion in branded social media marketing strategies that encourage consumer meaning manufacture. However, it is imperative that these efforts be targeted and the messages be guided (not controlled) by selecting targeted influentials within the social network to provide their opinions of the brand. As evidenced by the Chevy Tahoe campaign, production of user-generated content is an innovative way to promote involvement with the brand and encourage word-of-mouth marketing, but because the campaign was not properly targeted to consumers with potential to purchase a Chevy (i.e. those who currently own a Ford Expedition), the message was lost and the purpose of the campaign was over-shadowed by content produced by individuals only interested in mocking the campaign. Additionally, the Chevy Tahoe campaign neglected the idea that in return for participating in the promotion of a particular brand, loyal or not, consumers demand some sort of benefit for themselves. Whether it be an inside look at “personal” content like the photo album of CEO Howard Schultz’s trip to Rwanda on Starbucks’ Facebook page or opportunities for exclusive coupons, Starbucks understands that consumers will not become or remain loyal to a brand without some sort of reciprocal relationship.

Ford, however, seems to have learned from the mishaps of Chevy and designed the Fiesta Movement in such a way that their “culture creators” were not only touting the positive attributes
of the new Fiesta, but were also adding to their own online brand through the completion of each carefully crafted Fiesta mission. Ford properly targeted their consumer base with this campaign – young, technologically savvy, adventure seekers – and implemented a campaign in which a group of influential peers provided honest, yet guided, opinions of the product. Ford had to essentially “buy” the loyalty of their agents, but in turn created a network where everyone was getting something out of the deal: consumers were getting honest reviews of the product, the agents were getting content for their own online “brands,” and Ford was getting consumer-generated meaning manufacture and earned word-of-mouth marketing.

**Sustainable Social Media Strategies**
The conclusions drawn from the analysis of the social media marketing strategies of Ford, Chevrolet and Starbucks have reinforced the widely accepted notion that social media re-classifies word-of-mouth marketing from persuasion-oriented, sales-objective oriented “hype” to the transmission of relevant and useful information that helps build value within the social network. Building value within a social network is the foundation of successful social media marketing strategies that foster brand loyalty and eventually motivate purchasing behavior. At the same time, brands need to understand that their social media marketing efforts should be targeted to relevant influentials within these networks to help promote guided messages. Also, because consumer preference and online technology is changing so rapidly – Facebook is the network du jour, however MySpace and Second Life experienced their own rising and falling popularity within the last three years – businesses should take care to develop principles of social media marketing strategies that are platform agnostic and applicable to their target audiences wherever online they may be. So yes, social media marketing is here to stay, but hard to predict in what form and dependent on the creative leveraging of opinion leaders and honest two-way communication.
References


Madden, Mary. 57% of Internet Users Have Watched Videos Online and Most of Them Share What They Find with Others: Pew Internet & American Life Project, 2007.


