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Competing Against Social Media

The rise of social media in the first years of this century has had a huge impact on American life. Friendster was launched in 2002, to be followed by MySpace in the following year and finally Facebook in 2004. According to Digital Marketing Research, there are 1.44 billion active Facebook users worldwide, a number that is projected to grow to 1.63 billion by 2018. About 56.5% of U.S./Canadian citizens, 210 million people, are active Facebook users. About 936 million people spend some part of their day on Facebook. These are very impressive numbers, but what do they mean to the free and community paper industry? What does the rise of social media mean to the local businesses that make up our customer base and how do they impact the consumers in our markets?

One of the advantages of writing these Link & Learn articles is that doing the research for them allows me to expand my knowledge. I am 63 years old and my wife and I are among the almost 50% of the population who do not participate in social media. Because of my limited knowledge of the subject, I had to “call for back-up” to do this month’s column and I knew the perfect person to call. Joe Mathes is a renaissance man for advertising in the 21st century. He is the vice president of Delta Publications, a traditional community paper and a partner in Delta online, an online consulting firm. Joe is deeply involved in the print and the digital world and this gives him a unique perspective on the proper place of both platforms in a marketing mix. I have known Joe for years and never walk away from a conversation with him without feeling better informed. Joe kindly agreed to take time out of his very busy schedule to talk to me about social media.

Facebook is Serious Competition

Facebook has become a serious competitor to community papers. It is estimated that 90% of small business owners in the U.S. are active on social media. It is easy to understand why promoting themselves on social media is so appealing to small businesses. Social media allows them to have a direct conversation with potential shoppers without having to invest in advertising. I asked Joe how he counters this argument; after all it is hard to compete with “FREE.” Joe talks to the customer about the number of people who have “friended” them on Facebook. In most cases, local businesses have at most a few hundred Facebook friends. Compared to the number of readers of even the smallest community paper, the number of friends most businesses attract

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is quite small. Joe suggests using your CVC audit or similar studies to put these disparate numbers into sharp focus. He also made the point that while Facebook is a way for businesses to have an ongoing conversation with their current customer base; it is a poor way to attract new clients. By definition, their “friends” are people who are already aware of their business and what they offer. On the other hand, a local paper reaches both their current customers, reinforcing that relationship, and new prospects, introducing them to the business. The obvious advantage of a community paper, both in print and in an online format, is that it reaches a larger market and is not limited to current customers of the advertiser’s business. Some businesses attempt to overcome this challenge by offering incentives to consumers who “friend” them by offering special offers or even free merchandise to those who like them on Facebook. While this strategy may lead to short term increases in their Facebook presence, bribing people to friend your business rarely produces a fully engaged customer base.

Facebook and similar sites are called “social” media for a reason. Most people access Facebook to stay in touch with friends and relatives. Most of the pages shared on Facebook offer “light” content. Cute pictures of children and animals, inspirational quotes and sayings, selfies and photos of memorable meals are common fare on the site. People use social media as a mini escape from the stress and tedium of ordinary life. Direct advertising, such as a list of specials or a limited time offer, seem out of context and are seldom forwarded to others. Social media is a good way to build brand awareness and foster a long term relationship with your business. Social media is not nearly as effective at generating immediate traffic or moving specific products. According to Digital Marketing Research the average Facebook referral produced an average of just \$1.24 in revenue. DMR also found that 57% of businesses that have used Facebook to promote their business reported that, “they don’t think or don’t know if their posts made a difference in their sales volume.”

The Illusion of “Free”

In an article written for Fast Company, Chris Luo, the former head of SMB (Small and Medium Business) Marketing at Facebook, noted that, “recently customer engagement rates on Facebook and Twitter have declined to the point where only paid promoted posts can create meaningful results.” In the article titled, “How Facebook is Failing Local Businesses,” he quoted Facebook research that found small business pages only organically reach

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16% of their desired audience. This low exposure is the result of Facebook's manipulation of their user's newsfeed to keep them engaged. This also gives businesses which purchase advertising from Facebook a competitive edge. Mr. Luo also quoted a Forrester Research study that found, "that the top brands on Facebook are reaching only 2% of their fans and that only 0.07% of followers actually interact with each post."

The key to maintaining and building a customer base on Facebook is regular and quality content. Customer engagement comes from the use of visually interesting images and videos and cleverly written posts. DMR research has found that the most engaging posts are no more than forty characters long. This means that the business person needs to be an excellent writer to convey an interesting and effective message in a concise format. According to DMR the number one reason people "de-friend" a business on Facebook is "uninteresting posts." While a Facebook page does not require an investment of capital, maintaining a social media customer base does require a huge investment in time.

Making Money with Facebook

Many local publications have their own Facebook page. Papers which provide editorial coverage of the community often post "breaking news stories." As most people want to know what is going on in their community, local papers often have a large number of "friends" on their page. Unlike other local businesses, they also have a ready means to drive users to their Facebook page. Joe Mathes uses software that regularly "scrapes" his website and posts new stories on Facebook, thus reducing the time and labor involved in maintaining an active social media presence. Many publications sell "Sponsored Posts" on their Facebook page. In the midst of posts covering local news they will post a post about an event at their advertiser's business. For example, after a post about the local girls softball team beating their rival, they place a post like, "Tonight is Prime Rib Night at the Ourtown Steakhouse." These can be packaged with other products as part of a multimedia program. Some papers also offer a service to set up and maintain a customer's social media presence. This is often one of the services of an in-house "Digital Ad Agency." In my discussion with Joe Mathes, he told me he sees limited value in promoting a publication through social media. He finds that a regular e-mailed newsletter containing information of interest to advertisers and prospects is far more productive.

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Conclusion, “Wishing Won’t Make It So”

The biggest challenge we face in confronting competition from social media is “wishful thinking.” Business owners want to believe that they can effectively reach potential customers without spending a nickel on paid advertising. This was what the creators of MySpace and Facebook promised them a decade ago, in the infancy of social media. Unfortunately, like so many promises of the digital era, (Remember the “paperless” office) this did not come to pass. While there is a place for social media in a business’s marketing mix, it cannot replace the reach of traditional media and the expertise of an advertising professional. As in confronting any other form of competition; the key to confronting the social media challenge is replacing wishful thinking and empty promises with hard facts. While the use of social media will continue to grow, local print and digital media will continue to be an advertiser’s best means to attract customers to their business for the foreseeable future.

This article was written by Jim Busch of the Pittsburgh Pennysaver.

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