

Committee: Special Conference on Social Media

Issue: The question of social media marketing as a means of monitoring and shaping consumer behavior

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INTRODUCTION

Cleverly created advertisements and campaigns surround us no matter where we look, influencing our consumer behavior and decisions to a very large extent. Businesses take advantage of the malleability of human perception and conditioning to produce products and promotions that effectively translate into sales. One of the most obvious examples of this conditioning is the company Coca-Cola, who have succeeded in promoting their brand throughout the world and making their logo one of the most recognizable. The stereotypical image of Santa Claus that we see everywhere during Christmastime, in his jolly red suit, was infact created by Coca-Cola, and is now a universally recognized image. Therefore, every time we see the shade of red that the brand uses, or the unique logo, we cannot help to think of the brand and then perhaps purchase one of their drinks.

With social media becoming an ever-present fixture in our daily lives, businesses take advantage of the various platforms to promote their products. These platforms (including, but not limited to, Instagram, Facebook, Twitter and YouTube) fundamentally change how companies reach and interact with customers, offer products and services, communicate with employees and –essentially– do business. For a business to be successful nowadays without a social media presence is unlikely and tough.

As a numerical example, around $\frac{3}{4}$ of Americans are active on social media, and refuse to have a presence that limits the amount of people a business can influence and gain as a customer. When a business ventures online, it is not only reaching out

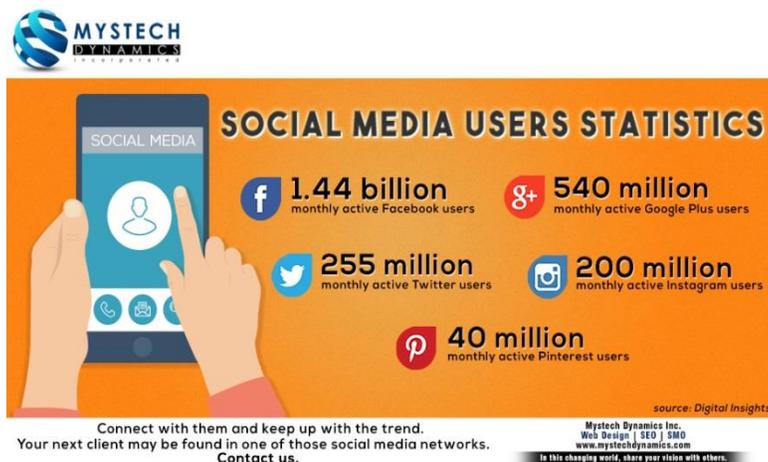


Figure 1 Representing global social media statistics, and how many people are online for each type of social media platform.

to the people in the closest vicinity, but can influence people from all over the world, therefore increasing its sphere of influence. According to a study conducted in the U.S, 90% of businesses saw increasing exposure and increased sales after promotion on social media.

Of course, the use of social media as an advertising platform has a huge psychological backing. The human mind can be easily manipulated, and by seeing the same adverts over and over again on every platform that a person may log into, conditions the mind into recognizing a brand and associating it as either good or bad. This is sometimes referred to as the “Halo Effect”. If a business has a reputation for creating high quality articles, the audience is more likely to believe that their products are of high quality too. This ‘halo’ can then be dispersed throughout the Internet by the audience, spreading the positivity and therefore probably increasing sales. Human behavior is the most important factor a company hopes to target, to turn an ordinary social media user into a consumer for that company’s product. This conditioning of human behavior was first explored by Russian psychologist Ivan Pavlov, and his “Pavlovian Conditioning” theorem is now used by companies worldwide. This theory is based on learning to associate an unconditional stimulus that brings about a particular response (such as the colour red being a warm colour) with a new stimulus (the need for a can of Coca-Cola –for example).

Businesses today have whole teams dedicated to researching what is popular online and how to stand out in the sea of advertisements that bombard us every time we log onto Facebook, or watch a YouTube video. They monitor their customers’ interests online, how they spend their time, and what they hope to obtain, and then try to create promotions that interest that customer.

Many companies conduct online surveys that can be filled out by anyone to try and gain an understanding of what their customers want, and this is an effective way to make the customer feel included and therefore more comfortable in purchasing whatever the company is

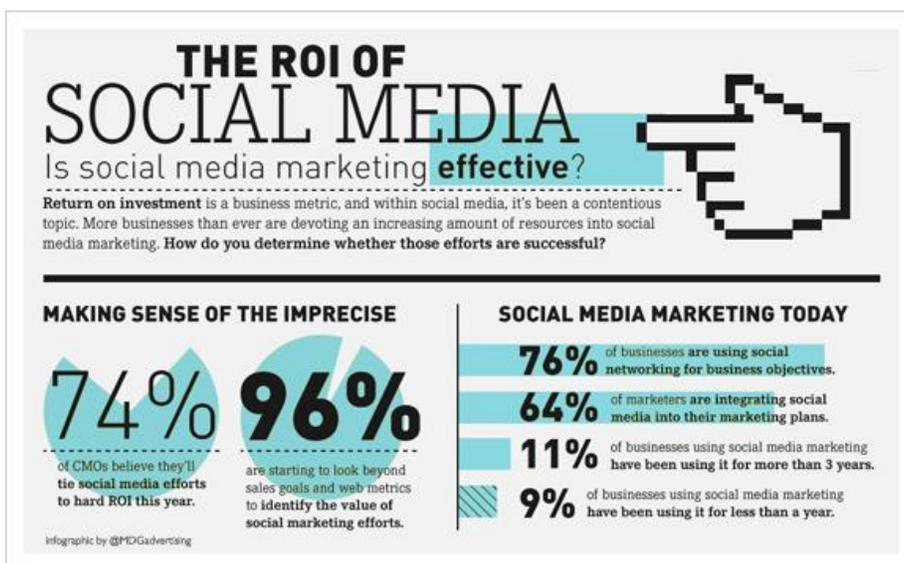


Figure 2 Representing the Return on Investment of social media in the world

promoting. Social media marketing also relies very much on the idea that if a person's friend/family member promotes a product, they are likely to see it as a good product and therefore promote it further- similar to a herd of sheep, in the way that they all follow each other blindly. It is a virtual form of peer pressure- if someone shares a product, you feel like you must promote it too to be "cool".

This consumerism is so interwoven with our everyday lives that it can influence our relationships with other people and how we communicate with the rest of the world. As we see these products every time we open our social media page, overconsumption of products has increased as we feel the need to buy the products that have been so copiously promoted. One may even say that obesity and its staggeringly quick increase could be partly to blame to the amount of fast food adverts online, and how appealing they make the food look. Companies know that using slogans such as "fat-free" or "zero sugar" make a product more appealing, and the customer chooses to believe that rather than think about all the other horrid ingredients making up the food.

This study guide will attempt to explore this issue of overexploitation of social media platforms on the part of businesses and companies in their attempts to prompt people into becoming consumers of their service. As an ever-present issue in our current technological world, it is important for us to consider it when we discuss social media and its impact on our lives.

DEFINITIONS OF KEY TERMS

Social Media Platforms

A social media platform is a software that can help brands engage with its customers across any media platform (such as Facebook, Instagram or YouTube), but also a tool that provides its users the means to build, mix and promote community engagement, conversation and user-generated material.

Consumerism

Consumerism is the consumption of products and services, and the theory that an increasing consumption of goods is economically desirable. It is a preoccupation with/ an inclination towards the buying of consumer goods. With social media, businesses can access more people and therefore more potential customers, increasing consumerism.

Sphere of Influence

The region over which a group or institution has power. When considering companies, it is how many people it has affected and gained by exploiting social media. Anyone who has heard of that brand or seen one of their advertisements is part of that sphere of influence.

Clickbait

“Clickbait” is content on the Internet that has a provocative or sensational nature, whose purpose is to attract attention and persuade people to visit their website and purchase their goods. They are often advertisements payed for by companies.

Crowdsourcing

Crowdsourcing is a method used by many companies online in their attempts to improve and grow. It involves obtaining information by enlisting the services of a number of people, usually through surveys that can be conducted over the Internet. This way, a business can receive a wide range of opinions- not only from one social group, or one country, but from people all around the world (depending on their sphere of influence)

Inbound Marketing

These are marketing activities that bring visitors in, rather than forcing them to look for something. It focuses on creating quality content that pulls people towards your company and products. By aligning published content with customer’s interests, companies are successful in increasing their popularity and thus, their sales.

Native Advertising

A technique used by companies whose advertisements are not made to look garish, or to stand out, but rather to blend in with the natural format of the website and make the customer feel more inclusive of them.

BACKGROUND INFORMATION

The use of social media as a platform to advertise a company, or its products has only become popular in the last 10 years, and has allowed companies to gain millions and millions more in revenues and profits. Some of the benefits of social media marketing are:

- Increased brand recognition: this makes the company easier and more accessible for new customers but simultaneously familiar and recognizable for existing customers.
- Improved brand loyalty: according to a report published by Texas Tech University, brands which engage on social media platforms gain higher loyalty from their customers. Another study published by Convince&Convert (a blog offering help to companies striving to use digital marketing) found that 53% of Americans who follow brands on their social medias are more loyal to those brands
- Higher conversion rates: brands become more humanized by interacting with people in the social media platforms, therefore people are more likely to drop their prejudices towards a company and be converted to a consumer.
- Higher brand authority: interacting with customers is a good show of faith for other customers. When people brag or positively promote a company online, new audience members are captivated by the positivity and therefore inclined to also follow that company. The more people talking about a brand, the more valuable and authoritative this brand will seem to new viewers.
- Decreased marketing costs: as little as six hours per week spent on a social media platform is enough to generate increased interest and business for a company. Advertising through websites like Facebook and Twitter requires a relatively small amount of money- much smaller than advertising on a billboard or through magazines.
- Improved customer insights: social media gives an opportunity to gain valuable insight into customer's needs, and how they behave and interact with other businesses online. These can help a company adapt and improve according to their customers' desires and personalities.

However, there are also some negative aspects with reference to social media marketing:

- Negative comments are public: if a customer is unhappy with a service, they can post a negative review, which can then be accessed by all further customers of that product. Before social media, it was difficult for a customer's unsatisfied comment to be so influential. Many companies have restrictions on the number of negative feedback comments on their products, and will delete them when they appear, in order they don't spoil the company's image.

- The immortality of the Internet: if a company posts something online that is greeted with a lot of negativity, they can remove it from their social media pages, however it will exist forever on the internet in one form or another, tainting the company's image.
- Constant monitoring: since many people check their social media platforms several times throughout the day, it is important for companies (especially large, multi-national ones) to constantly monitor their social media presence, to avoid hacking or negative smear campaigns. This can be very time consuming, and expensive – if companies have to hire special teams to run the social media presence.

MAJOR COUNTRIES INVOLVED

United States of America

The United States of America is one of the most influential countries in the world, due to its size and its monetary backing, and it has been the main country where companies aim to establish themselves and expand. Many American businesses have become huge trans-national corporations which have revenues of billions of dollars annually, such as Starbucks, Levi's and Sinopec (a huge oil/gas company). These companies have large social media presences, which have multi-national sphere of influences, with branches of their companies in sometimes over 50 countries. The United States is, by far, the largest social media advertising market in the world, and in 2015 alone, the U.S. spent \$9.4 billion on social advertisements alone. According to statistics, only 33% of Americans who use social media actually follow brands, however 47% of social media users claimed Facebook was the largest influencer of consumer behavior. Along with more traditional digital approaches and methods including email and content marketing, social networking marketing is considered one of the most effective digital marketing channels for customer retention in the USA. However, despite the apparent success of social media marketing, there are still some challenges faced by businesses. 35% of marketers are uncertain if they are able to measure the return of investment (ROI) of social media activities, and 38% of them stated not being able to see any return in the money spent in social media marketing, while just over half of them believe social media marketing is too time-consuming to manage.

In fact, American politicians have infiltrated social media to such a large extent that it is difficult to go a day in 2016 without seeing some propaganda about Donald Trump or Hilary Clinton. This constant bombardment can very strongly influence an audience's opinion; if someone is called and asked to vote

for a candidate from a list of people they don't know, they are likely to pick Trump just because they have read about him online. With social media, the politicians can reach so many people, and since no publicity is bad publicity, those who have a larger online presence are often those who succeed. A quote from Trump in 1998, before he ran for president shows the extent social media can have on a person "If I were to run, I'd run as a Republican. They're the dumbest group of voters in the country. They believe anything on Fox News. I could lie, and they'd eat it up. I bet my numbers would be terrific."

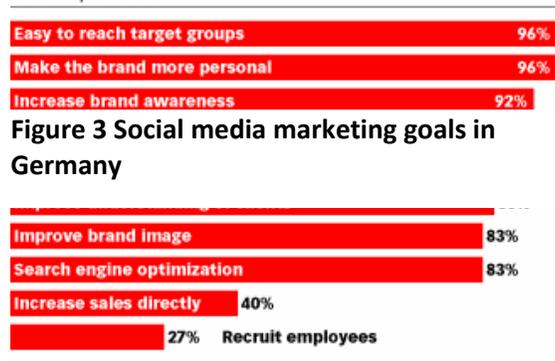
United Kingdom

The United Kingdom is also one of the most influential countries in the world (despite the Brexit) and has been for centuries. Therefore, it is no surprise that the UK is one of the leading countries in relation to social media marketing. There are so many businesses set up that focus on just helping other businesses set up their social media presence. Some examples are Social Media Ltd., Giraffe Social Media and fatmedia.co.uk. Statistics show that consumers in the UK are more likely to buy and recommend a brand if they follow it on the social media platforms Facebook or Twitter, and a study conducted showed that (out of 7000 people) 3/4 luxury item purchases are influenced by what was seen online. Great outrage has been expressed in England at how modeling jobs and photography jobs are not booked based entirely on the person's talents, but rather on how many Instagram followers they have or how famous they are, a tactic that would increase the sphere of influence of that business throughout the followers of the employee.

Germany

The vast majority of Germans use social media many times a day, and in 2012, social media was just as important in the country as TV ads, traditional direct marketing and public advertising. A recent study by the Marketing Center Münster, which asked 146 German managers to name the most important entrepreneurial challenges over the next few years, found that 89 % of the respondents name social media. According to June 2015 polling by Kantar Digital Media, 87% of marketing decision-makers in Germany use social media to host a profile for their company, a figure that is not expected to change—only 2% said they did not currently have a profile but planned to get one.

Social Media Marketing Goals According to Marketing Decision-Makers in Germany, June 2015
% of respondents



Note: among those using social media marketing
Source: Kantar Digital Media, "REFRESH // Digital Media zwischen Branding und Performance," Sep 28, 2015

China

China has no Facebook, no YouTube and no Twitter in its country but despite this, social media is a larger phenomenon in the world’s second-largest economy than it is in the United States. China has the world’s largest Internet base (approximately 513 million) and in conjunction, the most active Internet environment. Its population spends an average of 40% of their time online, and this figure continues to rise as time goes on. Chinese social media users are able to see embedded social media advertisements about 18 months before the Western world can. This explosive growth shows no signs of slowing down, partly due to the fact that it is much more difficult for the government to censor social media in the country. Users strongly value the advice of opinion leaders in their social networks. An independent survey of moisturizer purchasers observed that 66% of Chinese consumers relied on recommendations from friends and family, compared with 38% of the U.S. consumers.

Competition for consumers is fierce in China’s social media world, and many companies hire writers to post positive comments about them online and attack their competitors with negativity. Companies must detect and remove these fake negative comments not to destroy their companies’ image, as most marketing strategies in China rely on pleasing the customers and involving them in decisions made about products and advertisements.

TIMELINE OF EVENTS

Date	Description of Event
May 2005	First Facebook advertisement onsite, one and half years after its creation.
May 2006	LinkedIn introduces advertisements to its site.
July 2007	YouTube introduces pre-roll ads
2009	Facebook reaches \$764 million in advertisement revenue
October 2010	Twitter has already introduced tweets and trends, and now promotes “valuable” accounts.
October 2010	StumbleUpon introduces “Paid Discovery”
December 2010	<ol style="list-style-type: none"> 1. Facebook Ad Revenue hits \$1.8 billion 2. Twitter Ad revenue \$44.6 million
August 2011	Facebook introduces ADS API

November 2011	Facebook introduces Sponsored Stories
December 2011	<ol style="list-style-type: none"> 1. Facebook Ad revenue hits \$3.2 billion 2. Twitter ad revenue hits \$139.5 million
March 2012	Facebook introduces mobile ads
August 2012	Facebook introduces Mobile App install adds
December 2012	Annual social advertising spend reaches \$4.7 billion.
By 2017...	Social Media advertisement revenue predicted to reach \$11 billion.

UNITED NATIONS INVOLVEMENT

The United Nations promotes itself and keeps the world updated on many social media websites such as Facebook and Twitter. It is committed to social media as a way of engaging its diverse audience, raising awareness and gaining support for a variety of causes. Even the UN Secretary General, Ban Ki Moon has been known to answer questions and queries on Twitter. In October of 2012, the UN invited people aged 15-29 to help create a new strategy on youth and HIV/AIDS with a popular method called crowdsourcing. And in December of 2011, the UN launched a social media campaign to encourage people to take part in the human rights movement. The UN and its many NGO's use social media to promote campaigns and encourage people to take interest in global issues, so-in a way- it is, itself, taking part in social media marketing.

PREVIOUS ATTEMPTS TO SOLVE THE ISSUE

The United Nations has not released any resolutions or treaties on the subject of social media marketing, and how it can shape and monitor consumer behavior, however it is actively seeking to make the Internet an equally run place by each country rather than it dominating the world. No campaigns or events have been organized to raise awareness and inform people about the negative aspects of social media marketing, begging the question- is it really a bad thing? Since so little has been done to combat this issue of 'brainwashing' consumers, delegates must come up with effective and creative ideas that will positively influence and inform a consumer's behavior and reaction to online marketing techniques. In addition, delegates should consider solutions that would help large businesses promote themselves more effectively and less obtrusively online.

POSSIBLE SOLUTIONS

As social media marketing is a nearly unavoidable phenomenon in today's world and consequently it is difficult to think of solutions. However, is it really a problem that we need to solve, or do we just need to improve some factors?

Some measures that could be implemented to improve the situation are the following:

- 1) Help smaller companies and businesses establish themselves online with the assistance of social media professionals, as they are often forgotten about due to the loud presence of larger companies and therefore are often unsuccessful.
- 2) Offer professional advice to companies whose advertisements are garish or unpleasant and unsuccessful and help them improve their presence online, not only for the company's benefit, but also for the customers viewing the advertisements.
- 3) Educate people and advise them that nothing on the Internet is private, so they should post less information about themselves. It would be very difficult to stop companies from monitoring consumer behavior by placing sanctions or taking other measures.

Whilst lobbying, delegates will be asked to form alliances with other countries that have similar policies as them. For this topic, it is suggested that MEDC's (more economically developed countries) and LEDC's (less economically developed countries) ally, so that the richer, more advanced countries can help the poorer countries establish an effective social media marketing plan. If MEDC's and LEDC's create alliances with just their fellow MEDC's/LEDC's, it is likely that very different resolutions will be put forth, due to the different needs of those countries.

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