

**The small business promotional mix: Complex choices abound  
between traditional and social media**

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## **ABSTRACT**

Although often considered to be free, the use of social media to communicate with past and future customers, the time and effort it takes to engage in a personalized conversation (versus plastering a message on a billboard or Facebook wall) involves more and more sophisticated understanding of a medium which is extremely complex. Small business has discovered social media, but at a cost. While the initial creation of a web site and other efforts to incorporate social media into an overall promotional mix is relatively inexpensive and easy to accomplish, the addition of features and responding to interaction between a firm and its current and prospective customers can become expensive, likely requiring a business to invest in those who have social media expertise. Such interaction is not limited to a firm's own website (e.g., blog) or its own social media accounts (such on Facebook, Pinterest, Tumbler); myriad aggregation and review sites, discussion boards, and the like must also be monitored and responding to these would seem prudent if not highly productive. This conceptual paper presents a proposed seven step approach intended for practitioners (entrepreneurship educators, etc.) for social media (SM) integration as part of the overall promotional mix for a small business. The suggested steps also address another critical point, which is the notion that the outcome of robust communication between parties is not limited to promotion; a two way dialog can lead to improvements in products/services and core business processes.

Keywords: Small business marketing, entrepreneurship, PR, advertising, social media, promotional mix

## **INTRODUCTION**

Most consumers are exposed to voluminous flow of promotional messages, and small business owners are confronted by a complex, if not bewildering array of choices when it comes to deciding upon a promotional mix (Mangold & Faulds, 2009). In the past ten years the Internet has created an entirely new venue for commercial communication as well. Today social media (SM) is ubiquitous. After all, a company must sell its product or service to customers in order to be profitable, and developers of a plethora of apps (Friedlein, 2014; Salz, 2013), database-driven systems (Hipperson, 2010; Shankar, 2011), websites, and other social media and software platforms (Goldner, 2012; Mandviwalla & Watson, 2014; Roberts & Candi, 2014; Schaupp & Bélanger, 2014; Van-Tien Dao, Nhat Hanh Le, Ming-Sung Cheng, & Der Chao, 2014; Vernuccio, 2014) have promised and delivered an ever-increasing interconnectedness with consumers (Bronner & de Hoog, 2014; Grybś, 2014; Mandviwalla & Watson, 2014; Vernuccio, 2014). Mobile (computing) devices have changed the notion of tracking consumers, such that this can now be done literally (e.g., via GPS and RFID technologies).

This present paper is not meant to convey every nuance of the strategic and tactical decisions that face small businesses in deriving a promotional mix. Both traditional (Ritson, 2014) and social media present numerous pros and cons when considered individually (Kaplan & Haenlein, 2010; Mandviwalla & Watson, 2014; Roberts & Candi, 2014; Westlund, 2009).

Media sales representatives who boast of the strengths of the particular form of media that they represent to small businesses owners naturally advocate for their particular set of solutions ; this includes traditional media and social media. However, most media, used properly (i.e., including recognizing that media’s audience reach, strengths and limitations), can be effective, and as a general observation, small businesses need to promote themselves more than they do.

The authors suggest that small business need to have an integrated promotional plan that incorporates the strengths of public relations (PR), traditional advertising (e.g., newspaper, magazine, radio, television, and outdoor media) along with social media (inclusive of non-paid and unpaid forms), and articulate nuances of such proposition. Obviously, the type of product or service, the target market, along with the size of budget of a particular small business, the physical and/or virtual location of the business and its customers are factors that must be considered and will have a significant impact on the specific blend of activities in which a small business would engage (Hartley & Pickton, 1999; Kliatchko & Schultz, 2014; McArthur & Griffin, 1997; Wightman, 2000). This paper also provides some insight into the types of issues that are worthy of consideration in building a strategy (Hall, 2010) to utilize social media, traditional media, and public relations to build a promotional mix for a small business. This insight can be very useful to would-be or practicing entrepreneurs when consulting with a market research firm or an advertising agency that offers PR and social media services in addition to developing advertisements.

Finally, although students—as avid users—may *think* they understand social media, but they are not necessarily prepared with the communication or critical thinking skills (Faulds & Mangold, 2014) to handle the enormity of planning and implementing a promotional mix. Such skills are also necessary to meet specific goals and objectives and as it may apply to a given business—B2B, B2C, etc.—industry and operating environment (Katona & Sarvary, 2014; Kho, 2008). As such, this paper conceptually explores antecedents of what may be further developed as one or more frameworks by future researchers and applied in instructional settings by educators or in practitioner settings by entrepreneurs.

### **Small and Medium Businesses Media Spending**

Kantar Media (a provider of market intelligence for the advertising and media industries, corporations and other clients—publisher of *Standard Rate and Data Service* media databases) tracks advertising spending in major media ("Kantar Media reports U.S. advertising expenditures increased 0.9 percent In 2013, fueled by larger advertisers," 2014). According to Kantar Media North America’s Chief Research Officer, Jon Swallen:

Although the macro theme of ad dollars moving to digital media still generates much discussion, another significant but less recognized trend has taken hold. The ad market is currently being carried by the Top 1000 advertisers who, as a group, are steadily spending more while the long-tail of small-sized marketers is sharply cutting back. (*Ibid.*)

However, “total advertising spending includes measured and unmeasured media. Unmeasured media includes local media, and other media sources not tracked by Kantar Media” (Miller & Washington, 2011). BIA/Kelsey does track local media spending, and its findings suggest: “total local media advertising revenue growth is *not* keeping pace with the overall economy” (Fratik &

Passwaiter, 2013). The firm also conducts an ongoing study which it calls the Local Commerce Monitor (LCM), and as of September 15, 2014, it released its 18<sup>th</sup> iteration of that study's findings (identified as LCM 18). According to LCM 18 findings 74.5 percent of Small and Medium Businesses (SMBs) used social media to promote their businesses, which comprised 21.4 percent of SMBs' total media budget in the past 12 months ("Small businesses spend more on social media than any other media category, according to BIA/Kelsey's Local Commerce Monitor," 2014). Overall, the firm predicts local media revenues will reach \$139.3 billion in 2015 ("U.S. local media revenues to reach \$139.3 billion in 2015," 2014).

Figure 1 (Appendix) depicts breakout amounts for selected categories of local media revenues that are a part of the aforementioned \$139.3 billion, including: mobile local advertising (\$6.6 billion), local social media (\$3.6 billion), local search revenues (\$7.2 billion), local display (\$4.9 billion), and local online video revenues (\$3.0 billion). Not depicted in the figure are BIA/Kelsey's 2014 estimates and the indications of growth in these activities, as follows: mobile local ads, \$4.3 billion; local social media, \$2.5 billion; search, \$7.1 billion; display, \$4.3 billion; and local online video revenues will grow from \$2.3 billion in 2014 to \$3.0 billion in 2015. Clearly, spending in these areas of activity is estimated to increase across the board. Local search would increase by the smallest amount percentage-wise, yet search still generates the most local revenues relative to the categories presented, soon to be followed by mobile local advertising in 2015 if BIA/Kelsey's estimates hold true in 2015.

## U.S. and Global Ad Spending

To put local media spending in perspective, as reported by *Advertising Age* (based on data from the firm ZenithOptimedia), U.S. ad spending for the year 2014 was estimated to total \$390 billion, comprised of two categories: major media (\$174.7 billion) and marketing services (\$215.6 billion) (Lent & Wolf, 2013). Figure 2 presents the subcategories under major media spending as follows: TV (\$67.0 billion), radio (\$17.4 billion), magazines (\$17.1 billion), newspapers (\$21.1 billion), Internet (\$43.0 billion), and outdoor and cinema (\$9.1 billion). Figure 3 presents the subcategories under marketing services spending as follows: direct mail (\$47.4 billion), telemarketing (\$52.9 billion), sales promotion (\$72.5 billion), public relations (\$4.4 billion), event sponsorship (\$30.2 billion), and directories (\$8.2 billion).

Table 1 (Appendix) displays the data for major media and marketing services in rank order of expenditure amount, inclusive of both of all of the subcategories listed above for the \$390 billion in 2014 U.S. ad spending reported by *Advertising Age*. Using a sort procedure the top six spending activities in rank order, sales promotion, TV, telemarketing, direct mail, Internet, and event sponsorship, were identified (accounting for \$313.0 billion—slightly over eighty percent). The bottom six spending activities, again in rank order, newspapers, radio, magazines, outdoor and cinema, directories, and public relations were also discerned (accounting for \$77.3 billion—almost twenty percent). PricewaterhouseCoopers LLP has forecasted that global media spending will reach \$2.2 trillion by 2017 ("Global media spending expected to rise through 2017," 2013).

Meanwhile, to compare ad spending in the U.S. on a global perspective, "the U.S. accounted for 33.0% of 2013 worldwide ads pending but just 4.4% of world population." (Lent & Wolf, 2013). It becomes obvious that despite claims to the effect that traditional media are "dead or dying" (Murphy & Schram, 2014) and no longer relevant (as compared to social media), such an assessment is not supported.

## **Social Media Time, Energy, and Investment Requirements**

Some scholars contend that social media can be used to generate five types of capital: human capital, social capital, economic capital, organizational capital and symbolic capital (or what the authors define as “brand loyalty” (Mandviwalla & Watson, 2014) . They suggest that one tactic is to use social media to learn about and engage with current and prospective customers, suppliers and employees. Social media entails a conversation that is already in progress, and which has an impact on business entities of all sizes. Advertising, on the other hand, suggests a one-way conversation between the sponsor (sender) of messages and those who receive the messages. Indeed, advertising is by definition a form of non-personal communication, while social media interactions are personalized (*Ibid.*).

The difference between purchasing an advertisement in traditional media is that a small business owner is paying to have a message disseminated to its target audience. However, social media is different than a paid message—it is communication between the business and prospective customers which invites an ongoing “conversation” (Vernuccio, 2014). As such, for a small business owner, joining the conversation in progress as well as keeping up with an ongoing exchange (conversation) with customers (e.g., fans, critics, reviewers), could entail an investment in time, energy, and possibly financial resources ranging from limited to virtually unlimited. Such engagement may also entail risks and benefits; in any conversation, one may say the right thing, or not. Researchers citing Looney and Ryson (2011) found that 65 percent of small business owners attempt to manage social media without the necessary competence to do so (Schaupp & Bélanger, 2014).

Social media invites a dialogue with potential customers, lost customers, existing customers, and perhaps others who are passing through within the social sphere. To have this dialogue, the small business may ask for information from “followers” (e.g., those on Facebook), but then issues of privacy and the potential for creating uncomfortable situations may result in a reluctance to submit personal information, thus reducing participation (Tucker, 2014).

## **Practical Steps in Social Media Integration (and Complications)**

“Small businesses are able to gain substantial value from social media but there are also many challenges” (Schaupp & Bélanger, 2014). “The landscape of social network sites is complex as it encompasses a constantly evolving wide variety of forms such as blogs, virtual worlds, chatrooms, discussion groups, and networking sites to name but a few” (Roberts & Candi, 2014, p. 105). Figure 4 illustrates seven proposed steps intended for practitioners (or instructors of future practitioners, etc.) for social media integration as part of the overall promotional mix for a small business. However, the steps also address another critical point, which is the notion that the robust communication between parties is not limited to promotion; a two way dialog can lead to improvements in core business processes. “Enterprises that understand their customers and engage with them on their terms—when and where they want—will be at a significant competitive advantage.” (Walters, 2013). Additional discussion about these proposed steps is given under the seven subheadings that follow.

### **Step 1. Establish Website “Home Base”**

A website that provides visitors with basic information about a business which is also compatible with popular web browsers (Safari, Firefox, and Internet Explorer) is widely regarded to be a must for almost any type of business. As such, the first step in pursuing a social media presence is to establish a website to serve as a home base (this may apply to an individual such as an author, professional, artist, etc., or a business entity) (Lahm Jr, 2006). However, a website with good visual content and compatibility across multiple software and hardware platforms including smartphones, tablets, laptops (Salz, 2013), and desktop computers with different operating systems (and one might anticipate the proliferation of more devices, such as smart wristwatches) complicates matters significantly.

“Static” websites with nice graphics may have previously served well in giving a business the credibility of being present on the Internet, but they do not allow for online (social) interaction between the visitor and a given business. Since such static websites don’t change their content very much and in they might be likened to be much like a brochure; indeed these sites have been called “brochure sites” (Coviello, Milley, & Marcolin, 2001) for that very reason. Interactive websites with frequently updated content (including areas for social interaction), which may also allow e-Commerce transactions, tend to introduce a level of complexity that is well beyond all but those who are IT specialists, and since these are also more technically challenging to manage, ongoing support (Coviello et al., 2001; Lawrence & Chang, 2010). Regardless of the design or sophistication of a given website, at a minimum one that supports social interaction requires a Content Management System (CMS) such those associated with blogging software (Lahm Jr, 2006):

Relative to specific subjects and types of blogs that have proliferated on the Internet, virtually every topic imaginable has been touched upon. Blogs enable any individual or group to access what amounts to a publishing platform, through which they can address anything under the sun, and reach a worldwide audience while doing so. Individual bloggers are expressing their views from within or outside organizations, and developing audiences as a result of their commentary....Blogs have been set up for myriad purposes and attract audiences accordingly. Blogs have been used effectively by individuals who have developed followings that are so large, that their authors compete head-to-head for attention and audience share with mainstream media pundits. (*Ibid.*)

Blogs (i.e., the content on them) might also address issues ranging from environmental to tax issues (Fernando, Suganthi, & Sivakumaran, 2014) or . “With a blog, you can answer questions, post business updates, link to similar sites and receive commentary from users” (Kooser, 2002). Quoting Lahm (2006): “Real estate firms (Fleming, 2005), accountants (Geerts & Kim, 2005), attorneys (O’Keefe, 2006), and numerous other small businesses (Bender, 2006) have discovered the outreach potential of weblogs: even students have discovered the profit potential in blogging (DollFacePunk.com, 2006).”

## **Step 2. Establish Social Network Account(s) and Develop Contacts**

A second step is to establish accounts using social network sites as a medium for promoting brands, products and services (including personalities associated with these). “Facebook dominates SMB usage, with 55.1 percent of SMBs reporting they have a Facebook page for business use, and 20.0 percent reporting they have run a Facebook ad or promoted post” (“Small businesses spend more on social media than any other media category, according to BIA/Kelsey’s Local Commerce Monitor,” 2014). Among other platforms, LinkedIn, Pinterest, Instagram and Twitter are also used frequently by small firms for marketing purposes (Chen, 2014; Garner, 2009; Goldner, 2012; Pratt, 2009; Wallace, Buil, de Chernatony, & Hogan, 2014). Some researchers suggest that consumers respond more positively to campaigns that ask them to disclose personal information (van Noort, Antheunis, & J. Verlegh, 2014).

In this second step of establishing a presence using social media networks, there is more than simply following the procedure for setting up an account. The task of building a list of those who “visit” any given businesses’ website or social media platform is an ever growing and daunting challenge. There has to be a strategy to develop “friends” on Facebook (Chen, 2014) or “contacts” on LinkedIn activities to stimulate communications. “SM [Social Media] impels companies to eventually rethink the traditional one-way communication flow of their marketing messages and to incorporate a new, two-way communication into their marketing strategy, where (their engaged and involved) users can create, modify, share and discuss content related to the firm’s activity” (CsordÁS & GÁTi, 2014). Further, as observed by Wallace, et al (2014): “Many companies have reported that they are driven by a desire to optimize the number of Likes or friends for their brands....Yet organizations do not fully understand whether Likers are engaged with the brand” (p. 93).

### **Step 3. Content Generation and Dissemination**

The third step is to develop content (CsordÁS & GÁTi, 2014; Herther, 2012) and activities to stimulate communications. Content can be the catalyst or focal point for building “social capital” (Adler & Kwon, 2002). According to Goldner (2010):

It is extremely important to actively produce content. Continue to reinforce your brand position and your subject matter expertise. Condition your market to know that you will be providing ongoing content and value. This will allow your followers to have an affinity for you. Once you have a group that has an affinity for your brand, convert them to your audience. (p. 20).

Further, “beyond basic online video, marketers also need to give consumers access to content across multiple devices. Many people read the morning news on their smartphones, use computers at work and come home to their iPads” (Hall, 2010). “Companies have realized that they can and should be telling their brand stories to the public by creating media and producing their own original content” (Simpson-Bint, 2010). What may make this step seem daunting is the notion that a small business owner would be responsible for personally creating and posting content. However, the really good news in this regard that “user-generated” (Hyoryung & Kannan, 2014) content can be a significant part of the total conversation. As such, creating strategies to compel engagement and interaction is an essential part of this step.

A really interesting B2B example of content development to build interest involves a case study of how Wichmann, a social media marketer for the largest container shipping line in the

world, used Maersk's digital archive of 14,000 ships as part of the content for its social media efforts (Katona & Sarvary, 2014). At first, Wichmann posted 42 photos on Facebook under different categories of ships. Other posts included claims such as "Maersk Line surges ahead with best ever on-time reliability percentage of 82.9%." (*Ibid.*).

When one of the Maersk's ships killed a whale, a photo along with the story of how much the company regretted the incident was posted, and then the company hired a zoologist to examine the dead whale. The zoologist reported that the whale was likely dead when the ship ran into it. The number of likes increased dramatically. Such stories and photos went viral and increased Maersk's list to 600,000, of which 22 percent were deemed to be customers. A summary of the effort and results follows:

Maersk Line garnered over 1 million fans on Facebook, 40,000 followers on Twitter, and 22,000 on Instagram. They also launched and became active on other social media networks such as LinkedIn, Pinterest, and Google+ and created a social media home base for Maersk Line called Maersk Line Social that published articles and stories about the company in a less formal manner.

All of the above Maersk Line social media activities were accomplished using a budget of \$100,000, representing a 1,500% return on investment (Katona & Sarvary, 2014).

#### **Step 4. Analytics, Measurement, and Adjustment**

Step four imposes the challenge of using analytics to measure (Veeck & Hoger, 2014; Wallace et al., 2014) participation. "Leveraging social media data to create more complete customer profiles is critical to effective marketing" (Walters, 2013). Participation might manifest itself (and thus be measured) in any number of ways, including new, returning, or frequent visitors to a firm's social media site(s), to its web pages, as well as to a physical location where applicable. Walters (2013) outlined three primary challenges in leveraging social intelligence that can be derived from social media data: 1) "It is big"; 2) "It is different"; and 3) "It is out of the enterprise's control." Fortunately, there are social media monitoring tools which can be employed. According to Goldner (2012): "Appinions, Klout, and Kred, will collect and provide the most valuable information for the company." Many other monitoring tools also exist, and in practice operate using the metaphor of a "social media dashboard" (*Ibid.*).

Notwithstanding the challenges or tools that may be required for deeper levels of measurement and analysis, one objective in applying such analytics is to begin to compare costs versus revenues. But there are other uses for social media, such as activities that lead to influencing public opinion or conversely, perhaps by receiving feedback from the public that causes a firm to make adjustments to its products, services, or perhaps operationally. In some instances, analytics must be applied to one of the negative aspects of an Internet presence, dealing with hackers and others who may attempt to engage in cyber-criminal activities (Stroud, 2010).

An example of a positive outcome would be favorable reviews on various sites (or even one site, such as "buy" recommendations on Amazon for a book author). In another specific instance, listening and branding tactics were used by Campbell's Kitchen (on Facebook) and generated 450,000 "likes" (Mandviwalla & Watson, 2014). While it is interesting that these "likes" may or may not have correlated to sales on an immediate basis (Manjoo, 2011), what is



even more compelling is the notion of introducing products (via recipes) to persons who may become life-long customers.

### **Step 5. Going Beyond What is “Free”**

The fifth step is re-evaluating whether it is time to expand the use of different social media platforms and/or go beyond using resources that are “free.” (As a point of clarification, this present research suggests though that no platform is actually “free,” given the investment in time that it takes to implement social media—but for purposes of the discussion that follows it is in reference to activities that entail actually paying cash out-of-pocket.) New social media platforms (Erragcha & Romdhane, 2014; Goldner, 2012; Pynta et al., 2014; Roberts & Candi, 2014) have emerged regularly, each with their own potential allure (and possible downsides). As such, a small business owner may be compelled to ponder questions such as “is Facebook enough?,” or whether his or her business has the resources to invest in engaging on other social media platforms such as Google+ (Goldner, 2012). Or, should the business invest in offerings such as LinkedIn’s “paid” premium services (Hempel, 2013)?

Besides the decision to invest in paid social media platforms or enhancements beyond their basic services, numerous other choices exist (Head, 2013). As noted above, local businesses might also choose to invest in local mobile advertising, paid search, or online display ads. The choices can become complicated. For instance, one scheme is to pay for views and exposures, whereas another is to pay-per-click (Tucker, 2014). In the latter case one is paying for responses via an actual “click” on a hyperlink that leads the user to a desired landing page, and in the former case one is paying for a (usually unique) viewer of the advertiser’s message.

There are arguably too many options for the typical small business owner to fully comprehend. Like several of the steps presented herein, and depending on the technical and marketing prowess of a given small business owner and/or management team, the services of professionals (e.g., social media consultants, digital media advertising agencies, market researchers) might be highly beneficial. Among the expanding options are blogs, virtual worlds, chat rooms, discussion groups, and networking sites (Roberts & Candi, 2014). There is also the relatively new option of “sponsored social media” (Murphy & Schram, 2014). Sponsored social should not be confused with promoted content. Promoted content is generated and distributed in the network by the advertiser, while a sponsored social is created by an influencer or publisher and distributed in their network organically to their followers; “Blogposts, tweets, videos, photos, check-ins and now pins from Pinterest may be promoted content” (*Ibid.*).

### **Step 6. Integration with (Traditional) Promotional Mix**

The sixth step involves the integration of social media with traditional promotional methods. In discussing the emergence and evolution of IMC (Integrated Marketing Communications) Kliatchko and Schultz (2014) observed: “The emergence of social media outlets, such as Facebook, Twitter and YouTube, offered opportunities for customers and companies to communicate about products, brands, commercials and more” (p. 373). The issue of defining a market is important when looking to integrate social media into conventional marketing promotions.

Simply directing current customers who shop at a local grocery store to online content on that store’s own site(s), for instance, can be done less expensively through social media than

through full page advertisements in the local newspaper. However, the combination of both may reach those who do not use social media, but do read the paper (notwithstanding this is a declining population). Rather than attempt to address a prescriptive approach to such integration at a tactical level by highlighting the relative strengths and weaknesses of various traditional and social media, it may be more helpful for practitioners to present an observation from a bird's-eye view. Further, each scenario of IMC should be addressed in a case-by-case basis (and it is not just about disseminating messages—creative would be a part of the promotional mix as well).

Clearly, customers are communicating, and certain entities are communicating; yet there still remains a void—entities large and small do not necessarily appear to be listening, and at the same time these organizations may be actively promoting themselves through paid advertising using traditional media. For instance, in conducting a search for local restaurants (geography omitted from this present line of discussion), it was determined that three leading (aggregation) sites, TripAdvisor.com, Yelp.com, and Urbanspoon.com, indexed most establishments in the local area that was searched. These three sites also collected information such as customer reviews, menus, pricing, directions and other information.

Yet, one-sided communication was also observed. For a message from the sites associated with various restaurant profiles often indicated to the effect: “Is this your business? Claim it.” With regard to reviews, in numerous instances neither complaints nor praise were acknowledged by these restaurants in their respective review areas on these sites. The above anecdote is meant to highlight one irony about IMC: While these restaurants might be concurrently paying for advertising, at the same time a conversation is occurring about their food, service, cleanliness and other features, i.e., brand experience (Schweidel & Moe, 2014; Vernuccio, 2014) either good and bad, and it is unclear whether or not these restaurants are even aware of that conversation. So a prelude to broadening a promotional mix to include and coordinate with traditional media is to acknowledge, listen (and actually attend to) existing social media.

Here again, the reality of running a small business suggests that external, professional assistance may well be worth the investment. While it is obvious that attending to negative reviews could be very important to a business, even when people have left positive remarks they may very much appreciate being acknowledged as well. Time is businesses' most valuable asset. As such, the above also illustrates in yet another way that managing social media is not “free.” The task of attending to social media conversation (Blakeman, 2010; Roberts & Candi, 2014; “Social Media: A tool for open innovation,” 2014; Walters, 2013) may need to be assigned to an employee, proprietor, or independent contractor (or several persons, etc.).

While conducting informal interviews with local business owners, the approaches of some thrifty and innovative business owners were observed. Several were tying their social media use to leverage their traditional advertising campaigns. A small, specialized grocery store that features local bakery items advertises special seasonal bakery items in local newspaper advertisements which also promote its web site. The grocer updates his store's web site with color photos of the featured bakery items and offers coupons that can be printed out. His store signage includes Facebook and Twitter logos along with his email address. To cite another example, a local jewelry store ties its radio announcements of estate sale jewelry by directing listeners to photos of newly acquired antique jewelry that may be seen on its website (along with other inventory). Along with utilizing their respective advertising agencies these small business owners employ social media part timers to help them with their web sites, content creation, and data analytics.

## **Step 7. Leveraging Feedback for Business Process Improvement**

A seventh step involves obtaining feedback and using it to influence the design of the product or quality of the service being promoted. According to Walters (2013):

Recognizing the value of these [consumer behavior, user profiles] sources of social data and leveraging them appropriately is a relatively new challenge for many organizations. Social intelligence is a discipline that combines social media data with traditional customer data sources to yield deep insights that drive better marketing and overall business decisions. (p. 14).

Among the benefits of listening, analyzing, and engaging with customers is that such efforts can be instrumental in driving product or service innovation (*Ibid.*). Capturing constructive feedback from customers to better a product/service, delivery or business process offers potential benefits to small businesses that may not have formal research and product development staffs. Service providers may monitor postings on “Angies List,” just as hotels may well review their “ratings” on various hotel sites (and the list of business types, such as restaurants as discussed above, continues).

One other another aspect of this final step is recognizing the nature of social media’s changing landscape: 1) rules keep changing—in part due to privacy issues (Tucker, 2014) and due to government regulatory environment (Wood, Burkhalter, & Falgiatore, 2014) which is growing rapidly into all phases of the web; 2) due to the need for social platforms to monetize their investment; 3) due to the evolution of new technologies, including hardware (especially mobile—even in cars), software (apps), and the uses to which these are being applied; 4) the evolving cyber-crime, cyber-harassment (Laer, 2014) and security environment (Stroud, 2010); and 5) changing consumer capabilities, desires and preferences.

### **Suggestions for Future Research**

Myriad opportunities to engage in future research are suggested by the aforementioned list of five ways in which the social media landscape is changing. Because of the tremendous risks and rewards that are associated with the endeavors undertaken by marketers and their intermediaries (e.g., ad agencies, market research firms), it is expected that in the practitioner world, robust efforts to engage in research with commercial value and implications will continue. As competing social media platforms arise and offer services, they too, will generate metrics to cost justify the relative costs and benefits to users. Practically every industry has been experimenting with social media. Some industries are farther along than others in these efforts. Then, in environments such as banking (Erragcha & Romdhane, 2014), higher education (Smedescu, 2014), and the health care industry (Moss Rogers, 2014) are likely to continue to wrestle with regulatory and privacy issues and constraints.

Direct observation of activities on aggregation sites in the course of pursuing this present research suggested that in actual practice some businesses fail to acknowledge the perils and opportunities in a sphere of communication that constitutes a new paradigm of consumer engagement (as consumers reviewed the brand experience that they have had with various restaurants); this provokes new questions about interactions or the lack thereof between

consumers and businesses wherein those businesses may not even be aware of what is being said about them.

Along with their clients, creative and media agencies struggle to keep up with changing technology. Some scholars contend that a combination of researchers, brand planning, and communications planners, will run a continuous process where the data analysts provide analysis on what social media strategies are effective (Hipperson, 2010). Practitioner generated research is not without its limitations. For example, analyzing comments on social media sites may result in simple measurements that may or may not give accurate conclusions on consumer sentiment. And some analysts end up using sentiment metrics that do not accurately reflect underlying customer opinion (Schweidel & Moe, 2014). However, as time passes, it is likely that sophisticated firms will be able to help their large clients' measure social media activity to produce useful insights for improving their overall communications strategies. At the same time, since academic scholars are presented with such a dynamic social media sphere comprised of an enormous number of moving parts, there are numerous opportunities for further research at both the micro- and macro environmental levels.

## **CONCLUSION**

Technologies such as mobile computing (e.g., tablets, smartphones, smartwatches, motor vehicles) and their corresponding apps, are rapidly evolving. In some instances devices sync with one another while at the same time emergent devices open new frontiers of consumer experience; apps and devices are already creating smarter homes, controlling security cameras, door locks, heating and cooling, garage doors and lighting, to name a few. Rules and regulations are ever changing and yet not necessarily able to keep up with such a dynamic environment.

Meanwhile, in-part because of new forms of communication that have arisen in the context of the aforementioned environment, the commonly heard expression is that social media is the way of the future for marketing and an ideal solution for budget conscious small businesses. While advertising is sending a one-way message, social media involves two-way communication and engagement with consumers. With social media a conversation is made possible that can enable businesses and their customers to build closer relationships and connections with one another, and leveraging insights from this can enable innovation. Those small business owners who are still in the belief that “word of mouth” (Barreto, 2014) is a marketing strategy are “winging it” (Hall, 2010) and therefore at risk.

At the same time, small business owners often face the circumstance of attempting to “do it all” by themselves to save money on promoting the offerings of their respective enterprises, harnessing feedback, and changing their operations appropriately. The challenge for small business is to identify and implement a scalable promotional mix, inclusive of an appropriate blend of traditional advertising, PR, and social media efforts (along with every other aspect of their growth efforts) to meet the needs of their customers.

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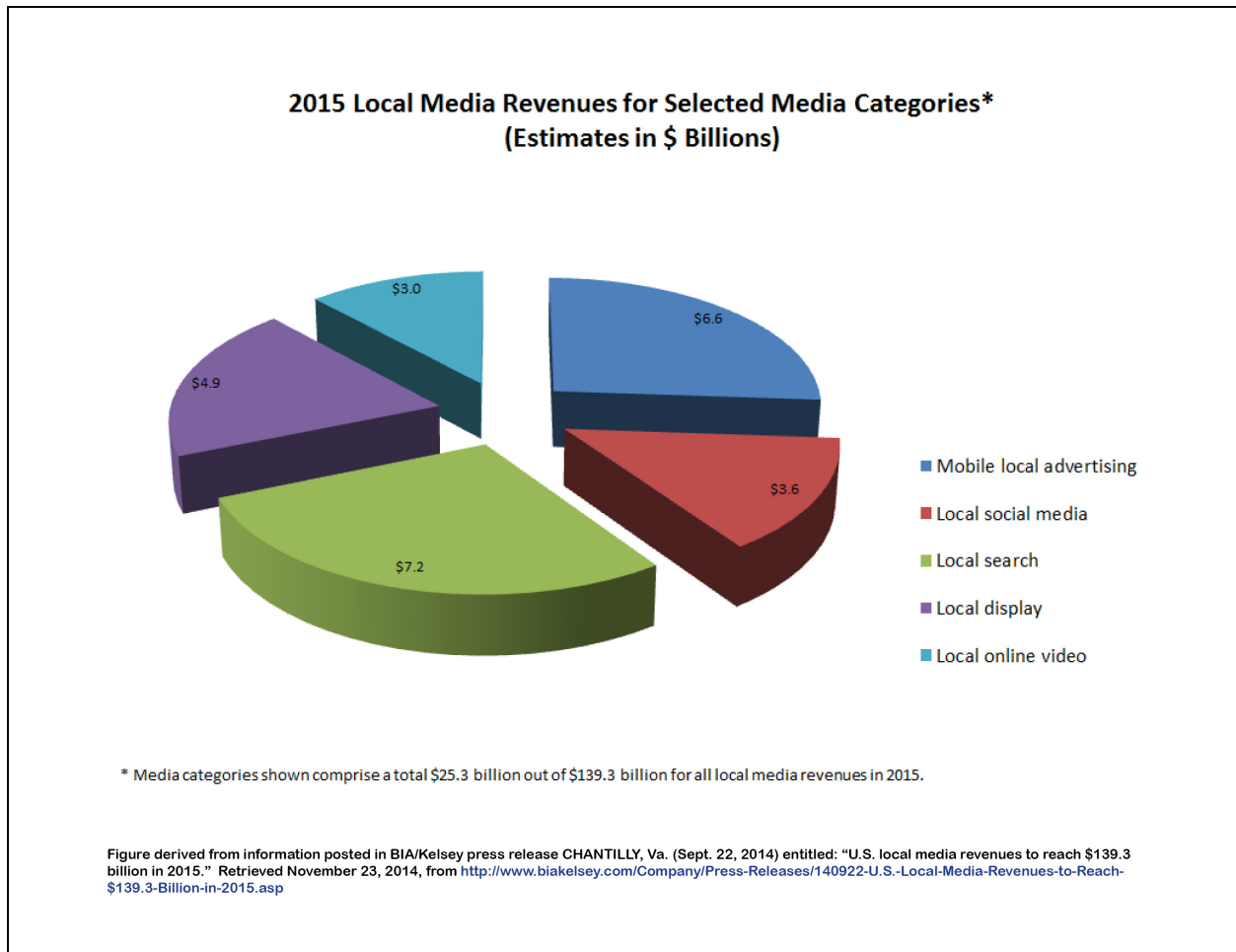
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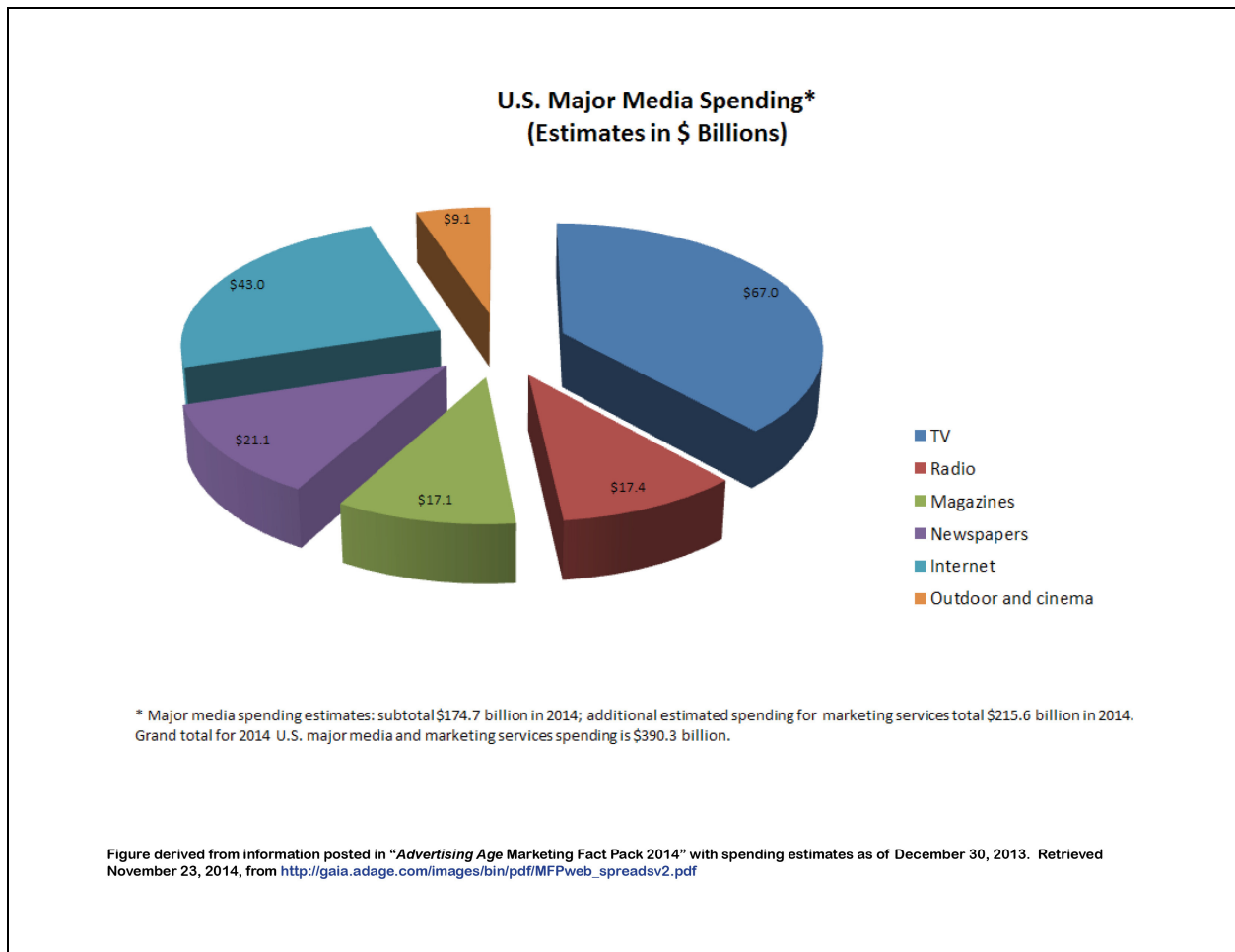


## APPENDIX

Figure 1



**Figure 2**



**Figure 3**

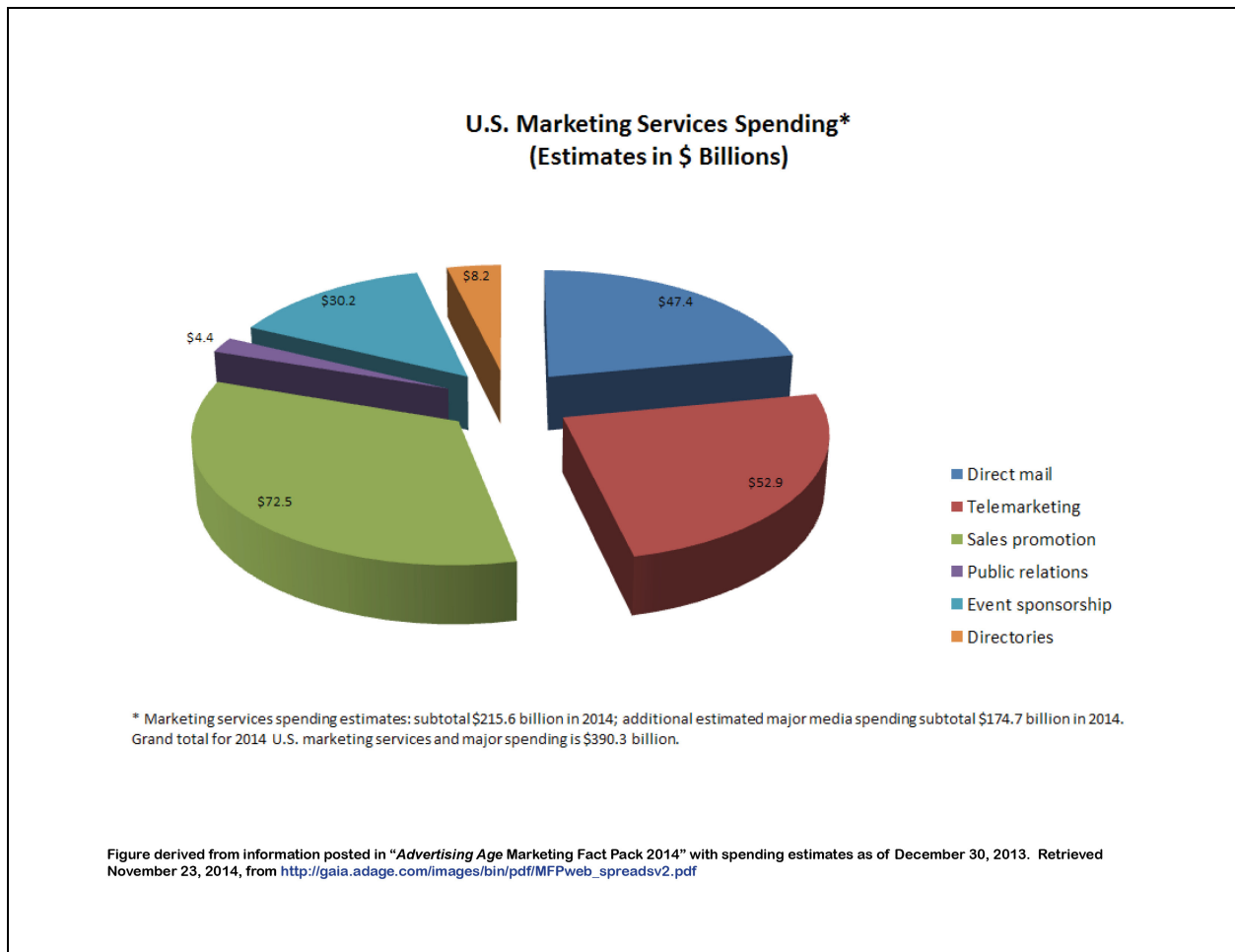
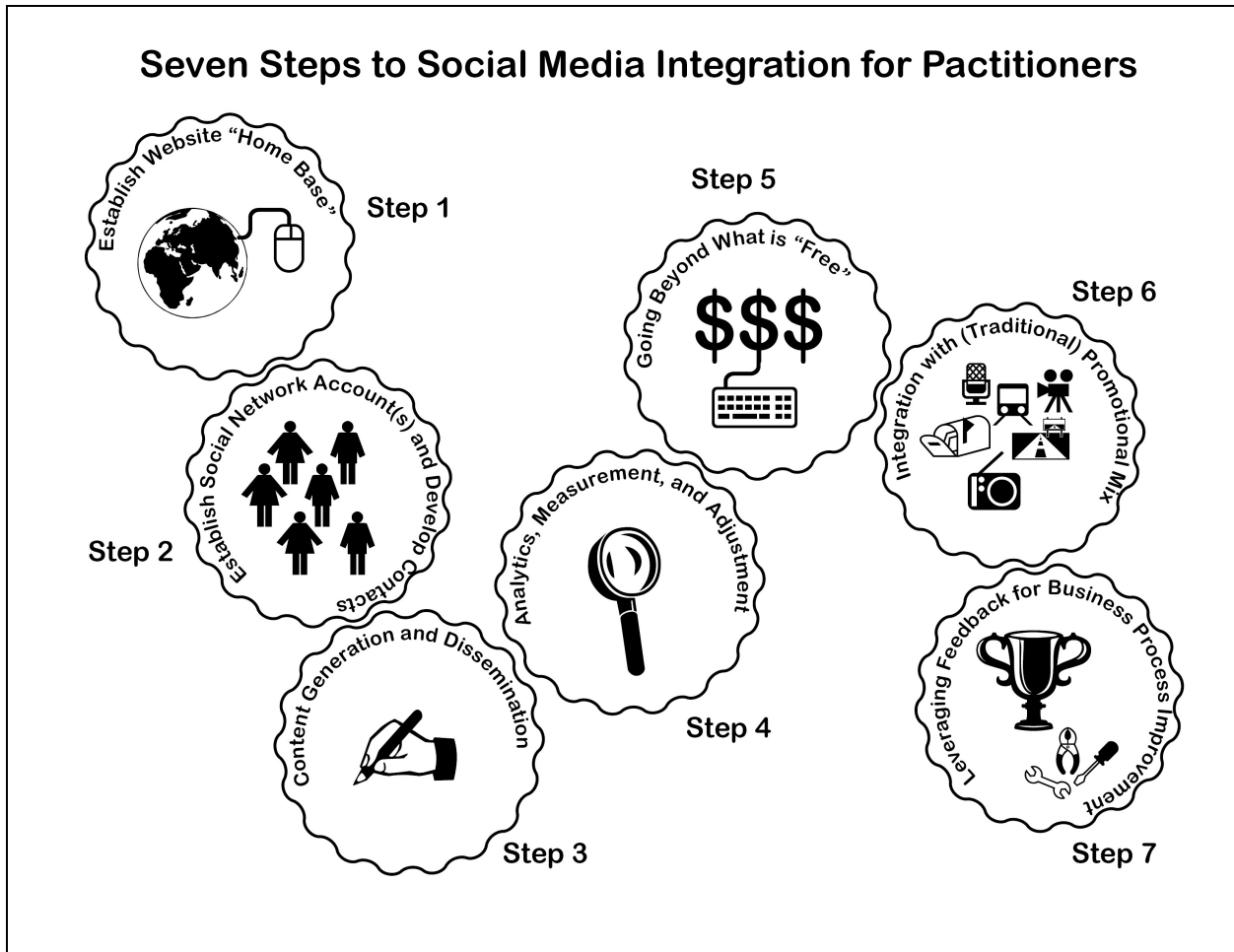


Figure 4



**Table 1****2014 U.S. Ad Spending (billions \$)**

	<b>AMOUNT</b>	<b>TYPE</b>
Sales promotion	\$72.5	Marketing Services
TV	\$67.0	Major Media
Telemarketing	\$52.9	Marketing Services
Direct mail	\$47.4	Marketing Services
Internet	\$43.0	Major Media
Event sponsorship	\$30.2	Marketing Services
Newspapers	\$21.1	Major Media
Radio	\$17.4	Major Media
Magazines	\$17.1	Major Media
Outdoor and cinema	\$9.1	Major Media
Directories	\$8.2	Marketing Services
Public relations	\$4.4	Marketing Services
<b>Total: Major Media and Marketing Services</b>	<b>\$390.30</b>	

Table derived from information posted in "Advertising Age Marketing Fact Pack 2014" with spending estimates as of December 30, 2013. Retrieved November 23, 2014, from [http://gaia.adage.com/images/bin/pdf/MFPweb\\_spreadsv2.pdf](http://gaia.adage.com/images/bin/pdf/MFPweb_spreadsv2.pdf)