Facebook as a Marketing Tool: An Analysis of the 100 Top-Ranked Global Brands

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ABSTRACT

Social networks are one of the more notable sociological phenomena of the last years. Moreover, its apparition and acceptance by majority of the citizens also suppose an important challenge for the firms. Social networks are a new and relevant channel of communication and interaction with their consumers. For this, firms have to create their own place in the social network and actively manage the content that shares and the dialogue that is supported by their followers. In the first part of this paper, the authors explain the creation of an index to evaluate the presence of the companies in the social network more used to international level, Facebook. The Facebook Assessment Index (FAI) is formed by several indicators grouped in three dimensions: popularity, interactivity, and content. In the second part, the authors applied this index to the 150 largest firms according to Fortune 2011 ranking. At present, only 44% of these firms tested had an international official Facebook page. The results showed that the larger firms are those that in general terms best manage their presence on Facebook, have the greatest number of followers and a high degree of interactivity with them. However, the most interesting contribution of this work lies not in identifying firms that achieve higher scores on the FAI, but in comparing the pages with each other and making suggestions of ideas and practices that may improve a firm’s Facebook presence as a marketing tool.

Keywords: Assessment Index, Content Analysis, Corporate Communication, Facebook, Management Communication, SNS, Social Networks

INTRODUCTION

Social networking sites represent a new stage in the evolution of the Internet, what is sometimes termed Web 2.0. Web 2.0 and social networking sites are characterized by user-driven content, combined with interactivity with other users. Online social networking sites such as LinkedIn, Facebook and Twitter have recently grown very popular with online users as a useful communication tool to extend their social networks exponentially by overcoming time and geographic differences. A social networking site (SNS) enables millions of its users to express themselves and establish their social networks by maintaining connections with one another in the cyber world (Chai & Kim, 2012).

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The objective of the present study was to develop a tool to evaluate one of the most outstanding social phenomena of recent years: Facebook. The analysis focuses on the commercial opportunities that major firms can find in this social network. To this end, we designed an indicator called Facebook Assessment Index (FAI), that allows a firm to be ranked against its main competitors.

Social media consists of tools that enable open online exchange of information through conversation and interaction (Yates & Paquette, 2011). It has not only become a sociological phenomenon, but also a marketing opportunity that firms are unwilling to let pass by. It represents a new ecosystem in which individuals are equally as important as firms or the media – an environment in which it is the people who matter.

At the same time, it is having an increasing influence on the business world. Social media has introduced a new form of communication between consumers and brands that allows for an around-the-clock, real time marketing and interactive customer experience. Consumer adoption of media will continue to proliferate as companies offer high value and relevant engagement opportunities (The Jordan, Edmiston Group Inc. and Interactive Advertising Bureau, 2012)

A recent study (Cone, 2008) shows that 93% of social media users believe that companies should have a social media presence, while 85% of them think that companies should interact with customers via social networks sites. Companies have now penetrated the online social networking scene, offering direct links from their corporate websites to Facebook and Twitter, and use these tools to promote brands and support the creation of brand communities (Kaplan & Haenlein, 2010).

In the aforementioned study (Cone, 2008), 37% of the respondents indicated that firms should be on social networks so as to provide a new form of interaction between their customers and their brands. In addition, 56% of the respondents believed they feel a stronger connection with their brands when they can interact with them on social networks, and 57% consider that brands with a presence on social networks provide better service.

For example, the drinks company, Red Bull, has already collected almost 22.8 million fans on Facebook by providing a steady stream of interesting articles, videos and audio content focused around the activities of their sponsored athletes and musical acts. Despite such pioneering initiatives, it is true to say that many marketers hoping to garner consumer opinion on their brand, all too often ignore the readily available consumer discourse on Facebook, Twitter and online review sites, in favor of commissioned survey research (Neff, 2010).

Many firms are joining social networks without clearly thinking out what goals they are pursuing, but really just to follow the fashion or the lead of a competitor. In most cases, the result is failure. According to Internet Retailer, the vast majority of the 100 largest firms in the world have a profile on Facebook (79%), Twitter (69%), or both (59%). But many of these Facebook or Twitter accounts are not properly managed (eMarketer, 2009). It is not enough just to have a token profile on social networks. Instead, there needs to be a previously defined communication strategy, and the social network presence needs to be used appropriately to achieve those strategic objectives.

To assess the success or failure of a social network communication strategy, it is necessary to have available the appropriate measurement instruments. However, a recent study found that 40% of firms consider that instruments to measure the effectiveness of advertising on social networks are ineffective (Chief Marketing, 2011), and another study in the B2B context (Michaelidou, Siamagka, & Christodoulides, 2011) indicates that most of the firms with a presence on social networks are not making use of any indicator to measure the effectiveness of this presence. Like other online tools, the successful use of social networks requires a clearly defined strategic perspective. Achieving positive results is a process that involves preparation, resources, skills, monitoring, and evaluation.
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