Chapter 4
Social Media Marketing: Prospects for Marketing Theory and Practice on the Social Web

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ABSTRACT
This chapter aims at shedding the light on the rising global phenomena of social media marketing either in the B2C or in the B2B markets. Specifically, the chapter provides a review and synthesis of the prominent literature on social media marketing as well as examining the best practices of companies that use social media platform to achieve marketing objectives. A special emphasis is given on delineating the effect of social media use on customer buying behavior. The chapter concludes with useful insights and tips that can help companies to develop social media marketing strategies in order to boost brand visibility and enhance sales.

INTRODUCTION
Customers have taken to “Social Media” in droves; at least 75% of Internet users use social media by joining Facebook or Twitter, reading blogs, or contributing reviews to shopping sites (Forrester Research, 2011). These applications are now considered as one of the most popular online media, in some cases exceeding 400 million active users who use it as their main communication tool (e.g., Facebook) (Alarco´n-del-Amo, Lorenzo-Romero, & Borja, 2011). Moreover, every minute, 10 hours of content are uploaded to the video sharing platform YouTube. Also, Flickr, the image hosting site, provides access to over 3 billion photographs, making the Louvre Museum’s collection of 300,000 objects seem tiny in comparison (Kaplan & Haenlein, 2010).

The use of social media is not limited to teenagers; members of Generation X, now 35–44 years old, increasingly connect to these different platforms (Kaplan & Haenlein, 2010; Mahrous & Hussein, 2012). Accordingly, it is reasonable to say that social media represent a revolutionary new arena that should be of interest to companies because where the customer is active, that is where the company should be.

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Even though social media marketing is still in its infancy, organizations, both large and small and medium-sized, realize that social media offer new opportunities and hold a great potential to success for their businesses (Zimmerman & Sahlin, 2010). For example, Dell’s use of Twitter generated $1 million in incremental revenue due to sales alerts (Kaplan & Haenlein, 2010). Also, small businesses thought social networking increased their sales and revenues by 65% (smallbusiness.com, 2012).

However, many businesses are still unsure of how to create and capitalize new social media based-business models. Social Media has again put organizations in a position of seeing the potential, but being highly uncertain of how this can be utilized. Indeed, the business challenges of social media such as lack of brand control, lack of e-commerce abilities, third party advertisement platform, and claims of invasion of user privacy have negatively impacted the popularity as well as the economic feasibility of social networks commercial use (Bolotaeva & Cata, 2010).

Nevertheless, social media commercial use is flourishing in the era of Web 2.0 end-user interaction. As (Skul, 2008) labeled it, it is “the wave of the future,” estimating that by 2011, online social media business in the United States will be around $2.5 billion. Businesses are just starting to understand all the possibilities that social media offer (Scott, 2007). Therefore, it is advisable for businesses to incorporate social media into their strategic plan to exploit the opportunities offered by social media and enhance their competitiveness.

This chapter aims at exploring the fads and fashions of social media marketing with a special emphasis on explicating the implications of social media usage for consumer buying behavior. Accordingly, the chapter is organized as follows; section 2 explores the essence and spectrum of social media marketing. Section 3 discusses the impact of social media marketing on consumer buying behavior. Finally, section four presents the marketing implications of social media usage for consumer behavior.

THE MARKETING ESSENCE AND SPECTRUM OF SOCIAL MEDIA

Nowadays, there is a bewildering array of social media (e.g., Wikipedia, YouTube, Facebook, Second Life, and Twitter), which make it hard to define what they are and to discern what they have in common (Zimmerman & Sahlin, 2010). A recent definition by Kaplan and Haenlein (2010) seems to capture the business essence of social media; they identified social media as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content” (p.62).

The idea behind social media is neither new nor breakthrough. There have been initiatives to develop social networking sites since 1979 such as the “Usenet,” the discussion platform that allow users to post public messages (Kaplan & Haenlein, 2010). However, the era of social media as we understand it today, started almost twenty years later with the introduction of “Open Diary” that appeared in 1998 and when “Blogs” started to become popular almost around the same time. The tremendous increase in the Internet access speed along with the introduction of Web 2.0 are among the important reasons that led to the creation and the popularity of these social networking sites such as “MySpace” in 2003 and “Facebook” in 2004 (Ritcher at al., 2011).

Social network sites (SNSs) are quickly becoming the most popular social media platform. In some applications such as Facebook, there are more than 400 million active users who connect frequently to it and use it as their main communication tool (Alarco´n-del-Amo et al., 2011). According to Forrester Research (2011), 78% of Internet surfers used “Social Media” in the second quarter of 2011 by joining social networks, reading blogs, or contributing reviews to shopping sites; this represents a significant rise from 56% in 2010. In fact, it was found that Internet users spend more time on SNS than doing any other single online
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