

Measuring the Megaphone – How are Charities Using Social Media for Marketing?

Christopher Phethean
University of Southampton
England
UK
cjp106@soton.ac.uk

Thanassis Tiropanis
University of Southampton
England
UK
tt2@ecs.soton.ac.uk

Lisa Harris
University of Southampton
England
UK
L.J.Harris@soton.ac.uk

ABSTRACT

The Web has disrupted charitable marketing by providing new opportunities for word-of-mouth marketing on an unprecedented scale. This paper describes the transformation in marketing that the Web – and social media in particular – has brought about by providing customers with more power, before highlighting the need for a broad investigation into how charities are now using these services so that its impact upon modern society can be realized. A framework is identified in the literature that will be used to categorize charities' interactions on these sites and show how the Web has transformed marketing activities. Interviews will determine whether UK-based charities' aims for social media marketing are likely to be met given their current usage as identified using the framework. These findings will provide a foundation on which to build a system of measurement, as part of a wider research agenda to analyze charitable marketing performance for which a previously constructed framework will be further developed to help determine the success of such marketing campaigns.

Categories and Subject Descriptors

J.1. ADMINISTRATIVE DATA PROCESSING: Marketing

General Terms

Management, Measurement, Economics

Keywords

Social media, charities, marketing, web science

1. INTRODUCTION

Digital marketing goes beyond mere electronic marketing (traditional processes replicated in electronic form) to “reach markets in a timely, relevant, personal, interactive and cost-effective manner” and is facilitated by the digital channel of the Web [1]. Interactive marketing is also afforded by the two-way nature of social media, providing real-time interaction with customers – rather than transaction-based marketing [1]. The combination of these two contemporary forms of marketing represent the two characteristics of “new media”: digital and interactive [11]; and represent a disruptive change in the marketing field. One domain on which this has had a significant

Permission to make digital or hard copies of all or part of this work for personal or classroom use is granted without fee provided that copies are not made or distributed for profit or commercial advantage and that copies bear this notice and the full citation on the first page. To copy otherwise, or republish, to post on servers or to redistribute to lists, requires prior specific permission and/or a fee.

Digital Futures '12, October 23-25, 2012, Aberdeen, Scotland, UK.
Copyright 2012 ACM 1-58113-000-0/00/0010 ...\$15.00.

effect is that of charities. New opportunities are provided by social media that allow charities to initiate viral and word-of-mouth marketing, for a significantly reduced cost, and it has been indicated that to suitably perform as a modern charity, it is effectively essential to use these services [10].

This paper will describe how the modern Web has transformed charitable marketing, before discussing shortcomings in previous studies into how charities use social media for marketing. An approach to answering this question across a broad range of UK-based charities is then presented.

2. THE EVOLUTION OF CHARITABLE MARKETING

Even before the relative ubiquity of social media, the returns charities were receiving from direct marketing techniques were diminishing and recruiting donors was becoming more costly [8]. Direct marketing was claimed to have transformed the process of soliciting donations to charitable organizations, and was reported to provide a significant proportion of all charitable income at the time [8]. However findings in 2006 show that the financial returns from direct marketing fundraising were low compared to other forms of marketing that could be employed and the rise in popularity of social media soon after appears to have caused a change in marketing focus [8].

It was later found that in the USA, 47 and 46 out of 48 advocacy groups now use Facebook and Twitter respectively to communicate with their audience, which shows that it is imperative to understand how these popular sites are being used [6]. Additionally, “vigilante marketing” was discussed, where brand loyalists create marketing materials on behalf of a brand, to provide free advertising and offer an insight into the community’s perceptions of the organization [5]. The value of this user-created content, and the scale on which it is produced and to which it spreads, is higher because of the Web, reflecting a fundamental, disruptive shift in power towards the consumer (in this case, the donor). This demonstrates that marketing activities on social media are more than offline campaigns repurposed for an online setting. Baines et al. suggest that the only way an organization’s marketing could be effective and efficient at the same time would be by “changing the ‘rules of the game’”; however it appears that the social Web is changing the game itself, by providing a low-cost, effective channel to market through [1].

3. PREVIOUS STUDIES

Seth Godin describes social media as a “megaphone”, a flipped version of the traditional marketing analogy of a funnel (through which an audience is passed to obtain a small proportion of customers), that can empower charity supporters by offering them wide-scale word-of-mouth marketing [3]. Despite this, academic studies into how charities are adopting social media are

surprisingly rare. While some studies have been carried out that provide interesting findings (for example [6] which examines both use and perception of social media by charities), they tend to be specialized to a certain organizational category, focus on a single example, or – as in the case of [6] – be specific to the USA.

Furthermore, non-academic studies carried out by marketing research firms focus on traditional measures of use such as the charity's presence based on their number of followers or fans (e.g. [9]). These studies indicate which charities are popular on social media, but the results they provide regarding their performance may be misleading if they continue to focus on these metrics – social media marketing analysis requires looking at the engagement of these campaigns just as much as the awareness they create [7]. To understand how charities are using these services, a broad audit of use is required, rather than just measuring the size of each organization's presence.

3.1 The 3-M Framework

The 3-M framework was proposed for understanding and categorizing different forms of interaction that occur on social media, which could potentially help to solve this issue [2]. This framework classifies interactions as Megaphone (firm-to-customer), Magnet (customer-to-firm) and Monitor (customer-to-customer) activities [2]. It is described how the 3-M framework was used to analyze the social media performance of Starbucks, and how it can help the marketer identify gaps in their social media strategy [2]. This could be useful for analyzing the ways that social media appears to be used by charities – for example a Megaphone-dominated strategy employed by a charity would be failing to take advantage of many of the interactive features of social media by instead focusing on broadcasting their own message. Having a set framework for categorizing these interactions means that the actions of each charity can be compared against each other, and analysis can be carried out relative to what others are doing.

4. PROPOSED METHODOLOGY

The Web has disrupted marketing, for both commercial and charitable organizations. While previous studies have touched upon how charities are using social media, no broad audit of how UK-based charities are utilizing these services has been carried out. A preliminary framework for determining the performance of marketing campaigns on social media has been presented in [7], but until it is known exactly why organizations are using these services, it can't be developed further - it must first be known what to measure in order to distinguish success. Consequently, the following methodology is proposed to determine how UK charities are using social media for marketing, and whether or not this aligns with what they intend to gain from doing so.

Obar et al.'s survey of how US advocacy groups use and perceive social media for enabling collective action provides inspiration for this research [6]. Their study combined statistical measures of how charities used social media services with qualitative analysis of what marketers in the organizations thought of the services [6]. A mixed-methods approach is therefore planned for this study, beginning with a structured observation of a sample of UK charities' social media sites, using the 3-M framework as a basis to categorize and record the various interactions that each organization is making use of – these results can then be compared to identify strengths and weaknesses in current strategies. This can be likened to reports such as the Social Brands 100 report which measured "observable markers" on social media sites that could indicate a strong social presence [4].

Semi-structured interviews will then be carried out with marketing staff from charities to determine how they believe their organization is using social media, and what they aim to achieve by using it. This will indicate exactly why charities are using social media, and establish whether their current usage is suitable for these aims compared to the observed usage. While qualitative data has been used before, few studies about this topic have utilized interviews to determine *why* charities are using social media and it is believed that this will ensure that this research is reliable and valid.

5. EXPECTED CONTRIBUTION AND FUTURE WORK

This investigation forms part of a larger research study into how charitable marketing performance can be measured, which will contribute a reliable and flexible framework of metrics to do so [7]. Before this system of performance measurement can be developed, the fundamental stage of discovering how and why charities are currently using social media must be carried out so that it is known what needs to be measured to gauge whether their marketing activities are successful or not. Once this is known, the most suitable metrics and analytic techniques can be combined to create a testable framework for measuring marketing performance, which will then be validated and refined to ensure its suitability. This will then be combined with network propagation models to enable the modeling of marketing campaigns, with simulations of the propagation of viral content throughout the network used to predict future performance. Therefore this research will provide the groundwork upon which the much larger study can only be carried out.

6. ACKNOWLEDGMENTS

This research was funded by the Research Councils UK Digital Economy Programme, Web Science Doctoral Training Centre, University of Southampton. EP/G036926/1

7. REFERENCES

- [1] Baines, P. et al. 2011. *Marketing*. Oxford University Press.
- [2] Gallagher, J. and Ransbotham, S. 2010. Social media and customer dialog management at Starbucks. *MIS Quarterly Executive*. 9, 4 (2010), 197–212.
- [3] Godin, S. 2006. Flipping the Funnel - Give Your Fans the Power to Speak Up (Non-Profits Edition).
- [4] Headstream 2012. Social Brands 100 2012.
- [5] Muñiz, A.M. and Schau, H.J. 2007. Vigilante Marketing and Consumer-Created Communications. *Journal of Advertising*. 36, 3 (Oct. 2007), 35–50.
- [6] Obar, J.A. et al. 2011. Advocacy 2.0: An Analysis of How Advocacy Groups in the United States Perceive and Use Social Media as Tools for Facilitating Civic Engagement and Collective Action. *SSRN eLibrary*. (Nov. 2011).
- [7] Phethean, C. et al. 2012. Measuring The Performance Of Social Media Marketing In The Charitable Domain. *Web Science 2012* (Evanston, IL, USA, 2012).
- [8] Sargeant, A. et al. 2006. Benchmarking Charity Performance: Returns from Direct Marketing in Fundraising. *Journal of Nonprofit & Public Sector Marketing*. 16, 1-2 (2006), 77–94.
- [9] Visceral Business 2012. *The Charity Social 100 Index*.
- [10] Wakefield, D. et al. 2011. *Philanthropy and Social Media*. Institute for Philanthropy.
- [11] Winer, R.S. 2009. New Communications Approaches in Marketing: Issues and Research Directions. *Journal of Interactive Marketing*. 23, 2 (May. 2009), 108–117.