

Social media vs email: Guess who wins?



15 Apr 2015

The word "distraction" comes up all too often within the context of social media, and Bryan Adams said it himself -"Social media is a giant distraction to the ultimate aim, which is honing your craft."

While most companies today have invested large sums into social media efforts, many other businesses have watched the social media revolution like a bushman watches civilisation... with one eyebrow raised and a sense of bemused scepticism. A reality that we need to accept is that the social media era is huge, and various big players have a vested interest to ensure its continued expansion.

But for how long will social media continue to lure in massive amounts of corporate marketing expenditure?

Evolution of social networks

Over the past decade, communication giants such as ICQ, BBM and MXit ferociously hit the scene. Today, the reality is that in the blink of an eye they are being replaced by newer, smarter and more innovative services. It's interesting to note that even tech-savvy people have never heard of ICQ, even though it was bought by AOL for \$407m in 1998. It was the very first "WhatsApp" for the PC and today the facts reveal that ICQ is, for all intents and purposes, now worthless.



Image via 123RF

Could that seriously happen to Facebook, Twitter or LinkedIn? Well, could an entire taxi industry be revolutionised by a single online business called Uber? Or could one website called AirBnB blossom from nowhere and be worth more than the entire Hilton Hotel Group? The answer to all these questions is yes. And it is already happening. Lest we forget, once upon a time the greatest search engine in the world was something called Yahoo. Ever heard of it?

A 2014 research study from Forrester indicates that individuals are not interacting all that much with branded social content any more. This research indicates that "on six of the seven social networks, the brands we studied achieved an engagement rate of less than 0.1%. For every 1 million Facebook fans those brands had collected, each of their posts received only about 700 likes, comments, and shares. On Twitter, the ratio was about 300 interactions per 1 million followers." The *Wall Street Journal* reported that "brands don't really have a social relationship with their customers", as Facebook and Twitter posts only reach about 2% of their fans and followers; and less than 0.1% of fans and followers even interact with these brand posts.

This means that if your Facebook page has 1,000 likes, your post will only be seen by 20 people, of which only one person will be likely to respond to it. From a marketing perspective, these results are discouraging.

The next big question is: how many of those very few and far-between responses are complaints or gripes about the brand? VB News says consumers complain 879 million times a year on social media alone, and 20% of these complaints are made on Facebook. One thing we know for certain is that social media carries the risk of impacting a brand negatively. It is common knowledge that many customers and individuals leverage social media as a means of complaining or venting their frustration towards a brand, and this poses significant business and reputational risks. It also decreases the already alarmingly poor response rates.

A social relationship

The Forrester research, which I have cited above, was released at the end of 2014, just before Facebook changed their algorithm to make company posts even less likely to be seen. This means that we can expect worse figures for 2015. Following the release of the report, analyst Nate Elliott claimed "You don't really have a social relationship with your customers. It's clear that Facebook and Twitter don't offer the relationships that marketing leaders crave. Yet most brands still use these sites as the centrepiece of their social efforts, thereby wasting significant financial, technological, and human resources on social networks that don't deliver value."

Finally, Gartner Research has put social media into a cycle that they term the "Trough of Disillusionment."

Given all the compelling evidence, clearly questioning the effectiveness of social media as we know it. A key question is: should businesses bail from social media and count their losses? According to Forrester, it is highly likely that brands will merely shift their social media expenses to targeted advertising, which is already a model that Facebook is adopting. Social media is more likely to be leveraged as a means of complementing or supporting a marketing strategy rather than driving it.

In my view, an internet stalwart that has somewhat been overlooked is good old fashioned email marketing. As a communication tool, McKinsey agrees: "Email remains a significantly more effective way to acquire customers than social media - nearly 40 times that of Facebook and Twitter combined." A simple Google search will reveal many other studies over the past two years that prove again and again that email marketing is far ahead of social media.

Ownership rights

Although social media has the potential to integrate with, support and complement a business's email database, a significant insight is that a company has full ownership of its email contacts. The same is not true of social media, which leaves businesses with extremely limited ownership rights and negligible control of the data contained within their social media pages. Ownership and control of your own data is critical, considering that the relationships a company has with its customers should be considered its biggest asset. For this reason, email is still king.

Like our bushman friends, it is wise to accept and trust only that which has stood the test of time, especially amidst the frantic world of communication technology. Email, possibly considered the 'ostrich egg' of the internet, has survived and thrived in turbulent internet waters, maintaining its position as the internet standard for communication. Even Facebook

relies heavily on email. Conservative estimates, from research taken predominantly from SenderBase, indicates that Facebook sends between 80 million and 140 million emails per day. If they didn't, hundreds of millions of people would simply forget to log-in.

Social media still has its rightful place in the communications mix and should not be ignored. After all, half the world's population are plugged into it in one way or the other. In my view, it makes good business sense to build a centralised database that you own and let that be the driver of your digital business communication. Make email your primary focus and allow social media to support and complement it.

In other words, stick to what works.

ABOUT SCOTT CUNDILL

With 18 years of personal experience in the internet communications field, Oundill researches and pioneers communication and technology solutions that have proven potential to change the face of business. Fiercely authentic with a drive - he is passionate about empowering any kind of business with the technology to inspire and cultivate sincerity and relevance through original 'Communication Journeys'...

- The rise of the emoji and the public rating system- 20 Nov 2017
- Don't let the touch screen replace the personal touch 28 Aug 2015
- Unlocking customer equity with valuable content 15 Jun 2015
- Social media vs email: Guess who wins? 15 Apr 2015
- No communication = death to CRM- 19 Mar 2015

View my profile and articles...

For more, visit: https://www.bizcommunity.com