

ISTANBUL BILGI UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES

RETURN ON INVESTMENT OF SOCIAL MEDIA MARKETING

Master's Thesis

OMER DUNDAR KAN

115689011

Thesis Advisor: Yrd. Doç. ESRA ARIKAN

ISTANBUL

2017

Return on Investment of Social Media Marketing

Sosyal Medya Pazarlamasının Finansal Geri Dönüşümü

Ömer Dündar Kan
115689011

Tez Danışmanı:

Yrd. Doc. Dr. Esra Arıkan
İstanbul Bilgi Üniversitesi



Jüri Üyeleri:

Prof. Dr. Selime Sezgin
İstanbul Bilgi Üniversitesi



Prof Dr. Beril Durmuş
Marmara Üniversitesi



Tezin Onaylandığı Tarih:

Toplam Sayfa Sayısı:

Anahtar Kelimeler

- 1) Sosyal medya
- 2) Sosyal medya pazarlaması
- 3) Facebook
- 4) Finansal geri dönüşüm
- 5) Yatırımın geri dönüşümü

Keywords

- 1) Social media
- 2) Social media marketing
- 3) Facebook
- 4) Financial return
- 5) Return on investment

FOREWORD

Recently the usage of internet is increasing gradually, especially with becoming widespread of smart phones in all over the world; the growth of use of internet has increased. Social media platforms are one of the main influencer of this rapid growth rate, and these platforms are becoming more popular day by day worldwide. All these developments have influenced many social and economic areas in the world, and marketing is one of the main fields; which is influenced from these developments.

Nowadays, because social media offers an opportunity for a rapid and convenient communication between companies and people, and because many people are using social media platforms intensively; many companies are using internet and social media as a marketing channel with aim to increase brand awareness, increase sales, manage relationship with customers, and manage after-sales services. These processes affect the marketing strategies and investments of companies; and that is why, the companies want to track their social media marketing investment performances.

This study focuses on the return on investment of social media marketing that is a very contemporary topic for many marketers and companies in all over the world. I am grateful to Assistant Prof. Dr. Esra Arıkan, Prof. Dr. Beril Durmuş and Prof. Dr. Selime Sezgin because they share their broad knowledge and experiences with me, and very special thanks them for their supports in determining, researching, and composing this thesis. I also would like to thank to my friends Asu, Kübra and Selin for their support in this process. Besides, I should also like to express my sincere gratitude to my family for their support in the process of writing this thesis.

TABLE of CONTENTS

FOREWORD	iii
ABBREVIATIONS	vii
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABSTRACT	x
ÖZET	xi
INTRODUCTION	1
1. WHAT IS MARKETING	2
1.1. The history and the definition of marketing.....	2
1.2. Marketing Mix and Its Evolution.....	8
1.2.1. Product.....	9
1.2.2. Price.....	9
1.2.3. Place.....	10
1.2.4. Promotion.....	10
1.2.5. Process.....	11
1.2.6. People.....	11
1.2.7. Physical Evidence.....	11
1.2.8. Consumer.....	12
1.2.9. Cost (to customer)	13
1.2.10. Convenience.....	13
1.2.11. Communication.....	15

1.3. The New Era of Marketing.....	15
2. TRENDS & NEW CHANNELS IN MARKETING.....	18
2.1. Trends in Marketing.....	18
2.1.1. The shift to service economies.....	18
2.1.2. Globalization & Glocalization.....	18
2.1.3. Reliance on e-commerce technologies.....	19
2.1.4. The role of big data in marketing strategies.....	20
2.2. New Channels in Marketing.....	20
2.2.1. The shift to service economies.....	21
2.2.2. Globalization & Glocalization.....	21
2.2.3. Reliance on e-commerce technologies.....	22
2.2.4. The role of big data in marketing strategies.....	24
3. WHAT IS SOCIAL MEDIA MARKETING.....	31
3.1. Social Media.....	31
3.1.1. What is Social Media?	31
3.1.2. The history of social media.....	33
3.1.3. Statistics about Social Media.....	36
3.2. What is Social Media Marketing?	40
3.2.1. Social media for companies.....	41
3.2.2. Reasons of Social Media Marketing Usage of Companies.....	43
3.2.3. Advantages of Social Media Usage for Companies.....	44
3.3. The channels in social media marketing.....	45
3.3.1. Networking Channels.....	46

3.3.2. Sharing Channels.....	48
3.3.3. Blogging Channels.....	49
3.3.4. Facebook.....	51
3.4. Metrics in Social Media.....	53
3.4.1. What is metric?	53
3.4.2. The general list of social media metrics.....	56
3.4.3. Facebook Metrics.....	62
4. RETURN on INVESTMENT (ROI)	67
4.1. What is ROI?	67
4.2. ROI of Marketing (ROMI)	69
4.2.1. What is ROMI.....	69
4.2.2. Formulation for ROMI.....	73
4.2.3. Metrics for ROMI.....	74
4.3. ROI in Social Media Marketing.....	78
4.3.1. What is Social Media ROI (SMROI)?	78
4.3.2. The Complexities of SMROI.....	80
4.3.3. The calculation of SMROI.....	81
4.4. The formula of ROI for Facebook.....	90
CONCLUSION	92
REFERENCES	93

ABBREVIATIONS

AMA: American Marketing Association

CRM: Customer Relationship Management

GDP: Gross Domestic Product

NFC: Near Field Communications

OECD: Organization for Economic Cooperation and Development

RFP: Request for Proposal

ROI: Return on Investment

ROMI: Return on Investment of Marketing

NMC: Net Marketing Contribution

ROS: Return on Sales

SMROI: Social Media Return on Investment

CLV: Customer Lifetime Value

CCLV: Connected Customer Lifetime Value

CRV: Customer Referral Value

CSMV: Customer Social Media Value

SM: Social Media

LIST OF TABLES

Table 1. History and Definition of Marketing.....	7
Table 2. Online History of Online Advertising.....	23
Table 3. The Channels in Marketing.....	25
Table 4. Social Media Statistics-I.....	37
Table 5. Social Media Statistics-II.....	38
Table 6. Social Media Metrics.....	57
Table 7. 100 Ways to Measure Social Media.....	58
Table 8. Marketing Metrics.....	75
Table 9. Marketing & Financial Metrics.....	77
Table 10. Internal & External Metrics.....	77

LIST OF FIGURES

Figure 1. Marketing Mix Table (4C vs 4P).....	14
Figure 2. Reasons for Social Media Usage.....	44
Figure 3. The Relation Between Marketing Inputs and Social Media.....	55
Figure 4. Visualizations & Interactions.....	64
Figure 5. Conceptual Map of Facebook's Performance Metrics.....	63
Figure 6. Facebook Metrics Overview.....	64
Figure 7. Maximizing ROI.....	71
Figure 8. Two-Fold Measurement of Marketing Activity.....	72
Figure 9. The Brand Value Chain.....	73
Figure 10. Net Marketing Contribution.....	74
Figure 11. Research Model of ROI of Social Media Marketing.....	81
Figure 12. Financial & Indirect Values of Social Media.....	82
Figure 13. Customer Equity and Marketing ROI.....	84

ABSTRACT

Nowadays, the gradually increase in social media usage has attracted many marketers and companies; and this trend has made them to start to use these platforms as a marketing channel. Thus, many companies have started to allocate human resources, budget and lots of time for this channel. Companies use social media for brand awareness, product promotion, sales, market research, after-sales services, and or customization.

Especially in this time of increasing competition in many sectors, social media platforms are also one of the areas where competition is intense. Because of this, and recently social media is used for many reasons and being invested more, companies track and try to calculate the effectiveness of their investments on social media marketing.

This study is about examining and formulating the financial return of the investments that companies have made for social media marketing.

ÖZET

Günümüzde sosyal medya kullanımının gitgide artması bir çok şirket ve pazarlamacının dikkatini çekmiş ve bu trendle birlikte firmalar bu platformları pazarlama kanalı olarak kullanmaya başlamışlardır. Bu sebeple bir çok şirket bu kanala insan kaynağı, bütçe ve zaman ayırmaya başlamıştır. Firmalar sosyal medyayı özellikle marka veya ürün tanıtımı, marka bilinirliği sağlama, ürün satışı, pazar arařtırmaları ya da satıř sonrası servis, müşteriye göre özelleřme gibi alanlarda kullanmaktadırlar.

Özellikle bir çok sektörde rekabetin arttıđı bu dönemde, sosyal medya platformları da rekabetin yoğun yařandıđı alanlardan biri olmuřtur ve bu sebeple de bu kadar çok amaçlı kullanılan ve özellikle son dönemde ciddi yatırımlar yapılan sosyal medya mecralarında firmalar elbette verimliliđi ölçmeye çalışmaktadırlar.

Bu çalışma da firmaların sosyal medya pazarlaması için yapmış oldukları yatırımların finansal geri dönüşümlerini inceleyerek, formülize etmeye çalışmaktadır.

INTRODUCTION

Nowadays, social media is a trend topic for individuals and companies, which is used by individuals for enjoyment, business and social networking and by companies for business and especially as an active and alternative marketing channel for many companies. That is why; the companies have started to allocate human resources, budget, and time for using social media as a marketing tool. Companies use social media for some reasons; which are brand or product introduction, brand awareness, leading generation, after sales services, or and customization for the consumers. Actually, because the companies are investing much more day by day on social media; they are trying to calculate the effectiveness of their investments on social media marketing. After searching the literature; it is seen that there are some researches about the ROI of social media marketing, however; the most of the studies are qualitative. That is why this project focuses on the quantitative aspect of the ROI of social media marketing.

This thesis focuses on the financial returns on the social media marketing; and it observes the financial aspect of marketing and channels and metrics in social media. The thesis is about creating a new formula for observing and calculating the return on investment of the social media marketing investment.

After researches and studies on the social media marketing, a formula will be created for calculating the ROI of Social Media Marketing. After finding the formula, which enables the companies to observe and calculate the ROI of Social Media Marketing; and they will be able to draw strategies for the future of the project.

1. WHAT IS MARKETING

1.1. The history and the definition of marketing

The definition of marketing is a continuously transforming issue in the world. In the history, because of some reasons, the extent of marketing and the definition of marketing have transformed for many times in the history. That is why; this study will examine some of the definitions of marketing in the history, and finally it will mention about the nowadays meaning and scope of marketing, too.

In the beginning terms of marketing, marketing has only a perspective of selling products to the customers. Actually, marketing was a department for only distribution, buying and selling processes between the producer firms and the customers. In 1922, the definition made by Clark also supported this idea which is; “Marketing consists of those efforts which effect transfers in the ownership of goods, and care for their physical distribution.” (Ringold and Weitz, 2007) In addition to Clark, in 1935; American Marketing Association (AMA) also specified marketing as the flow of goods and services from producers to customers.” (Ringold and Weitz, 2007) From these definitions of marketing, it is seen that marketing was considered as only a limited part of sales. That opinion had continued for many years, and after 42 years; McCarthy changed the definition of marketing because of the changes in economy and the society, and he added new point of views and tasks for marketing, because of the changes in the concept of marketing. McCarthy had described marketing, as “Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user in order to satisfy customers and accomplish the firm’s objectives.” (Ringold and Weitz, 2007) This definition of marketing can be considered as the base of the contemporary marketing. Because it is the first time that mentioned about satisfying consumers. Before this definition, marketing had focused on only selling products, and marketing did not focus on before or after sales activities. Marketing’s content was considered only for the distribution of goods to the consumers; which is similar with producing and selling approach.

After McCarthy changed the definition of marketing, Kotler detailed the meaning of marketing as “Marketing is the analyzing, organizing, planning, and controlling of the firm’s customer-impinging resources, policies, and activities with a view to satisfying the needs and wants of chosen customer groups at a profit.” (Ringold and Weitz, 2007) This supports that the base of new era marketing is built in these years.

Marketing scope has expanded with the changes in economy and society. Because it has expanded, McCarthy defined the marketing in two different definitions which are macro and micro marketing, in 1971. The first subtitle is macro marketing, which is define as “designing an efficient and fair system which will direct an economy’s flow of goods and services from producers to consumers and accomplish the wellness of the society” (Ringold and Weitz, 2007) For McCarthy, the second subtitle was micro marketing, which is defined as “the performance of business activities which direct the flow of goods and services to satisfy customers and accomplish the company’s main objectives” (Ringold and Weitz, 2007)

In 1972, after McCarthy, Kotler has created a new concept for the meaning of marketing. This concept was “Marketing is the set of human activities directed at facilitating and consummating exchanges”, and “Marketing management is the analysis, planning, implementation, and control of programs designed to bring about desired exchanges with target audiences for the purpose of personal or mutual gain. It relies heavily on the adaptation and coordination of product, price, promotion, and place for achieving effective response” (Ringold and Weitz, 2007) This is the first time for the usage of 4P (Product, Price, Promotion, and Place) in the meaning of marketing. Besides, Kotler had also touched upon the target groups of the firms, which is nowadays one of the most critical issue for marketing strategies. After 8 years, Kotler has detailed its marketing management definition by adding some new terms. Actually, these terms are still in use in the marketing concept. These can be listed as needs, wants, preferences, intermediary markets, product design, relationship and communications. As can be seen from the terms, contemporary marketing has been started to be developed in the early

1980s. Kotler has defined the marketing management as “the analysis, planning, implementation, and control of programs designed to create, build, and maintain mutually beneficial exchanges and relationships with target markets for the purpose of achieving organizational objectives. It relies on a disciplined analysis of the needs, wants, perceptions, and preferences of target and intermediary markets as the basis for effective product design, pricing, communication, and distribution” (Ringold and Weitz, 2007) While Kotler had added new terms for marketing, in 1981, McCarthy had also changed the meaning of micro marketing. He called the micro marketing as “the performance of activities to accomplish an organization’s objectives by predicting the customers’ or clients’ needs and managing a flow of goods and services from producer to customer”. (Ringold and Weitz, 2007) Moreover, he also redefined macro marketing as “Macro-marketing is a social process which directs an economy’s flow of goods and services from producers to consumers in a way which effectively matches supply and demand and accomplishes the objectives of society” (Ringold and Weitz, 2007) Actually, both the definitions of Kotler and McCarthy were going in different ways but the development of the meanings was parallel; because they used similar terms in close dates.

In 1988, Kotler has changed the definition as “Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others” (Ringold and Weitz, 2007) His definition has shown that the power is hold by the customers. In the first times of marketing; firms’ approach was “I sell whatever I produce”; however, with this definition the consumers say that “I buy whatever I need”. That is why the companies have started to care the wants of consumers while producing. Actually, that is the most similar definition of marketing to the contemporary approach and definition of marketing. That is why; it can be said that the main basis of contemporary marketing idea has been created in 1980s.

In 1990s, marketing definition did not have so many changes. Actually, both McCarthy and Kotler have not defined the marketing strategy again. In addition to these marketers, Pride and Ferrell had new definitions for marketing,

which is parallel with McCarthy and Kotler's definitions. They called marketing in 1991 as “Marketing consists of individual and organizational activities that ease and accelerate satisfying exchange relationships in a dynamic environment through the creation, distribution, promotion, and pricing of goods and services.” (Ringold and Weitz, 2007) These definitions show that the main concept of marketing perspective is relationship, satisfying consumers, and organization, and 4P of marketing. With the beginning of the 21st century; many continuously changes occurred in the world. The internet was the main actor of these changes. With the changes in society, networks, businesses, economy, politics and many social issues has also affected the scope of the marketing. That is why; the definition of marketing is very critical to understand the contemporary marketing in new century, or nowadays.

AMA has declared a definition for marketing in 2004. The definition was “Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.” (Ringold and Weitz, 2007) This definition reflects McCarthy, Kotler, Pride, and Ferrell, because it includes the terms of customers, communication, and especially managing a long-term relationship with customers.

In addition, the definition of AMA also mentions about the benefit of the organization and the stakeholders; which can be seen in the definition of the marketing of McCarthy. In 2006, Kotler has described marketing as an art and science, and his definition of marketing is “Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value” (Ringold and Weitz, 2007) He underlines targeting markets, and customer value, which are the main characteristics of contemporary marketing.

The definition of marketing is present at the website of the AMA. The association has approved a new definition for marketing in July, 2013, and they have defined marketing as “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that

have value for customers, clients, partners, and society at large.” (<https://www.ama.org> , 05.11.2017) In this definition, “Offerings that have value customer” phrase is very critical, because this phrase shows that the main determinant of the market is customer.

As can be seen from the definitions of marketing in the history (Table 1.), the scope of the marketing has changed gradually in years. As a science, the marketing strategy of the companies was “Consumers buy, whatever I produce” in the early years. After years, the perspective and the scope of the marketing has changed many times. At each change, marketing has included new terms in its definition due to the changes in economy and society. At the end of the process; some of the terms are very critical for the contemporary marketing strategy. These terms are product or service, pricing, placing, promoting, value for customers, communicating, managing relationship. This study will try to explain these terms in detail in the next headings, and first of all this study will discuss the evolution of marketing mix elements (4P of marketing).

Table 1. History and Definition of Marketing

Year	Marketer	Definition	Key Points
1922	Clark	Marketing consists of those efforts which effect transfers in the ownership of goods, and care for their physical distribution.	<i>Transfer and physical distribution</i>
1935	AMA	Marketing is the performance of business activities that direct the flow of goods and services from producers to consumers.	<i>Flow of goods and services</i>
1964	McCarthy	Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user in order to satisfy customers and accomplish the firm's objectives.	<i>Satisfy customers, accomplish firm's objectives</i>
1967	Kotler	Marketing is the analyzing, organizing, planning, and controlling of the firm's customer-impinging resources, policies, and activities with a view to satisfying the needs and wants of chosen customer groups at a profit.	<i>Chosen customer groups, satisfying needs and wants of customers, profit</i>
1971	McCarthy	Macro marketing is designing an efficient (in terms of use of resources) and fair (in terms of distribution of output to all parties involved) system which will direct an economy's flow of goods and services from producers to consumers and accomplish the objectives of the society.	<i>Efficient and fair system, accomplish the objectives of the society</i>
		Micro marketing is the performance of business activities which direct the flow of goods and services from producer to consumer or user in order to satisfy customers and accomplish the company's objectives.	-
1972	Kotler	Marketing is the set of human activities directed at facilitating and consummating exchanges and marketing management is the analysis, planning, implementation, and control of programs designed to bring about desired exchanges with target audiences for the purpose of personal or mutual gain. It relies heavily on the adaptation and coordination of product, price, promotion, and place for achieving effective response.	<i>Target audiences, desired exchanges, mutual gain, 4P</i>
1980	Kotler	Marketing management is the analysis, planning, implementation, and control of programs designed to create, build, and maintain mutually beneficial exchanges and relationships with target markets for the purpose of achieving organizational objectives. It relies on a disciplined analysis of the needs, wants, perceptions, and preferences of target and intermediary markets as the basis for effective product design, pricing, communication, and distribution.	<i>Mutually beneficial exchanges, relationship with target group, intermediary markets, product design</i>
1981	McCarthy	Macro-marketing is a social process which directs an economy's flow of goods and services from producers to consumers in a way which effectively matches supply and demand and accomplishes the objectives of society.	<i>Effectively match between supply and demand</i>
		Micro marketing is the performance of activities which seek to accomplish an organization's objectives by anticipating customer or client needs and directing a flow of need-satisfying goods and services from producer to customer or client.	<i>Need-satisfying goods</i>
1988	Kotler	Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.	<i>Value</i>
1991	Pride & Ferrell	"Marketing consists of individual and organizational activities that facilitate and expedite satisfying exchange relationships in a dynamic environment through the creation, distribution, promotion, and pricing of goods, services, and ideas."	<i>Dynamic environment, ideas</i>
2004	AMA	"Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders."	<i>Delivering value to customers, managing relationship, stakeholders</i>
2006	Kotler	Marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.	<i>Art and science, superior customer value</i>
2013	AMA	Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.	<i>Offerings that have value for customers, partners and society</i>

1.2. Marketing Mix and Its Evolution

The marketing mix model is the strategies that the companies use to position and promote their brands and products in the market. The perspective and the elements of the marketing mix have also changed with the changes in the scope of marketing. Actually, the beginning of this model is “The Management of Marketing Costs” book, which is written by James Culliton, in 1948. In that book, Culliton has mentioned about how the companies act based on the changes in market conditions. (Sumer and Eser, 2006) After Culliton, Neil Borden has identified the marketing mix with 12 elements in 1950s, which can be listed as:

- Product planning
- Pricing
- Branding
- Channels of distribution
- personal selling
- advertising
- promotions
- packaging
- displays
- servicing
- physical handling
- fact finding and
- analysis. (Constantinides, 2006)

Although Borden has defined the marketing mix; we can say that the father of that model is E. Jerome McCarthy, a marketing professor in Notre Dame University. (This study also mentioned about some of his definitions of marketing in the first heading) After Neil Borden's twelve elements, McCarthy has reduced these twelve elements to four elements; which are product, price, place and promotion. In the literature, it is also known as *4Ps of marketing*. These terms are the main elements in the traditional marketing mix model. This study will explain these elements in details:

1.2.1. Product

Product policy is main element for the marketing mix; because without product or service the other three components of the marketing mix are not meaningful, even they cannot be created. The companies and organizations try to create products or services, which have value for the customers.

According to the explanatory dictionary of marketing, product policy refers to "the manner that a manufacturing or commercial enterprise adopts, related to the size, structure and evolution of the range of goods and services that are subject to its own activities, through permanent reporting to the ongoing requirements of the market environment in which it operates". In addition, Sullivan and Hull described product policy of the marketing mix as "everything a seller offers to a buyer in the exchange process and which satisfies its needs and desires". (Talpa, 2016)

1.2.2. Price

The second element of the marketing mix is price policy. Actually, there are some factors that affect the pricing policy. These factors can be listed as the costs of the goods and operations, which could be logistic costs, stocking costs etc. These all criteria affect the pricing policy of the company.

In marketing, there are some kinds of the pricing policy, which are summarized below:

- **Peak Prices:** These kinds of products generally have competitive advantage and are of a high quality. (Talpai, 2016)
- **Penetration Prices:** This pricing policy has low prices for a high penetration rate in the market. (Talpai, 2016)
- **Psychological Prices:** This pricing policy affects the perception of the consumers with magic prices like 9.99 \$, 89.99 \$ etc. The second type of psychological pricing allows the companies to manage the perception of consumers with huge discounts. (Talpai, 2016)
- **Prestige Prices:** That kind of pricing policy is about justifying the product quality with its high level of prices. (Talpai, 2016)
- **Differentiated Prices:** This pricing strategy is applying different prices for the same product, because of its location or amount. A concrete example of this is the price of a click on Google AdWords. (Talpai, 2016)

1.2.3. Promotion

Promotion is the last and the star component of the traditional marketing mix strategy. (Talpai, 2016) It can be said that promotion is the branding phase of the companies' products. It refers to manage relationship with internal customer, potential consumers, market and stakeholders. The communication ways are chosen according to the product, time, price and its places. This shows that promotion is related to the other component of the marketing mix.

1.2.4. Place

After product, and pricing the third component of the marketing mix is "place". Place policy is about how to distribute the product or service from the company to the customer. Place policy is about transporting, storing and making available the goods for the customers. Because these processes directly affect the price of the goods, this policy is critical component for the performance of the product. That

component of the marketing mix includes producers, wholesalers, retailers, and consumers.

Nowadays, 4Ps of the marketing mix is one of the much-debated issues among the marketers in the world. Especially, marketers argue the difference between the goods and service markets, because their products differ in the point view of tangibility. Service companies offer intangible products for the consumer; and they have some different marketing mix when compared to goods markets. That is why; we can say that 4Ps of marketing mix is transformed to 7Ps. The four components of 7P of service marketing is same with the contemporary marketing mix strategy. Other three components are people, process, and physical evidence. The details of these three components are below:

1.2.5. Process

The process of service delivery is crucial since it ensures that the same standard of service is repeatedly delivered to the customers. (Juneja, 2016) It is also about the customer satisfaction; which makes it essential for the marketing mix in service companies.

1.2.6. People

In service market, “people” is one of the main components for the company, because the service is provided by people and that is why; this component is inseparable from the processes of the company.

1.2.7. Physical Evidence

Because services are intangible in nature, most service companies try to serve certain tangible elements for the customers. (Juneja, 2016) For example; some of the cafe & restaurants provide childcare spaces in their places; to sustain a better customer experience. Another example for physical evidence can be the mobile applications of the banking system; where the banks try to simplify their processes and offer customers tangible transactions. Because physical evidence is all about

the customer satisfaction, it became as critical as people and process for service marketing mix.

These three components differentiate service marketing from goods marketing. Actually; some marketers argue other components for marketing mix. For example; in 1984, Kotler mentioned about other 2Ps for marketing mix which are political power and public opinion. In addition, Robins call these 4Ps very internal; that is why he offered to make it external by adding customers, competitors, capabilities, and company in 1991. In the last years; other marketers offered new aspects for marketing mix. For example Yudelsohn suggested changing 4Ps by making it a new 4P. He suggests exchanging product with performance, price with penalty, promotion with perceptions, and place with process. (Constantinides, 2006) Although there are new arguments about marketing mix; in general classical 4P is most accepted marketing mix strategy in marketing.

With the changes in the perspective of marketing in time; the perspective of marketing mix has also changed. As known nowadays one of the most critical issues for companies is customer satisfaction; and that made the companies more customer-oriented or we can say that companies and their strategies are customer-driven. In the first times of marketing; the companies' perspective was "I sell, whatever I produce"; however nowadays it changed to "I produce what customer values". That perspective has also affected the marketing mix components. Another point of view of marketing is external strategy which is formed with 4Cs, they are customer, cost to customer, convenience and communication. The 4Cs of marketing mix is detailed by matching with 4Ps of marketing below:

1.2.8. Consumer

Consumer is replaced with product. As mentioned before; the perspective of marketing changed from "I sell whatever I produce" to "I produce what customer values". That is why; if companies want to be successful, have high market share,

and stay profitable and be sustainable; they should develop their products according to the needs and wants of consumers.

1.2.9. Cost (to customer)

Cost is replaced with the price component of marketing mix. The companies determine their prices with some variables, but while determining the price they should care about how many the customers are willing to pay for this product.

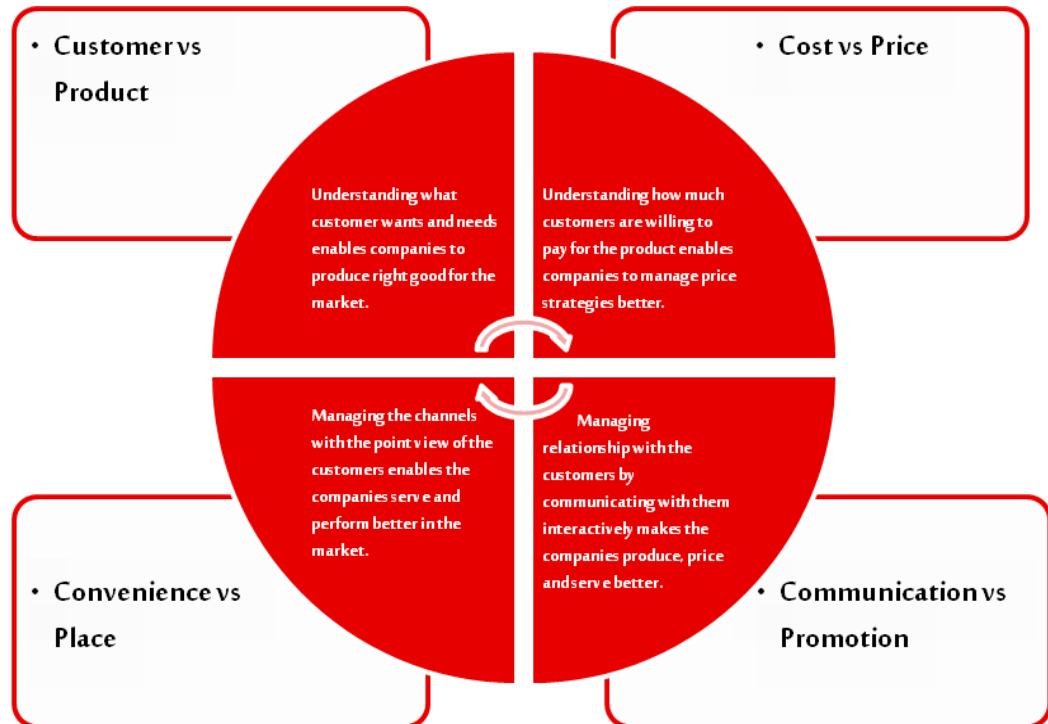
1.2.10. Convenience

Convenience refers to the place component in 4Ps of marketing. The channels that companies sell or serve their goods or services are critical for companies. While determining the channels the companies should make it convenient and easy for customers to access.

1.2.11. Communication

Communication component can be replaced with the promotion component of marketing mix. As mentioned in the above; promotion was the star component of the marketing mix; that is why; communication can be the star component of 4Cs of marketing mix. Because it allows managing your relationship with customers; and it allows the companies to understand what customer wants and needs. Actually, nowadays interactive marketing is very critical for companies. That is why; many companies have social media accounts to manage their relationship with customers. T

Figure 1. Marketing Mix Table (4C vs 4P)



As a result, the changes in the world affect the scope and the perspective of the marketing. That is why; the strategies in the marketing have changed in time; and will change in the future, too. Because the perspective of the marketing has exchanged the power from companies to the customers, the companies started to be more and more customer-oriented. They understand the importance of the customer; and they have accepted to create their strategies, brands and products according to the customer values. At the end of the day; marketing has started to be related all processes of the companies which starts from the producing and ends up with after-sales services. Companies are aware that retention of the customers is as much important as gaining new customers; and that view forces the marketing strategies of the companies be interested in the whole process of the companies; which are production, financing, advertising, branding, selling, after-sales services etc. Actually, the term for that perspective of the marketing is holistic view of marketing. After understanding the relationship between the 4C

and 4P of marketing; now, I will discuss the holistic view of marketing in a heading.

1.3. The New Era of Marketing

Marketing has changed like any other things because of the changes in economy, society, politics and any other environmental changes. As mentioned before about these changes in previous headings. It started to have some mix strategies which is comprised of product, price, place and promotion. After many times, the marketing science has started to be external, and the strategies started to be more customer-centric. With these changes, the marketing mix strategy contains new elements which are the customer, cost, convenience and communication. After all; there occurred a balance between the whole stakeholders, and marketing started to have a holistic approach, which is known as the holistic view of marketing strategy. These all changes and strategies have one aim for the companies; which is sustainability and for this sustainability; to create satisfactory revenues. The best way for creating value for the customers, managing relationship with the customers, and providing satisfactory revenues for the company is to understand the customers' needs and wants. That is why; in the new era of the marketing; companies try to understand the needs and the wants of the customers. How much the companies are close to the customers, they become more successful; because it gets easier for the companies to understand customers and to get feedbacks from them to make something special for these customers; and as a result to have higher customer satisfaction. In this context, new era marketing is totally about understanding the needs and wants of the customers and to specialize for the customers; not only external but also internal customers; stakeholders.

In the 21st Century, internet is one of the key elements for many things. Internet has changed many things in this century. Sciences, politics, information, economics, and social events are influenced by internet. That is why; this century is called as the information or internet century. Thus, businesses, companies,

organizations; and actually marketing are also affected by the internet in this century. The driving force behind the new applications of marketing strategy enables companies to harness information and technology into a powerful competitive weapon and central to that strategy is the explosive use of the Internet. The Internet model with fewer capital assets, a direct-to-customer connection, and freedom from the formal management structure – offers a significant level of speed and operational efficiency that is unsurpassed in its ability to foster exceptional levels of customer relationship marketing. (Paley, 2008) Let's look at some numbers about the usage of internet in last 2 decades:

“As a component of marketing strategy, electronic commerce was at only £184 million in 1995. Just 4 years later it reached £68 billion, during the same period, there were just 177,000 web site domain and these skyrocketed to 4.2 million. As of 1999, 24 million users in Asia surfed the Web, 63 million in Western Europe, and 81 million in the U.S. By 2003, International Data Corp. expects the number of Asians on-line to climb 230%, with similar dazzling statistics for other parts of the world.” (Paley, 2008)

After the common usage of internet, many companies started to sell via internet, as can be seen from the numbers above. They started to offer discounts for the customers in this place; which is one of the cheapest area for the companies and one of the most convenient place for the customers. These changes have positive and negative effects on the companies; however one of the most critical positive effects for many companies is managing relationship with the customers via internet. To manage the relationship with the customers; and to provide workaround for the customers the new area for the companies is internet, and the new concept of the marketing strategy is interactive marketing. Interactive marketing is a new strategy; and it is one of the star strategies in the 21st Century. So, what is interactive marketing?

Interactive marketing is one-to-one marketing strategy that focuses on the individual customers' needs, wants, and expectation. In this marketing approach,

the promotions are specialized for the customers according to their behaviors, preferences, demands and expectations. That is an extremely customer-centric marketing strategy; that is why it has major differences between the traditional marketing strategies. (<https://www.ngdata.com>, 07.11.2017)

Customer Relationship Management (CRM) programs are one of the most critical tool for interactive marketing. CRM can be defined as “a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth” (searchcrm.techtarget.com, 07.11.2017). As can be seen in the definition of CRM, it is all about the satisfaction, retention and the lifetime value of the customer. It uses some online systems for tracing the information and past activities of the customers. It helps the companies to make better relations with customers, thus it is a useful tool for relationship marketing for creating a long-term relationship with its customers.

Social media is another tool for the interactive marketing strategy, where the customers can explain their feelings, experiences, complaints etc. easily. These all are very critical feedbacks for the companies; and they use these data not only for managing the relationship with the customers but also managing their branding strategies or future strategies. There are some fan pages, groups about the brands, or products in the social media. This is a very useful platform for the companies to analyze their customers interactively.

Shortly; the transformation of the world affects many things in marketing. The definitions, the scopes, the perspective of the marketing have changed many times; and they will change in the future, too. These radical changes have shaped the today's marketing. This century's marketing has major shifts from the traditional marketing; which is continuously differing with the changes of the internet, social media and so on, rapidly. That is why; new terms are discovered in

marketing; which can be thought as interactive marketing, CRM, social media marketing etc. We will discuss the social media marketing in details in this study.

By the way; in reaction to these changes, the habits also change in the market; which is resulted with the change in the trends and channels for marketing. We will discuss these new trends and channels in the next pages.

2. TRENDS & NEW CHANNELS IN MARKETING

In this section, this study tries to explain the trends in marketing; and due to these trends; it will clarify the changes in the channels in marketing. To understand the channels better; firstly, we should understand the trends in marketing. That is why; the trends will be discussed first.

2.1. Trends in Marketing

The main evolutions of the trends in marketing in the last years are; the shift to service economies, glocalization and globalization, reliance on e-commerce technologies, and the important role of the big data in strategic decisions. To discuss in details:

2.1.1. The shift to service economies

Services are consumed at the time of production; and they are not physical in nature which made them intangible. (Palmatiere, Watson, Wormb, and Ganesand, 2015) In the last years, service economies have started to play important role in the economy. People have started to invest on the projects based on providing services rather than manufacturing or producing goods. Especially the changes in technology and the increase in the penetration of mobile internet and demand of the customers make service economies grow fast.

2.1.2. Globalization & Glocalization

The second trend arises in the world is the globalization of markets. International trade comprises 20% of global GDP and it has continued to rise in the past 20 years. (Watson, Wormb, Palmatiere, and Ganesand, 2015) In that case,

companies have some options for globalization, which are direct joint ventures, market entry, acquisitions, and partnerships. (Watson, Wormb, Palmatierc, and Ganesand, 2015) Companies choose one of these strategies according to the regulations in the market, competitive factors, cultural factors etc. In the last years; companies try to enter new markets for new customers and they try to make higher profits by gaining new customers, decreasing costs etc. While the companies are getting global; they also try to behave as a local company in the new markets. Actually, experiences gained from one market might not be applied in a new market, because of differences such as cultural, market, legal, or political differences, that is why companies also take care when adapting their existing strategy to local conditions. (Watson, Wormb, Palmatierc, and Ganesand, 2015) Because this strategy is being more common nowadays; a new term is created by marketers; “Glocalization”. Glocalization is a combination of the words "globalization" and "localization" used to define a product developed globally, but is also specified according to the local market conditions. This means that the product or service may be tailored to conform to local laws, customs or consumer preferences. Products or services that are effectively "glocalized" are, by definition, going to be of much greater interest to the end user. (www.investopedia.com, 07.11.2017) This is another trend; which is increasing with the increase in the globalization strategies of the companies.

2.1.3. Reliance on e-commerce technologies

The third trend in the marketing is reliance on the e-commerce technologies. The increasing penetration of the internet is the main factor of this trend. Actually one of the other main factors of this trend is drastic increase in the use of mobile devices. Because e-commerce enables the companies to reduce costs, sell directly to customers, and manage the relationships between the customers; the companies are very willing to use this technology. These all factors have made the e-commerce popular nowadays. And it seems that it will be more and more popular in the next years, which can be understood from the information that total mobile phone usage for internet increased from 9% to 25% in 2009. (Meeker 2014) That

means with mobile devices more end users are able to view product offerings simultaneously in-store, which enables customers to reach much easier. (Watson, Wormb, Palmatierc, and Ganesand, 2015)

2.1.4. The role of big data in marketing strategies

The last and one of the newest and most important trends in the marketing is the important role of big data. The increase of e-commerce technologies also has brought the exponential growth of customer data, which is very critical and essential for managing relationship with the market and channels in the market. (Watson, Wormb, Palmatierc, and Ganesand, 2015) As mentioned in the previous headings; CRM is one of the key management programs for managing the big data in the market. With these new trends, competition in the market is increasing so fast; and that makes the companies more and more customer-oriented. All companies are trying to gain new customers, while they also try to retain the existing customers. Because of all these reasons, the data of the customers are very important for the companies. With these data, the companies are trying to create specialized offers for the customers, and they try to differentiate their strategies and products according to these data.

In the last years and nowadays, these are the main trends for the companies in the point view of marketing. The main factor for these all trends is technology, or internet. These trends affect the marketing mix strategy of the companies. And one of the main affected marketing mix components is “Place” or “Convenience”. As remembered; the major component of the place or convenience is the marketing channels. Now, this study will discuss the effects of these trends to the channels in the marketing; and we will see the new channels in marketing.

2.2. New Channels in Marketing

Marketing channel is “a set of interdependent organizations involved in the process of making a product or service available for use or consumption” (Palmatier, Stern, El-Ansary and Anderson, 2014) From the past to today, many researches are conducted to understand the marketing channels. Early studies on

this subject were viewing channels of distribution as flows of goods or services. After understanding the importance of efficiency in marketing channels; some studies focused on the interactions between firms with the point view of optimization or cost minimization. (Gattorna 1978). In the near past; the studies has also started to focus on more economic related issues, organizational patterns of distribution systems, and behavioral factors that affected channels. Nowadays, there are new rules for marketing channels; which are constructed by the new trends in marketing. That is why this article will issue the new channels in marketing with the point view of new trends in marketing; the shift to service economies, globalization and glocalization, reliance on e-commerce technologies, and the role of big data in marketing strategies.

2.2.1. The shift to service economies

One of the main factors changing the channels in marketing is the shift to service economies. That shift makes the internet more active and the best channel for the companies. As known, Airbnb is the biggest hotel system, which does not have any hotels; and Uber is the biggest taxi system, which does not have any taxi drivers or taxi stations. These service economies are the main examples for the new trends in marketing channels. As can be seen from the examples, internet has started to be one of the most critical marketing channels for many sectors. And actually it is will keep growing in the future, too.

2.2.2. Globalization & Glocalization

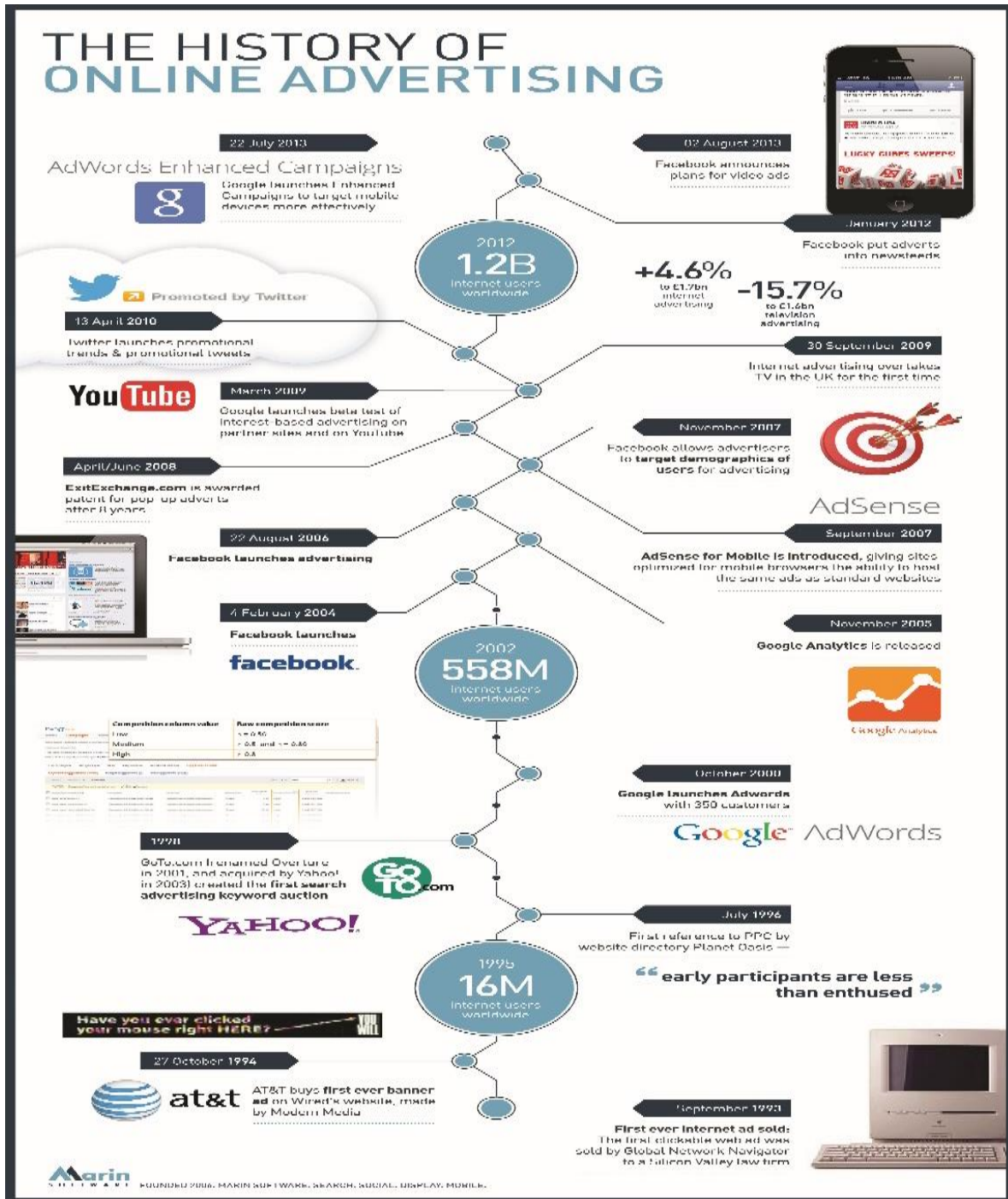
In the past, companies were in service where they locate or where they were close. However; for growing their business, for more revenues and for serving more customers; they wanted to make their businesses global. After globalizing their businesses; they have faced some obstacles. To overcome these obstacles; they started to behave as a local company in these countries; and a new term “glocalization” has shown up. The traditional marketing channels were still an obstacle for businesses because of some reasons, especially cost-related reasons.

Internet-based marketing is the main solution for these companies. That is why many companies have started to use internet-based marketing channels.

2.2.3. Reliance on e-commerce technologies

The growth in the e-commerce technologies has made the companies to use internet as the main marketing channels. Because for the many sectors; the competition on the e-sales were growing so fast. Another reason for growing the internet as a channel is that it costs less than other channels, and it is more accessible to customers. It also enables the companies to manage the relationship with the customers directly and fast compared to traditional channels. The graph also shows that e-commerce technologies affect the transactions in the internet and internet-based marketing.

Table 2. Online History of Online Advertising



(<http://www.mycustomer.com/> , 07.11.2017)

2.2.4. The role of big data in marketing strategies

Internet-based marketing channels enable the companies to interact with the customers. This process helps the companies to gather much information about the customer, and manage their relationship with the customers much better. These all affects the future of the companies, because managing the business according to the needs and wants of the customer is the main marketing trend nowadays, and that helps the companies to create the right product, to choose the best channel for accessing the customer, to manage after sales activities better, and so on. In that case, big data is one of the main trends in marketing and that pushes the companies to use internet-based marketing.

As understood from the trends in marketing; and the explanations about these trends; the internet-based marketing is the main marketing strategy for companies. In addition, the main channel for this marketing is Internet. Actually, social media is one of the most critical areas for the companies to manage their relations with the customers.

The below table shows us the main channels used in the marketing nowadays.

Table 3. The Channels in Marketing

	Channel	Group	Marketing	Service	Transactional	Delivery	Digital	Physical
1	Advertorials	Advertising	Yes				Yes	Yes
2	Affiliates	Partners	Yes				Yes	
3	Aggregator inclusions	Advertising	Yes				Yes	
4	Amazon/Ebay store	Web	Yes		Yes		Yes	
5	Blog/microblog	Social	Yes				Yes	
6	Content marketing	Content	Yes				Yes	Yes
7	Desktop app	Desktop	Yes	Yes	Yes	Yes	Yes	
8	Digital banners and signage	Stores/ Advertising	Yes	Yes	Yes		Yes	Yes
9	Display remarketing	Advertising	Yes				Yes	
10	Email	Email	Yes	Yes		Yes	Yes	
11	Email signatures	Email	Yes	Yes			Yes	
12	Events	Event	Yes	Yes			Yes	Yes
13	Facebook advertising	Advertising	Yes				Yes	
14	Facebook page	Social	Yes	Yes			Yes	
15	Film/TV product placement	TV	Yes				Yes	
16	Forums	Social	Yes	Yes			Yes	
17	Images & Infographics	Content	Yes				Yes	Yes
18	In-game ads	Advertising	Yes				Yes	

19	Influencer outreach	Social	Yes				Yes	Yes
20	Interstitials	Advertising	Yes				Yes	
21	Kiosks	Stores	Yes		Yes	Yes	Yes	Yes
22	LinkedIn advertising	Advertising	Yes				Yes	
23	LinkedIn company profile	Social	Yes				Yes	
24	LinkedIn group	Social	Yes				Yes	
25	Local search marketing	Search marketing	Yes				Yes	
26	Loyalty card	Stores	Yes		Yes		Yes	Yes
27	Marketing email	Email	Yes				Yes	
28	Recommend a friend	Social	Yes				Yes	Yes
29	Microsites	Web	Yes	Yes	Yes	Yes	Yes	
30	Mobile advertising	Advertising	Yes				Yes	
31	Mobile app	Mobile	Yes	Yes	Yes	Yes	Yes	
32	NFC (Near field communications)	Advertising/Store	Yes		Yes		Yes	Yes
33	Paid placements	Advertising	Yes				Yes	
34	Paid reviews	Advertising	Yes				Yes	
35	Pay per click	Search marketing	Yes				Yes	
36	Peer to peer support	Social	Yes	Yes			Yes	
37	PR Stunts	PR	Yes				Yes	Yes
38	Presentations	Content	Yes	Yes			Yes	Yes

39	Press releases	PR	Yes				Yes	Yes
40	Prizes/Exhibitions	Event	Yes				Yes	Yes
41	Product listing adverts	Advertising	Yes				Yes	
42	Push notifications	Advertising	Yes				Yes	
43	QR codes	Stores	Yes				Yes	Yes
44	Receipts	Advertising	Yes				Yes	Yes
45	Relationship marketing	Direct	Yes	Yes		Yes	Yes	Yes
46	Report sponsorship	Content	Yes				Yes	Yes
47	Research paper	Content	Yes				Yes	Yes
48	RFID tags	Stores			Yes		Yes	Yes
49	Search engine optimisation	Search marketing	Yes				Yes	
50	Smart TV/Xbox/Console app	TV	Yes		Yes	Yes	Yes	
51	SMS	Mobile	Yes	Yes	Yes		Yes	
52	Songs	Advertising	Yes				Yes	Yes
53	Tablet app	Mobile	Yes	Yes	Yes	Yes	Yes	
54	Telephone automation (IVR)	Telephone		Yes	Yes		Yes	
55	Transactional email	Email	Yes	Yes	Yes	Yes	Yes	

	Channel	Group	Marketing	Service	Transactional	Delivery	Digital	Physical
56	Twitter account	Social	Yes	Yes	Yes		Yes	
57	Twitter advertising	Advertising	Yes				Yes	
58	Video Chat	Direct		Yes			Yes	
59	Videos	Content	Yes	Yes			Yes	
60	Wearable technology	Mobile	Yes	Yes	Yes	Yes	Yes	
61	Webchat	Direct		Yes			Yes	
62	Website via desktop	Web	Yes	Yes	Yes	Yes	Yes	
63	Website via tablet/mobile	Mobile	Yes		Yes	Yes	Yes	
64	Wifi	Mobile	Yes	Yes	Yes		Yes	
65	YouTube 'pre-rolls' and TrueView	Advertising	Yes				Yes	
66	Youtube channel	Social	Yes				Yes	
67	Account team	Direct		Yes	Yes			Yes
68	Barkers	Advertising	Yes	Yes	Yes			Yes
69	Beermats	Print	Yes					Yes
70	Billboard adverts	Advertising	Yes					Yes
71	Blimps	Advertising	Yes					Yes
72	Bookends'	Advertising	Yes					Yes
73	Brand hijacks	Event	Yes					Yes
74	Brand to hand	Advertising	Yes					Yes
75	Call centre	Telephone		Yes	Yes			

76	Carrier bags	Advertising	Yes					Yes
77	Catalogue	Direct	Yes					Yes
78	Celebrity endorsements	Advertising	Yes					Yes
79	Concession in larger store	Stores	Yes	Yes	Yes	Yes		Yes
80	Door-to-doors	Advertising	Yes	Yes	Yes	Yes		Yes
81	Fax	Telephone	Yes		Yes			Yes
82	Field sales agents	Direct	Yes					Yes
83	Hold music	Telephone	Yes					
84	In-box ads	Advertising	Yes					Yes
85	Inserts	Advertising	Yes					Yes
86	Jingles	Advertising	Yes					Yes
87	Magazine adverts	Advertising	Yes					Yes
88	Onserts	Advertising	Yes					Yes
89	Partner sales	Partners	Yes	Yes	Yes	Yes		Yes
90	Pop up stores	Stores	Yes	Yes	Yes	Yes		Yes
91	POS displays	Stores	Yes	Yes				Yes
92	Postal/White mail	Direct	Yes			Yes		Yes
93	Product packaging	Advertising	Yes					Yes
94	Program sponsorship	TV	Yes					
95	Promotional items	Direct	Yes					Yes
96	Radio advertising	Advertising	Yes					Yes

97	Sandwich boards	Advertising	Yes					Yes
98	Signage	Stores	Yes					Yes
99	Smells	Stores	Yes					Yes
100	Sports sponsorship	Advertising	Yes					Yes
101	Stores	Stores	Yes	Yes	Yes	Yes		Yes
102	Street vendor	Stores	Yes	Yes	Yes	Yes		Yes
103	Telephone on hold messages	Telephone	Yes					
104	Telesales/marketing	Telephone	Yes		Yes			
105	TV advert	TV	Yes					
106	Wearables	Advertising	Yes					Yes

(www.storm81.com, 07.02.2017)

3. WHAT is SOCIAL MEDIA MARKETING

3.1. Social Media

3.1.1. What is Social Media?

The meaning of social media can be explained by dividing the term into two parts, social and media. “Social” part means that communicating with other people by sharing information with them and gathering data from them. “Media” part refers to an instrument of communication, like the internet (while TV, radio, and newspapers are examples of more traditional forms of media). (<https://www.lifewire.com>, 07.11.2017) Combining these two definitions gives social media definition, which is “web-based communication tools that enable people to interact with each other by both sharing and consuming information.” (<https://www.lifewire.com>, 07.11.2017) As can be understood from the social media definition; social media is a tool in the internet to make people communicate and consume information. Social media is suitable for use in web and mobile applications.

Safko has mentioned that social media has many sites that supports and provides channels to millions of people for communication and conversations. These social media platforms include several features and contents, which can be texts, videos, photos, music and sharing locations etc. In addition to these contents, social media also give opportunity for the users to play games, commerce, virtual stores, purchase, and track the reviews and so on. (Araújo, Zilber, 2016) These all advantages of social media give people chance to access many information and product whenever, wherever, however they want.

In the first times of social media, computers were the main actor of this phenomenon. People access the social media programs via internet and the internet was used upon computers. However, after the widespread use of smart phones; after increase in the access to internet via these smart phones; social media’s main access point has become smart phones; and especially iOS and Android programs, which make the social media more accessible. That is why; the increase in the use of

smartphones triggers the use of social media. The numbers about the use of social media will be expressed in the next chapters.

In addition to all these; social media is categorized by A.M. Kaplan and Haenlein into six different categories. Their categorization is made according to media richness, social presence, self-disclosure, and self-presentation. These categories are social networking sites such as **Facebook**, blogs and micro blogs such as **Twitter**, content communities such as **Youtube**, collaborative projects such as **Wikipedia**, , virtual game worlds such as **World of Warcraft**; and virtual social worlds such as **Second Life**. These six categories can be detailed as below: (Shen and Bissell, 2013)

- **Forums and Message Boards:** In these platforms, people can discuss some subjects. People can ask some questions privately or publicly; and the others can answer the questions. That is why; this kind of social media can be thought as information sharing platforms.
- **Review and Opinion Sites:** These kinds of platforms enable the people to comment about a product. Thus, other customers can purchase something according to these reviews.
- **Social Networks:** Facebook, Instagram, LinkedIn can be some famous examples for these kind of social media platforms.
- **Blogging & Microblogging:** Blogs made people post their opinion or experiences to the world in an easy and fast way. In this way; many people can access your opinions.

Microblogging is also a kind of blogging; and one of the most famous instances for microblogging is **Twitter**.

- **Bookmarking:** One of the most famous bookmarking social platforms is Digg; and it enables people to share what they think cool, important, useful etc.

- **Media Sharing:** One the most important example for that kind of social media is **Youtube**. It is a way of sharing your videos, presentations etc. with people. Snapchat and Instagram are also another important example for this kind of social media platform.

3.1.2. The history of social media

The communication has many turning points in its timeline. Internet can be thought as one of the most critical turning point for communication. Actually internet has affected not only the way of communication of people but also the way of gathering information and even commerce habits. That is why; it is easy to say that internet is crucial part of everyone's life. Another critical turning point for the communication is the invention of smart phones. With the point view of communication; internet and smart phone usage has eased and fastened the communication processes for people. On the one hand, internet has become more convenient and accepted technology after the spread of e-mail use and the appearance of freely available Web browsers. In addition to e-mail use; instant messaging programs and social media has started to be one of the most important part of communication. After all; this chapter is about the shortly brief for the history of social media which is lined in a time arrow below:

- **The Birth of Social Media:**

The first social media site was published in 1997, which was Six Degrees. It has taken its name from the theory of "Six Degrees of Separation". This website was about creating a profile and adding other users as a friend and it gives an opportunity for the people to create a social network in internet. That is why; it is thought as the originator of blogging and instant messaging. In addition, because of its instant messaging feature; it is thought as the originator of ICQ, which is one of the most famous services to make people chat internationally, too. And Six Degrees platform was died in 2001; which means it was only live for 4 years. (www.historycooperative.org, 07.11.2017)

- **The Internet is in Acceleration:**

Until 2000, 100 million people had used internet and they become to be socially online; even it started to be one of the most enjoyable hobbies for the people, in where people spend their time for chatting, making new friends, dating and discussing topics about their interested subjects. (www.historycooperative.org, 07.11.2017)

- **The First Social Media Surge:**

After the acceleration of the usage of internet and social websites; many other social platforms are started to serve people especially by enabling people create social networks. In the early 2000's the most popular website was MySpace; which has leaded into and inspired Facebook after some years.

Another example for these years is LinkedIn; which gives a chance for business professionals to create an online business network in these years. (www.historycooperative.org, 07.11.2017)

- **Facebook and Twitter:**

In 2004, Mark Zuckerberg created a new online world for Harvard students, named as TheFacebook.com. After realizing the potential of this platform; he opened that platform to the world; and changed the name as **Facebook**. After a short time, it has become the Social Media Giant, which inspires many other social media platforms in the point view of texting, sharing information, location, reviews, media sharing etc. As mentioned before; even though Facebook was inspired from MySpace, it has really very huge population when compared to Myspace and actually It is the most popular social media platform so far and it currently has more than a billion users. (www.historycooperative.org, 07.11.2017)

Another interesting platform is **Twitter**; which was launched at 2006 by Jack Dorsey, Biz Stone, Noah Glass and Even Williams. That platform gives maximum

only 140 characters for people to express their feelings, ideas, and thoughts by texting which are called as “tweets”. (www.historycooperative.org, 07.11.2017)

Actually Facebook and Twitter can be called as the milestones of the social media and social media marketing.

- **The Rest of the Pack**

Before long, there were lots of other platforms providing social media services of some kind as photo sharing, texting, video sharing, home sharing etc. Some important examples can be listed as: Instagram, Snapchat, Periscope, Tumblr, Flickr, Airbnb, Foursquare, Spotify, Pinterest etc.

On the other hand, in this time period is that social media is not only very common between individuals; but also in business, too. Many businesses started to list their social media addresses in commercials. (www.historycooperative.org, 07.11.2017)

These all social media platforms will be detailed in the next chapters.

- **Social Media Today**

Nowadays, social media has thousands of social media platforms, and actually most of them are serving nearly same purpose. Of course, some social media platforms are more popular than others, but even the smaller ones are used by some people because of their different type of personality. Because some people like communicating by visual while others like verbal; some of them use Instagram intensively as a social media platform while others use Twitter intensively. (www.historycooperative.org, 07.11.2017)

As mentioned before, social media started to be irrevocable for the companies, too. Social media icons have got very common everywhere it became a kind of must for companies to have addresses there. It is early to say for this stage; but social media has started to be one of the best ways that marketers and website owners

would increase the visibility of their websites. Nowadays, the benefits of social media marketing are quite clear to business owner.

Shortly, the most common channels in social media can be listed as Facebook, Instagram, Twitter, Snapchat, LinkedIn, Google+, Youtube, Whatsapp, Vine, Pinterest, Tumblr, Periscope, Swarm, Tinder etc. These all channels will be explained in detail in the next chapter.

The Future of Social Media

If to mention shortly about the future of the social media; although it is impossible to know what the future of social media holds, obviously it will continue and will be in our center of life intensively. Because; the need of communication between the people increases day by day; and actually people like to interact each other as easier as and as faster as. To conclude; with new and exciting technologies just around us, social media will have interesting surprises for us to see in the coming decades. (www.historycooperative.org, 07.11.2017)

3.1.3. Statistics about Social Media

In the changing world, internet is one of the major channels for communication. Mobile access to internet accelerates the growth rate of internet usage which makes it as a new main channel for many purposes. Nowadays social media is the main web-based communication tool for people where they spend so much time for consuming and sharing information and having fun. Many comments and statistics demonstrate that social media is growing fast and it will be the most critical determinant of our future. A research made by PewResearch Internet Project reveals that 54% of adult internet users post their amateur photos or videos which has grown 46% compared to previous year; and besides these creators; there is a population who repost these photos or videos; who are the 47% of adult internet users. This research exactly shows us what social media is; and reflects the tendency of future developments. (Oggolder, 2015) Actually statistics about the social media usage is another and the main indicator of these statements; which are shown below:

Table 4. Social Media Statistics-I

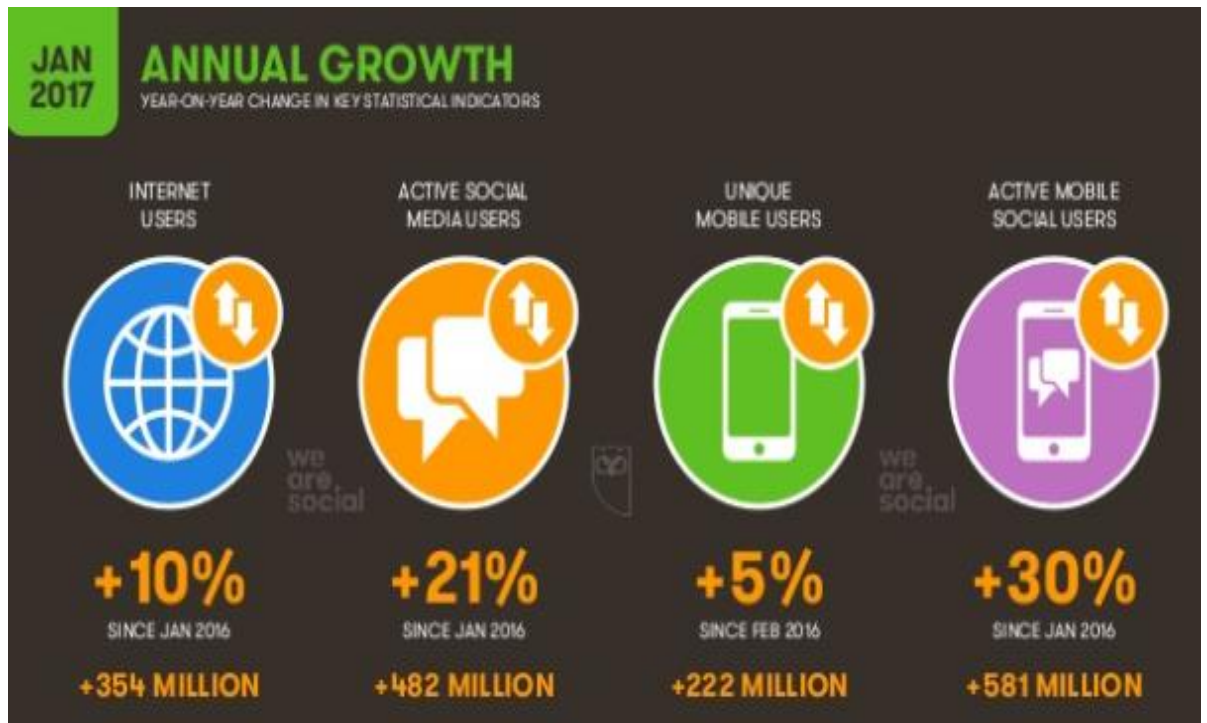


(<http://www.smartinsights.com/>, 07.11.2017)

- Total population of the world is 7.476 billion
- %50 of the total population is using internet (3.773 billion people)
- Active social media users are 2.789 billion people; which is 37% of total population and 74% of the total internet users
- Mobile subscription is 8.047 billion which is 108% of total population
- Active mobile social media users are 2.549 billion; 34% of the total population and 91% of the total active social media users.

These numbers show the potential of social media; another indicator of the social media power is the growth rates which are shown below:

Table 5. Social Media Statistics-II



(<http://www.smartinsights.com/>, 07.11.2017)

- Internet users have grown 10% in a year; which means 354 million new internet users.
- Active social media users have grown 21% in a year; which means 482 million new active social media users
- Unique mobile subscribers have grown 5% in year; which means 222 million new mobile subscribers
- Active mobile social media users have grown 30% in a year; which means 581 million new users.

These all numbers verify that social media usage is increasing day by day. Actually smartphone usage triggers this growing; as can be understood by the biggest growth rate is in the active mobile social media users.

Moreover, to show the power of the social media; other supporting surprising statistics from different resources also are listed as below:

- 91% of retail brands use more than 2 social media channels
- A person has 5.5 social media accounts averagely.
- In 12 seconds, a new person starts to use social media.
- There are 60 million messages in a day in Facebook Messenger and Whatsapp
- Estimated earnings from advertising in social media networks is \$8.3 billion in 2015.
- 38% of organizations plan to spend more than 20% of their total advertising budgets on social media channels
- 56 million blog posts are published in only WordPress, every month
- Nielsen showed that 27 million pieces of content were shared every day, and today 3.2 billion images are shared each day in 2011.
- The top 3 content marketing tactics are blogging (65%); social media (64%); and case studies (64%)
- Average daily video view on Facebook is 500 million
- Every day, 6 billion videos are watched in Snapchat
- 55% of population watches online videos every day which is 78% in every week.

(<https://www.brandwatch.com/blog/> , 07.11.2017)

In addition to these statistics; some Google statistics also show us the usage of internet:

- 100 billion searches are done in Google in a month, which means 40,000 searches for every second.
- Since 2003, Google has answered 450 billion unique queries.
- Half of the searches are done from mobile devices
- By 2014, Google had indexed 30,000,000,000,000 pages of the internet
- To carry out all these searches, Google's data centre uses 0.01% of worldwide electricity

(<https://www.brandwatch.com/blog/> , 07.11.2017)

These all information and statistics about internet and social media proves that the new trend around the world is social media. Many people use these platforms for communication, having fun, commerce and more than these. Because it has a huge population and it has started to be used by many companies for commerce, advertising or communication with customers; marketers started to focus on social media. Thus, a new trend as a channel has started in marketing which is "Social Media Marketing". The next chapter will detail social media marketing.

3.2. What is Social Media Marketing?

As can be remembered; the definition of Marketing is "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large." (www.ama.org, 07.11.2017) Combining the meaning of social media and marketing will be the definition of social media marketing. That is why; social media marketing can be described as "web-based social interactions with the customers; by

communicating, and exchanging offerings via web and mobile applications”. Another definition for social media marketing is "a kind internet marketing that combines different types of social media networks in order to achieve marketing communication and branding goals". Araujo and Zilber also supports this idea with their these explanations about social media: “Social media promote a new form of communication between people, and between people and companies that use tools and services available on the Internet, such as Facebook, LinkedIn, Twitter, Blogger, Wikipedia and YouTube.” (2016)

On the other hand, one comment about Mark Zuckerberg also shows us what social media marketing is. Jeff Jarvis describes Mark Zuckerberg as a social engineer because he created systems for humans that enable us to do what we want to do or share. However; actually the background of these systems are also about “business”. Social media is a new type of business, nowadays. Of course; e-commerce is possible at social media; however e-commerce is really not the main focus area of social media. Social media has an indirect and huge effect on business; by enabling us to share what we want, think, and need and so on. Truly, all of contents that we shared create a huge data which includes generally private data and freely available contents for companies that can manage the relationship with the customers easily and better. After issuing the theoretically meaning of social media marketing; these claims about Mark Zuckerberg and Facebook or social media platforms can be described as the practically meaning of “Social Media Marketing”. (Oggolder, 2015)

As the newest and least understood element of marketing; social media marketing will be one of the hottest agenda of marketers. Especially the starting point of the debate is replacement of the traditional marketing channels or strategies with social media marketing. With this point of view looking at the social media for companies is crucial. The next chapter is reviewing the social media for companies.

3.2.1. Social media for companies

Social media could be defined shortly as “online tools where content, opinions, perspectives, insights, and media can be shared” (Nair, 2011). While social media

platforms are created for individual use; nowadays it is also very popular and even a must for the corporate, too. One of the most critical advantages of this new form of communication tool for companies is the dynamism; which eases the companies to interact with stakeholders fast, even instantly. Unlike traditional ways of communications; social media makes companies faster especially in managerial decision-making process. Actually, social media is used for communication both internally and externally. Within the company, social media accelerates decision-making, increases efficiency, and enables employees to share information fast. (Uyar and Boyar, 2015)

Moreover, in 2012, a study about the internet economy made by OECD shows that on average, 96% of firms used the Internet and 69% of them had their own websites in 2011. According to this study, an increasingly high percentage of individuals use the Internet for social media; for communicating, shopping, learning, social networking, banking, and many other functions (OECD, 2012). Moreover, this study also shows that in Europe, nearly 50% of employee is connected to internet at the work. (Araújo, Zilber, 2016)

Because of the results of this study, to understand the role of social media in for marketing is very important for researchers, marketers, managers and even for the top management, too. Actually, many studies has focused on many related parts of social media marketing; such as purchase behavior, customer relationship management, brand management, innovation management, and employee recruitment and so on. However; it can be said that even though extant studies detail advancement is specialized areas of social media marketing; they are not enough for the knowledge of social media marketing exactly especially at the strategic level. (Felix, Rauschnabel, and Hinsch, 2015). In addition, findings, frameworks, and theories from the extent studies represent some of the important elements of strategic social media marketing are human resources, organizational management, public relations, and communications. (Felix, Rauschnabel, and Hinsch, 2015).

With respect to these important elements of social media marketing; the objectives of social media marketing can include stimulating sales, increasing brand awareness, improving brand image, generating traffic to online platforms, reducing marketing costs, and creating user interactivity on platforms by stimulating users to post or share content. These objectives can be thought as proactive ways of social media marketing; however social media marketing includes also reactive ways, too. For instance, companies may track and analyze the conversations in social media to understand the consumers and their perception about the company. Another example is trying to decrease the risk of improper usage of social media use by their employees by setting rules on how to use social media about the work-related issues. It is need to say that the objectives and the challenges of the social media marketing depends on some factors such as the size of the firm, the industry of the firm, etc. (Felix, Rauschnabel, and Hinsch, 2015).

To understand better the needs, reasons and the advantages of using social media for companies; next chapters will review these titles.

3.2.2. Reasons of Social Media Marketing Usage of Companies

As mentioned before social media is used for many reasons such as communication, having fun, commerce, networking etc. In addition, the marketers use social media marketing for many reasons. Easily it can be said that social media directly influences the way firms communicate with internal and external stakeholders; that is why marketers use social media marketing for communicating with customers, marketing their products or services, generating a strong brand image, following the review about the products, customer relations about after-sales services, and public disclosure. It can be analyzed from the figure 2; which is a result of a survey; the main reason for companies for using social media marketing is communicating and interacting with customers, and advertising or selling to customers. Thus, it can be said that the main target of social media marketing is “customers”. The other reasons of social media marketing can be listed as;

researching competitors, communicating with shareholders and employees, and researching new products and services.

Figure 2. Reasons for Social Media Usage



(Uyar and Boyar, 2015)

Moreover, firms are using social media because of the mentioned reasons above. One of the other reasons for substitution of social media marketing with traditional channels is the interactivity with the customers. As known; most of the traditional marketing channels such as TV, newspapers, magazines etc. are monolog communication with the customers; in contrary; social media marketing give the opportunity to the firms to create a dialog with the customers; which means a two-way experience for the firms. (Shen and Bissell, 2013)

Besides the reasons of using social media marketing, this chapter will also mention about the advantages of social media marketing.

3.2.3. Advantages of Social Media Usage for Companies

The opportunities of this new era are technology and communication. Many companies are adapting themselves to these opportunities by using the power of social media which gives them a competitive advantage. As a mass communication

tool; social media allows companies to interact with most of existing and potential customers. To summarize the advantages of social media for the companies: (Uyar and Boyar, 2015)

- Social media allows companies to access to information about new products and services.
- It provides unlimited time and space for advertisements and customer services for the companies.
- It increases the response rate of the companies to the customer expectations.
- It affects the companies' reputation for the stakeholders' perceptions
- It gives an opportunity for the investors and firms to obtain real time accountin information.
- It allows the spread of information rapidly among the networks of company.
- It allows firm–investor interactions.
- It provides companies to reach new classes of investors.
- It allows companies to share corporate reports with stakeholders.
- It permits companies to inform the population about the social responsibility activities.

(Uyar and Boyar, 2015)

3.3. The channels in social media marketing

After determining the necessity of social media usage, to decide where to implement social media marketing strategies is one of the most critical and important issue for the marketers. Actually, that is one of the reason of this study which is “In

which social media platform to market?”. As mentioned in the first chapter of this study; “Place” is one of the most crucial element of marketing mix elements. In social media marketing; the social media platforms are the channels that can be thought as the “place” element of marketing mix. These platforms can be categorized according to the usage reasons; as categorized before as: forums and message boards, review and opinion sites, social networks, blogging and microblogging, bookmarking and media sharing. Indeed, nowadays these categories are come down to three categories which are networking, blogging, and sharing. That is why; this study will examine the channels of the social media marketing in three categories.

3.3.1. Networking Channels

These kinds of channels help us to create a social network within individuals, groups, or communities. These kinds of channels are listed below with some details:

- **Facebook:** This is easily the largest and the most famous and one of the most widely used social media channel in the world. In addition, Facebook was the first social media platform that surpassed the landmark of 1 billion user accounts. In addition to the ability to network friends on online, it also helps companies to market their products and promote their brand and businesses. (Jamie Spencer, 2017) It will be reviewed in detail later.
- **Google+:** As known; Google is the most widely used platform as a search engine. It also has a social media platform which is named as Google+ and that lets people share content, photos and more. In addition to this, people can connect with others by adding others to their circles, which anyone can organize any way you choose. (Annie Pilon, 2016)
- **LinkedIn:** This is the most popular business oriented social networking site. It gives a chance for professionals to boost their business network online. Nowadays, it is also used as a job search website for individuals, and employer search engine for the companies. (Annie Pilon, 2016)

- **Skype:** This platform enables users to chat by audio and video; while adding connections and sending instant messages. There are desktop and mobile versions. (Annie Pilon, 2016)
- **MySpace:** In the past, MySpace was one of the most popular social network platform that people creates online network via this website. It can be thought as the source of inspiration of Facebook; but nowadays in general, musicians and similar entrepreneurs benefit from this platform. (Annie Pilon, 2016)
- **Path:** It is a platform that let users share locations, musics etc. Its core business is sharing the “moment”. (Annie Pilon, 2016)
- **Ryze:** It looks like LinkedIn. It is a site which is specially used by business users; and users can connect with other professionals in the industry. (Annie Pilon, 2016)
- **CafeMom:** It is a special program which aimed at moms; and it lets moms connect, start groups, and share advices. (Annie Pilon, 2016)
- **Ravelry:** It is a niche website which aimed at knitters and crocheters. It is a kind of handmade business social network. (Annie Pilon, 2016)
- **WhatsApp:** It is a mobile instant messaging program; which enables users add friends, create groups and send text, voice or video messages. It also has a web version. It is acquired by Facebook in 2014; for 19 billion dollars. (Annie Pilon, 2016)
- **WeChat:** It is another chat application; and it also has a web version, too. (Annie Pilon, 2016)
- **Viber:** It is an alternative program of WhatsApp. In this application; brands and celebs can share messages with wider audiences, which is called as public chats. (Annie Pilon, 2016)

3.3.2. Sharing Channels

Sharing channel of social media allows the users to share videos; locations etc. These kinds of channels are listed below:

- **Instagram:** This social media platform is visually oriented. It is based on mobile applications in Android and iOS. It lets the users post photos, and short videos, along with “stories” that disappear after 24 hours; this feature of Instagram looks like Snapchat. Facebook acquired Instagram in 2012 for 1 billion dollars. (Annie Pilon, 2016)
- **YouTube:** One of the most popular sharing platforms is YouTube. It lets the users create video content and share them in YouTube. In addition, users can watch any kind of videos that is shared by other users, and the users can interact with each other’s (Annie Pilon, 2016)
- **Snapchat:** Its is very popular within especially young users. It is getting more and more popular day by day. In this platform, people can share photos, short videos or text messages with other users. Which is only viewable for 24 hours, and which makes Snapchat different from others. (Annie Pilon, 2016)
- **Periscope:** Periscope is a mobile application that lets people connect with people and stream live video content. Also, businesses can use live broadcasting to communicate with customers by this application. (Annie Pilon, 2016)
- **Facebook Live:** It is a facebook application which is created to compete with Periscope, Snpachat, and Instagram Story applications. (Annie Pilon, 2016)
- **Vime:** It is also a video platform; but it is not as popular as YouTube. (Annie Pilon, 2016)

- **SlideShare:** It is a LinkedIn platform that allows the users to create and share presentations, infographics, and documents. It also allows the users to find the presentations about different topics. (Annie Pilon, 2016)
- **StumbleUpon:** It is a kind of discovery engine for sharing and discovering new contents in much kind of categories. (Annie Pilon, 2016)
- **Delicious:** It is a social bookmarking service. (Annie Pilon, 2016)
- **Digg:** This platform is about the news stories. It is crucial for the businesses that create articles or news content. (Annie Pilon, 2016)
- **Foursquare:** It helps the local businesses and consumers. It allows the users make check-ins in the places, and the users can take special promotions from the businesses. (Annie Pilon, 2016)
- **Scribd:** It is an open publishing e-book and audio book platform. (Annie Pilon, 2016)
- **SoundCloud:** This platform is useful for musicians and podcasters; because it is an audio distribution program. (Annie Pilon, 2016)
- **Goodreads:** It allows the users to discover books, comment, and interact with other users. (Annie Pilon, 2016)
- **Behance:** That platform is useful for designers and creative entrepreneurs. It allows these users to display their visual work and discover others' works. (Annie Pilon, 2016)

3.3.3. Blogging Channels

Blogging channels let people post their opinion and experiences to the world in an easy and fast way. In this way; many people can access your opinions, and share

them which helps you to be promoted faster. Microblogging is also a kind of blogging channel. These kinds of channels are listed below:

- **Twitter:** Actually, it can be thought as the most popular microblogging site that allows users to post short messages up to 140 characters, photos, links and other types of media. (Annie Pilon, 2016)
- **Tumblr:** It is a blogging platform that users can post photos, videos, text posts and re-post the other users' posts. (Annie Pilon, 2016)
- **Quora:** It is a site that allows the users ask some questions about anything; and it also allows the users to answer these questions. (Annie Pilon, 2016)
- **Lefora:** It is an online platform that allows the groups discuss in a discussion board according to their interests. It can be thought as a forum, too. (Annie Pilon, 2016)
- **Xanga:** Once upon a time, Xanga was very famous; but nowadays it lost its old popularity. It hosts blogs, photography sites and social profiles. (Annie Pilon, 2016)
- **Bloglovin':** It is a platform that let the users create a blog; and the users can follow each other's' blogs to discover new things. (Annie Pilon, 2016)
- **BizSugar:** It can be thought as a forum where is business related contents shared. There can be shared articles, and the other users can comment about these articles. (Annie Pilon, 2016)

In general, these all social media platforms allow the users to create a social profile, interact with other users, groups, or companies. The differences of these platforms are mainly how they socialize people; via texts, voices, visuals or something else. Some of them differ by restricting the users with characters, time or something else. However mainly; these all platforms focus on how to make people and businesses use much more their platforms instead of the other platforms.

To understand better this study will examine the most popular platform, Facebook, in detail.

3.3.4. Facebook:

Facebook is the most popular social network platform in all over the world that can be proven by many statistics about it, and this study will give these statistics below. Mark Zuckerberg founds the company on February 4, 2004; that it serves more than 13 years in all over the world. The mission of the company is *"Give people the power to build community and bring the world closer together."* (<https://www.facebook.com/>, 07.11.2017) People use Facebook to stay connected with friends and family, to discover what is going on in the world, and to share and express what matters to them. (<https://newsroom.fb.com/company-info/>, 07.11.2017)

The statistics for Facebook are:

- Daily active users are 1.28 billion on average for March 2017, which means 37% increase year over year. (<https://newsroom.fb.com/company-info/>, 07.11.2017)
- In a month, 1.94 billion users are online on Facebook as of March 31, 2017. (<https://newsroom.fb.com/company-info/>, 07.11.2017)
- 22% of the world's total population has a Facebook account. (McLeod Betsy, 2017)
- The percentage of online users over users increased from 70% to 76% during 2016. (McLeod Betsy, 2017)
- In Facebook, there are more than 65 million business accounts. (McLeod Betsy, 2017)
- Every day, 100 million hours of video content are watched on Facebook. (McLeod Betsy, 2017)

- Online female users are 83% of all female users; while males are 75%.
(Andrew Hutchinson, 2017)
- At Facebook, posts made at 7 P.M. gets more clicks than 8 P.M. (McLeod Betsy, 2017)
- The engagement increases 18% on Thursdays and Fridays. (McLeod Betsy, 2017)
- Every 1 minute 510,000 comments are posted, 293,000 statuses are updated and 136,000 photos are uploaded on Facebook. (McLeod Betsy, 2017)
- The average friend number of a profile is 155; and women have more friends than males on Facebook; which are respectively 166 and 145. (McLeod Betsy, 2017)
- Average daily video view is 8 billion on Facebook. (McLeod Betsy, 2017)
More than 2 million advertisers use Facebook to market their business. (McLeod Betsy, 2017)
- Monthly comment number is 2.5 billion on Facebook pages. (McLeod Betsy, 2017)
- The highest traffic is mid-week between 1 P.M. and 3 P.M. (McLeod Betsy, 2017)
- 75% of brands on Facebook promote their posts. (Pestov Ilya, 2016)
- 32% of Facebook users engage with brands regularly. (Pestov Ilya, 2016)
- Mobile ads are 78% of Facebook advertising revenue. (Pestov Ilya, 2016)
- In 2015, Facebook's revenue per user was \$11.96. (Pestov Ilya, 2016)

With the light of these statistics, for having the best results from Facebook channel marketing, the businesses should have a Facebook account firstly. That gives the businesses a chance to interact with the consumers. In this way, the targeted consumers can post their experiences about your product, and it can be shown up on the news feeds of the other users. (<http://marketingzen.com/social-media-marketing-numbers/>, 07.11.2017)

Other tips for the businesses for Facebook marketing can be listed as:

- The companies should use SEO and keywords in Facebook description.
- The companies should use videos because videos have more of an impact when compared to other kind of contents.
- The companies should encourage liking and sharing by holding contests.

(<http://marketingzen.com/social-media-marketing-numbers/>, 07.11.2017)

3.4. Metrics in Social Media

3.4.1. What is metric?

Albert Einstein has a quote “Many of the things you can count don't count. Many of the things you can't count; really count”, which means that; the life is about things that should be counted and not needed to be counted. In fact, the business side of the life is exactly needed to be counted; even it is a must for a success in business. That is why; the analysis of the strategies, implications and actions is a core business for companies; because all strategies are created to move the brand image into the people's mind, boost the sales of products of the company, or better financial statements and so on. The measurement of these all strategies shows the company that if it made the right strategy or not; that is why measurement is totally essential for the companies. After all of this, metric is defined by Farris et al (2006) as the measurement system which quantifies static or dynamic characteristics. (Peters, Chen, Kaplan, Ognibeni, Pauwels, 2013) With the light of this description; metric also can be described as the key business

indicators that the companies should measure. Metrics can describe characteristics, processes, trend, or evolution; and can be probabilistic which requires additional information the level of the certainty or which can be counted with the percental results.

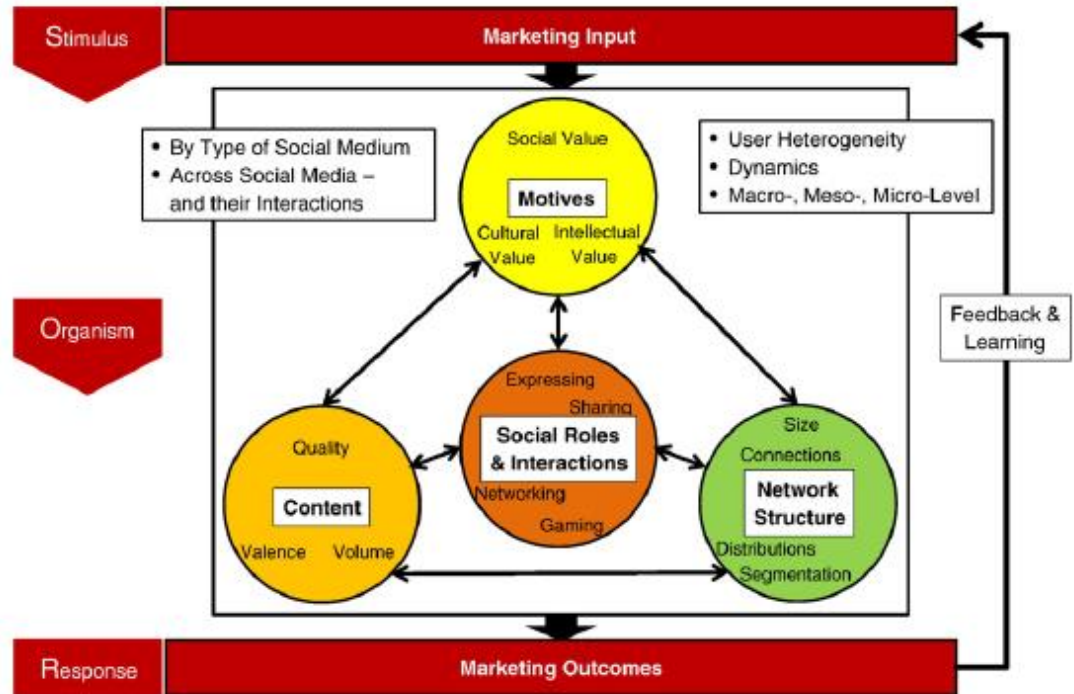
In the companies, especially marketers use metrics to evaluate the marketing strategies, because there are many critical metrics about the marketing strategies which influences the future of the companies. As an example for the importance of the metrics for the marketers; according to Deloitte Digital which is studied with over 3000 US consumers and published in 2015; digital interactions are expected to influence 64 cents of every dollar spent in retail stores; which were 14 cents in 2014; meaning that social media is increasing its direct impact on companies' revenues. (Moro, Rita, Vala, 2015) As seen from the example; following the metrics are very important for the companies for drawing the future strategies.

The metrics of marketing can be based on the traditional marketing channels and online marketing channels because of the differences between the approach and implementation of these channels. In detail; social media is exactly different from other channels. As the opposite of other channels, social media is much more dynamic, interconnected, egalitarian and interactive. That is why it needs to be measured and analyzed with a distinct approach. (Peters, Chen, Kaplan, Ognibeni, Pauwels, 2013)

Moreover, “dashboard” is another key word in the point view of the metric of social media. Dashboard means that “a relatively small collection of interconnected key performance metrics and underlying performance drivers that reflects both short- and long-term interests to be viewed in common throughout the organization.”, defined by Pauwels et al. (2008) It guides the companies according to the their key business indicators, goals and approaches. It enables companies to learn from the results of the metrics; and to re-create new strategies based on the metric performances. However the mess structure of social media;

the existence of additional sales channels, and the advent of “big data” are the main and critical challenges for creating the appropriate dashboards for social media. Actually, some of the metrics of social media such as likes, followers, views may be very simple, accessible, and measurable metrics for social media when compared to traditional media; however these are not the only metrics, and they may not reflect the important aspects of social media; that is why using only these simple metrics can mislead the companies for the future decisions. To understand better the metrics of social media; the best way can be thought as to look at the input, metric and financial outcomes of the strategy. (Shown in figure 3) The figure is designed to show how the marketing inputs are interacted with the mess social media channels; and how these interactions outcome financially. (Chen, Kaplan,Peters, Pauwels, Ognibeni, 2013)

Figure 3. The Relation Between Marketing Inputs and Social Media



(Chen, Kaplan,Peters, Pauwels, Ognibeni, 2013)

3.4.2. The general list of social media metrics

As mentioned in the first topic of this chapter; social media metrics are very different from other media metrics. Its interconnectivity, dynamism, and interactivity make the social media very useful for the marketers; and at the same time very hard to track and monitor. That is why; the dashboard of the social media marketing can be very crowded and correlated with each other metrics.

Some of the online and social media marketing metrics are listed below in the table 6:

Table 6. Social Media Metrics

WEBSITE / TRAFFIC METRICS	
<i>Unique Visitors</i>	Unique visitor/browser which has accessed a site/application
<i>Page Views</i>	Number of times a page is seen by the viewer
<i>Time spent</i>	Actual time (from initiation to last activity) spent onsite or in an application
<i>Installs</i>	Application downloads
<i>Lifetime</i>	Period of time a widget/application remains installed by a user
ONLINE ADVERTISING METRICS*	
<i>CPC</i>	Cost-per-click
<i>CPM</i>	Cost-per-impression: ad cost per each thousand times the ad is seen
<i>CTR</i>	Click-through-rate (number of clicks divided by total impressions)
<i>Conversion</i>	Out of CTRs, the number of users who perform a pre-set desired action onsite, such as subscribes, signs up, or completes purchase
<i>Campaign reach [FB]</i>	The number of individual people who saw Sponsored Stories of ads in a campaign during the dates selected. This is different than impressions, which includes people seeing them multiple times.
<i>Social Reach [FB]</i>	People who saw your Sponsored Stories or ads with the names of their friends who liked your Page, RSVP'd to your event, or used your app
SOCIAL MEDIA & ENGAGEMENT METRICS *	
<i>Likes [FB]</i>	The total number of unique people who like your Page, incl. location and demographics data
<i>Followers [TW]</i>	The total number of unique people who follow, or subscribe to, your Twitter handle
<i>People talking about this [FB]</i>	The number of unique people who have created a story about your Page [in the last seven days] (incl. Likes, shares, tags...)
<i>Mentions [TW]</i>	The total number of times Twitter users have mentioned you [during a certain period of time]
<i>Retweets [TW]</i>	The total number of times a tweet is retweeted (shared) to a users' followers
<i>Weekly total reach [FB]</i>	The number of unique people who have seen any content associated with your Page [in the last seven days].
<i>Engaged users [FB]</i>	The number of unique people who have clicked on the post
<i>Virality [FB]</i>	The percentage of people who have created a story from your Page post out of the total number of unique people who have seen it
<i>Comments [FB] / Replies [TW]</i>	Number of times users engage in conversation with a brand and/or topic

*Facebook [FB], Twitter [TW]. (Sources: IAB 2009, Facebook Page Insights 2012, Twitter Glossary 2012)

(Rautio, 2012)

Jim Sterne has created a list that mentions how to measure social media with 100 metrics. Of course, these all are crucial for the marketers to follow and measure; however some of them are actually more crucial. That is why; this study will be explaining some of them in the next pages. As a short list; 100 metrics are listed in table 7.

Table 7. 100 Ways to Measure Social Media

100 Ways to Measure Social Media			
1	Volume of consumer-created buzz for a brand based on number of posts	51	Polls taken/votes received
2	Amount of buzz based on number of impressions	52	Clicks
3	Shift in buzz over time	53	Percentage of traffic generated from earned media
4	Buzz by time of day/daypart	54	View-throughs
5	Seasonality of buzz	55	Number of interactions
6	Competitive buzz	56	Interaction/engagement rate
7	Buzz by category/topic	57	Frequency of social interactions per consumer
8	Buzz by social channel (forums, social networks, blogs, Twitter, etc)	58	Percentage of videos viewed
9	Mainstream media mentions	59	Purchase consideration
10	Fans	60	Number of user-generated submissions received
11	Followers	61	Exposures of virtual gifts
12	Friends	62	Number of virtual gifts given
13	Growth rate of fans, followers, and friends	63	Relative popularity of content
14	Rate of virality/pass-along	64	Tags added
15	Change in virality rates over time	65	Contest entries
16	Embeds/Installs	66	Number of chat room participants
17	Downloads	67	Wiki contributors
18	Uploads	68	Customers assisted
19	User-initiated views (eg, for videos)	69	Savings generated by enabling customers to connect with each other
20	Ratio of embeds or favoriting to views	70	Customer satisfaction
21	Likes/favorites	71	Volume of customer feedback generated
22	Comments	72	Suggestions implemented from social feedback
23	Ratings	73	Costs saved from not spending on traditional research
24	Social bookmarks	74	Impact on online sales
25	Subscriptions (RSS, podcasts, video series)	75	Impact on offline sales
26	Pageviews (for blogs, microsites, etc)	76	Discount redemption rate
27	Effective CPM based on spend per impressions received	77	Impact on other offline behavior (eg, TV tune-in)
28	Increase in searches due to social activity	78	Leads generated
29	Percentage of buzz containing links	79	Products sampled
30	Links ranked by influence of publishers	80	Visits to store locator pages
31	Percentage of buzz containing multimedia (images, video, audio)	81	Conversion change due to user ratings, reviews
32	Influence of consumers reached	82	Rate of customer/visitor retention
33	Influence of publishers reached (eg, blogs)	83	Impact on customer lifetime value
34	Influence of brands participating in social channels	84	Customer acquisition/retention costs through social media
35	Demographics of target audience engaged with social channels	85	Change in market share
36	Demographics of audience reached through social media	86	Earned media's impact on results from paid media
37	Social media habits/interests of target audience	87	Responses to socially posted events
38	Geography of participating consumers	88	Attendance generated at in-person events
39	Sentiment by volume of posts	89	Employees reached (for internal programs)
40	Sentiment by volume of impressions	90	Job applications received
41	Shift in sentiment before, during, and after social marketing programs	91	Time spent with distributed content
42	Languages spoken by participating consumers	92	Time spent on site through social media referrals
43	Buzz by stage in purchase funnel (eg, researching vs completing transaction vs post-purchase)	93	Method of content discovery (search, pass-along, discovery engines, etc)
44	Asset popularity (eg, if several videos are available to embed, which is used more)	94	Brand association
45	Second-degree reach (connections to fans, followers, and friends exposed—by people or impressions)	95	Attributes of tags (eg, how well they match the brand's perception of itself)
46	Change in search engine rankings for the site linked to through social media	96	Registrations from third-party social logins (eg, Facebook Connect, Twitter OAuth)
47	Change in search engine share of voice for all social sites promoting the brand	97	Registrations by channel (eg, Web, desktop application, mobile application, SMS, etc)
48	Share of voice on social sites when running earned and paid media in same environment	98	Impact of offline marketing/events on social marketing programs or buzz
49	Research&development time saved based on feedback from social media	99	User-generated content created that can be used by the marketer in other channels
50	Impact on first contact resolution (FCR) (hat tip to Forrester Research for that one)	100	Savings per customer assisted through direct social media interactions compared to other channels (eg, call centers, in-store)

(Sterne, 2010)

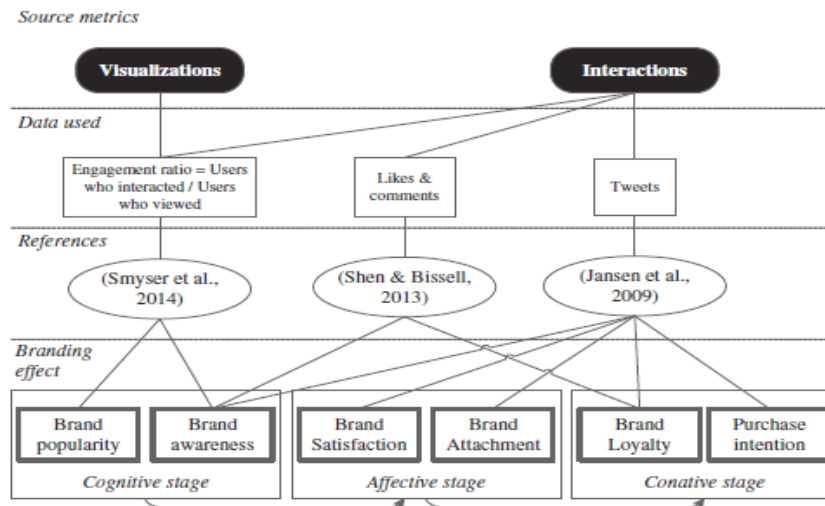
These metrics give the company chance to analyze its performance; that is why the companies should track and measure these metrics in the dashboards. To perform better; the companies should understand the market, and manage the strategies according to the market realities which can be predictable or understandable with these metrics. That is why; the outcome of these metrics is very critical for the firms. Some of the critical reporting metrics are detailed below in this study.

- **Unique Visitors:** This metric means unique individual who has accessed to the site. Unique visitors are identified by user cookies, registration, or third party measurement. (IAB. ,2009)
- **Cost per unique visitor:** This metric is calculated by dividing the total cost of site to the number of unique visitors. (IAB. ,2009)
- **Page Views:** It is a metric that count when the users actually view the page (IAB. ,2009)
- **Return Visits:** This metric is about the average number of times a user returns to the application over a specific time period. (IAB. ,2009)
- **Interaction Rate:** It is the ratio of the users who interact with an ad or application. Here, the placement is very important; because some of the interactions can be involuntarily. (IAB. ,2009)
- **Time Spent (section, microsite, community):** This metric is the amount of elapsed time between the initiation of a visit and the last user activity related to the initiated visit. (IAB. ,2009)
- **Relevant actions taken (custom to widget or application creative execution) and cost per relevant action.** Action examples:
 - ✓ Contest/Sweeps Entries
 - ✓ Coupons downloaded/redeemed

- ✓ Games played
- ✓ Videos viewed
- ✓ Uploads (e.g. images, videos)
- ✓ Poll votes
- ✓ Messages sent (e.g. Bulletins, Updates, Emails, Alerts)
- ✓ Invites sent
- ✓ Newsfeed items posted
- ✓ Comments posted
- ✓ Friends reached
- ✓ Topics/Forums Created
- ✓ Number of Group Members or Fans
- ✓ Reposts (“Shares“) (IAB. ,2009)

In other respects, if needed to show in a process of the metrics and its outcomes; **Figure 4** gives an insight.

Figure 4. Visualizations & Interactions



(Moro, Rita, Vala, 2015)

As can be seen from the figure; the source of the metrics is categorized into two variables. These variables are visualizations and interactions; and these variables directly influence the branding and purchase performance of the companies as the outcomes. The outcome of social media marketing can be categorized to stages as cognitive stage, affective stage, and conative stage.

- Cognitive stage of the outcome is about the brand awareness and brand popularity.
- Affective stage is about brand satisfaction and brand attachment.
- Conative stage of branding is about brand loyalty and finally purchase intention.

Visualization metrics appear to be closely related with the cognitive stage of the branding process. It affects the brand awareness and brand popularity; while interactions influence brand awareness and the next two stages of branding. That is why; interaction metrics can be more crucial for the companies as metrics.

As can be seen from the figure 3 interaction metrics are listed simply; likes, comments, tweets etc.

On the other hand, this study will focus on the main social media channels for the metrics in the next topic.

3.4.3. Facebook Metrics

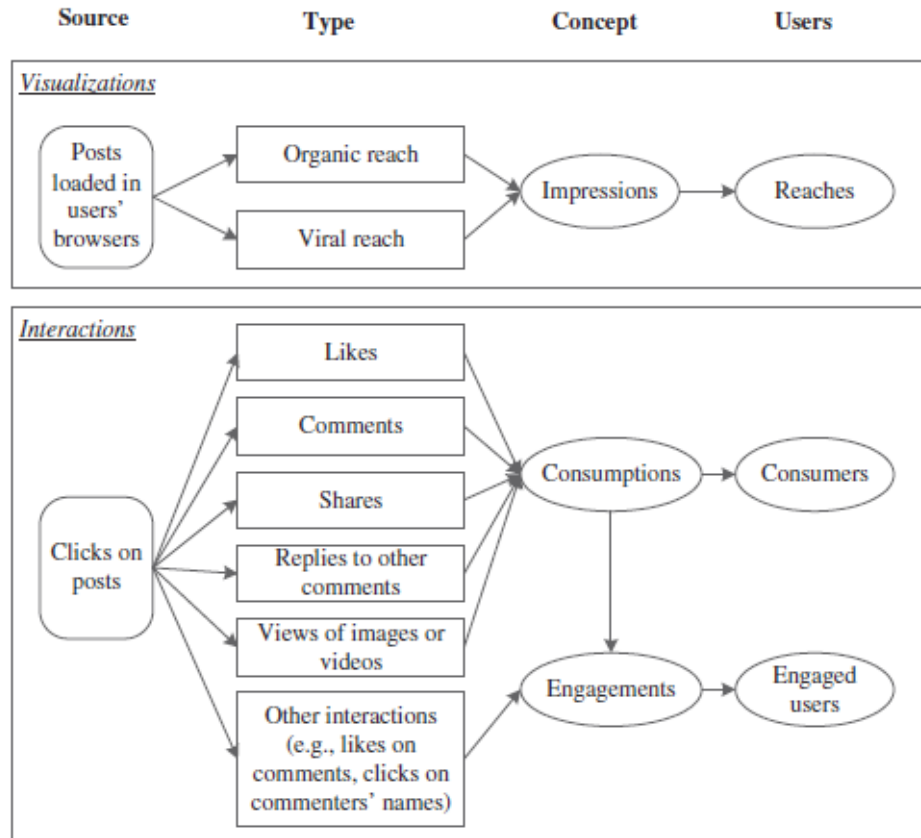
As mentioned before; there are more than 65 million business accounts and more than 2 million advertisers in Facebook. These firms and advertisers are in Facebook to market their businesses; that is why nowadays, Facebook is one of the most favorite marketing channels for the marketers because 22% of the world's total population is using Facebook and 32% of Facebooks users are engaging with brands regularly. These facts make this channel attractive for marketers; because this channel gives a chance to access many people easy and fast.

In this study, some of the metrics are mentioned while giving information about Facebook. These metrics are about clicks, engagement, comments, and friend number of the users. Some of these examples are below:

- At Facebook, posts made at 7 P.M. gets more clicks than 8 P.M.
- The engagement increases 18% on Thursdays and Fridays.
- 293,000 statuses are updated, 510,000 comments are posted, and 136,000 photos are uploaded on Facebook for every 1 minute.
- Average friend number of a profile is 155; and women have more friends than males on Facebook; which are respectively 166 and 145.
- Monthly comment number is 2.5 billion on Facebook pages.

Actually, many marketers use these facts for deciding their future marketing strategies especially in Facebook or other social media channels. To understand the metric structure of Facebook better; it is shown in a conceptual map below:

Figure 5. Conceptual Map of Facebook's Performance Metrics



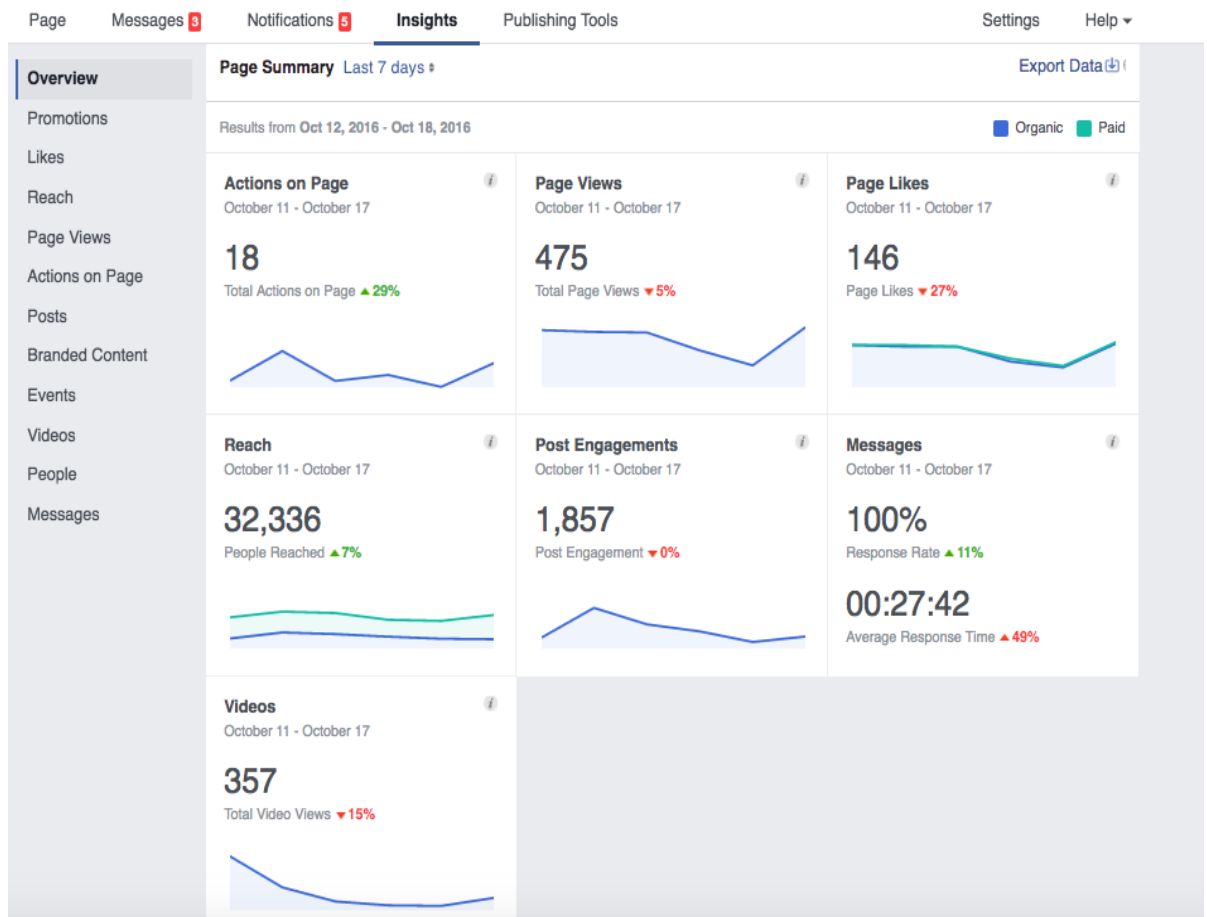
(Moro, Rita, Vala, 2015)

As remembered; there are two kinds of source that prompts the process; and it is same in Facebook, too. These sources are visualizations, and interactions. These are seen in the map relatively as posts loaded in users' browsers; and clicks on posts. Some of the metrics in this map are comments, likes, views of images or videos, shares, replies to other comments, and likes on comments, clicks on commenters' name etc. Thus, as can be seen in the figure 4; visualizations provide

an impression and reaching to consumer; while interactions provide consumption and engagement.

As a summary, the list of the metrics in an overview is shown below:

Figure 6. Facebook Metrics Overview



(Dominique Jackson, 2016)

- **Page Views:** A total page view is the number of unique people who viewed the page. (Dominique Jackson, 2016)

- **Page Likes:** A total page like is the number of unique people who liked the page. It also show the new page likes; which means new page likes received during the last seven day-period; and it gives a comparison for the seven days page like performance. The firms can also see the *competitor's total page likes* during this period as another metric. Page likes can be categorized to four variables:
 - ✓ **Organic Likes:** This is the likes which is not occurred as a result of a Facebook ad campaign.
 - ✓ **Paid Likes:** This kind of like is occurred as a result of a Facebook ad campaing.
 - ✓ **Unlikes:** This is the number of people who disliked the page.
 - ✓ **Net Likes:** This is the number of new likes minus the number of dislikes. (Dominique Jackson, 2016)

- **Post Reach:** It is the number of unique people who saw any content associated with your page. Competitor's number of new posts also can be seen in Facebook; which is another metric for the firms. (Dominique Jackson, 2016)

- **Engagement:** *Click, like, comment, share* are the main engagement figures. This metric shows the unique people number who clicked, liked, commented on, or shared the posts during the last seven days. Facebook also shows the competitor's engagement performance, too. (Dominique Jackson, 2016)

- **Impressions:** This is the number of times of a post from the page is displayed; whether or not the post clicked. The post can be displayed more than one; for example it can be seen in page update in news feed; and secondly if a friend shares this post. (Dominique Jackson, 2016)

- **Follower growth:** This metric is about the growing rate of the followers, fans, likes etc. (Agius Aaron, 2016)
- **Optimal times for engagement:** This metric help the companies when (which days, or hours in a day) to post, or share something. (Agius Aaron, 2016)
- **Engagement Rate Percentage:** This is the rate of engagement number of people and page view number of people. (Dominique Jackson, 2016)
- **People Tab:** This is a tab which shows the demographics of the people who reached, or engaged with the page. This is very important for the firms to ensure whether they are creating better contents for the audiences or not. (Dominique Jackson, 2016)

4. RETURN on INVESTMENT (ROI)

4.1. What is ROI?

Over time, many authors described investments, and as a summary of these descriptions; investment can be defined as “resources deployed in the hope of achieving benefits during a long period of time” or “money or other resources expended in the hope that in the future they will bring higher amounts of money or other benefits will occur”. (Zamfir, Manea, Ionescu, 2016) Companies are investing for some objectives such as increasing profit, customer satisfaction, increasing the share market etc. (Zamfir, Manea, Ionescu, 2016) Nowadays, many companies are investing to success these objectives and grow their businesses; however before investing many of them want to know that whether or not this investment is feasible; because one of the most important roles in assessing management performance is the profits earned on the asset used. In the last years; all investments; even the small projects are questioned by this approach; is it feasible or not? Many of us remember these words “Show me the money.” from the American movies; that CEO actually asks if the company will get the return positively or not from this proposed campaign; so the questions about the feasibility, and the return capital of the investment are popular nowadays and these all questions can be addressed by *Return on Investment* concept. (Cronin, 2014)

In the previous paragraph; there are many hints about the definition of Return on Investment (ROI); after all ROI can be considered as a concept of performance in any form of investment (Zamfir, Manea, Ionescu, 2016) or “the net return divided by the investment or, more correctly, the incremental profit as a ratio of the incremental expenditure”. (Ambler, Roberts, 2008) ROI is an indicator that shows to which extent a specific investment gains (profit or a loss) from the used capital. In this way, ROI enables companies to assess the efficiency of the amount invested; or ROI allows measuring the result of any projects, or campaigns in relation to the means used to obtain it. (Zamfir, Manea,

Ionescu, 2016) ROI can be applied to any type of investments. ROI can be used before the projects for decision making; and it also can be used after the projects for performance analysis. Actually, ROI gives a result about the investment; whether it is profitable or not. To calculate ROI; it is needed two types of data which are:

- The cost of the investment project (resources consumed for the investment);
- The expected profit from the project for before the investment, the current profit for during the operation of the investment, and total profit earned after the completion of the project. Generally, in ROI calculation, profit is the operating result before interest and tax registration.

ROI is calculated with these data; so ROI is a ratio between operating profit and the total cost of the investment, which results with a percentage; that is why the result obtained should be multiplied by 100. The formula of ROI which can be applied to any type of investment or project is shown below:

$$\text{ROI} = \frac{\text{Revenues after investment} - \text{Amount invested}}{\text{Amount invested}} \times 100 \quad (\text{Zamfir, Manea, Ionescu, 2016})$$

or

$$\text{ROI} = \frac{\text{Profit (after investment)}}{\text{Invested capital}} \times 100 \quad (\text{Zamfir, Manea, Ionescu, 2016})$$

Although ROI is very useful for the companies to draw decisions for choosing the best option for them, or to analyze the performance of the project after completion; it also has some limitations. One of the most critical limitations is the net present and future value of the money. For example, some investments can be continued for several years and the value of the money can change in years because of the inflation effect. For these kinds of investments, updating

figures is a mandatory. Actually another limitation for ROI is; not able to compare the projects which are not started in the same time; or which are projected for different economic duration. In addition, ROI indicator focuses on the financial side of the project; however the projects or campaigns have other objectives such as customer satisfaction, employee motivation, the image of the brand etc. Actually, ROI ignores these other objectives; and that is another limitation of ROI. (Zamfir, Manea, Ionescu, 2016) Because of these limitations, some financiers use Discounted Cash Flow model for measuring the performance of the company.

Finally, all marketing activities can be thought as an investment that is why; nowadays, ROI of marketing is a critical issue. Next chapters will examine the ROI of marketing and ROI of social media marketing.

4.2. ROI of Marketing (ROMI)

4.2.1. What is ROMI

Nowadays, one of the contemporary and hot question in companies is the efficiency of the marketing activities; because for most of companies; marketing activities get high share from the budget of the firms, and because the marketing activities directly affect the business performance, the accountability of marketing more and more important for the firms. As a result of two investigations made in North American and Europe; it is discovered that the marketing performance really influences the business performance positively. (Rautio, 2012) Even, it is that much important as The American Marketing Association gives a definition for the accountability of marketing. According to The American Marketing Association; marketing accountability is “The responsibility for the systematic management of marketing resources and processes to achieve measurable gains in return on marketing investment and

increased marketing efficiency, while maintaining quality and increasing the value of the corporation.” (Ambler & Roberts, 2008)

As mentioned before the definition of concept of ROI; another definition in accounting can be “the ratio of net return against investment”, (Rautio, 2012) and the formula can be shown as below:

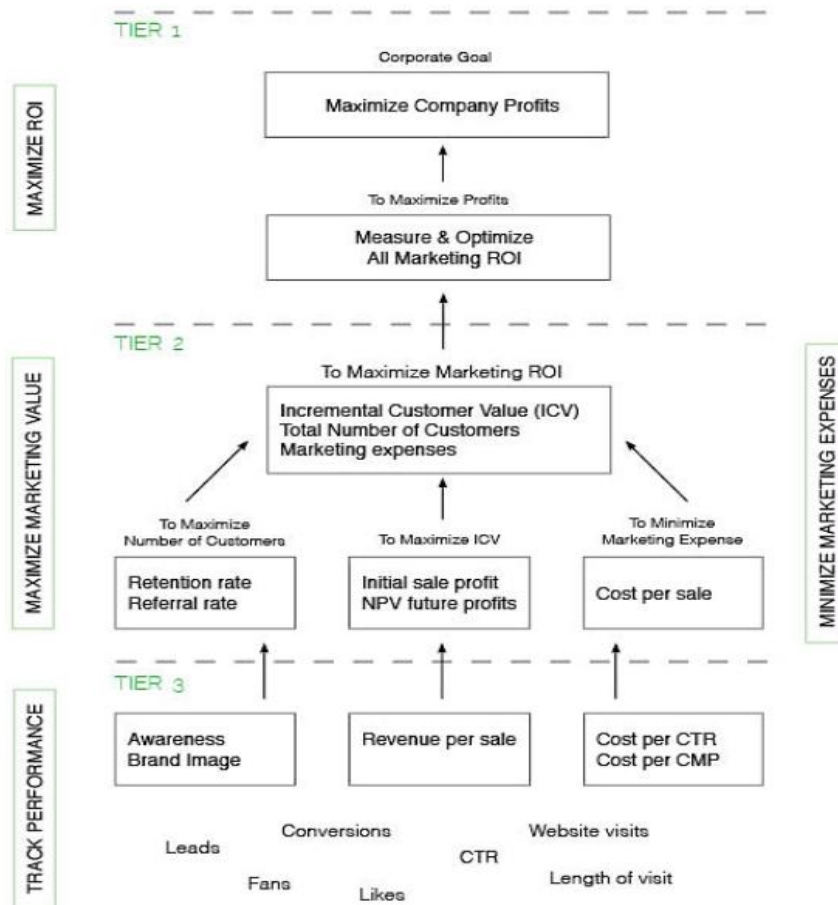
$$ROI = \frac{\textit{Return}}{\textit{Investment}} = \frac{\textit{gross margin} - \textit{investment}}{\textit{investment}}$$

If each marketing activities can be thought as a separate sub-projects for the company, each has different ROI and different outcomes. These sub-projects are consolidated at the end of the day; and it constitutes the results of the marketing strategies. In this point of view; the consolidated objective of the marketing can be thought as supporting the corporate goals of profit maximization. (Rautio, 2012) Indeed, the marketing performance begins by setting objectives and after those sequential outcomes. These processes consist of these outcomes; customer impact, market impact, financial impact, and impact on firm value.

Moreover, if the outcomes of the marketing activities are thought as a process (figure 6); it starts with influencing customer satisfaction and customer attitudes. After that; the market position of the brand or company comes and after all financial position of the firm is the last outcome for the short term. With the effects of these outcomes; the final outcome is the shareholder value of the firm for the long term. (Rautio, 2012) In other words, the aim of marketing activities is to influence customer attitudes and behavior which transforms to purchase intention immediately or in the long term; and that has a direct impact on bottom line results. As can be seen; marketing produces both short and long term effects which influence the overall performance of the company. That is why; marketing cannot be thought as a separate function from financial or business goals. (Rautio,

2012) These all realities show that marketing accountability or the return on investment of marketing activities are very crucial for the business performance.

Figure 7. Maximizing ROI



Besides, measuring marketing performance is a hard issue because of some reasons. Actually, marketing activities produce many outputs which are financial and non-financial. Cause-and-effect relationship in marketing performance is frequently indirect and “casually fuzzy” and this is an important challenge for the marketers to demonstrate the effectiveness of marketing activities. However; because marketing does not have only long-term effects, and it also has immediate effects; it can be financially evidenced. . Uncertainty about the future does not eliminate the need to link actions with future outcomes and financial results. (Rautio, 2012) Even; the marketers should be careful not to

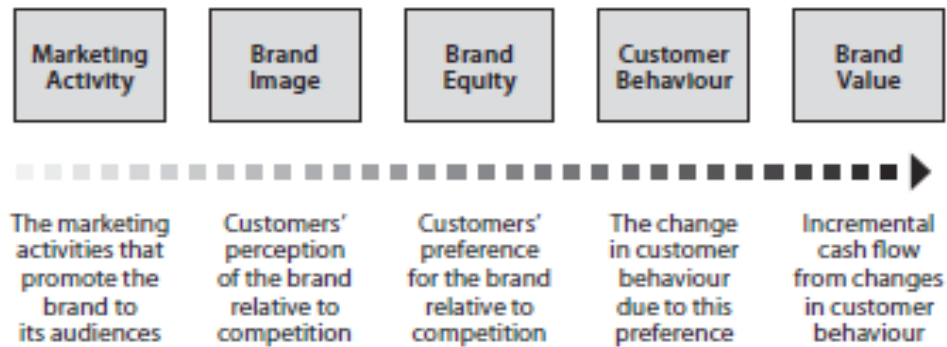
underestimate while measuring the marketing performances and ROMI. With this point of view; marketing has two-fold goal which can be listed as delivering short-term cash flow, generally in 1-year planning period or the given fiscal year; and creating, sustaining, and growing the brand as an asset. Both goals are essential components for accountability of marketing activities and it can be shown as a diagram below: (Rutherford, Knowles, 2007)

Figure 8. Two-Fold Measurement of Marketing Activity



On second thoughts, short-term accountability can be easier than the long-term accountability. However; many brands have billions value of their brands; that is why marketers should not rule out the ROMI for the Brand Equity in the long-term. To balance the accountability and to make it more efficient; companies should understand what creates value for customers; and what delivers financial results for the business. To understand and identify the aggregate benefit of marketing investment; Brand Value Chain can be a useful framework; which is shown as below:

Figure 9. The Brand Value Chain



This framework provides a coherent, sequential view of how marketing activities are influencing the business performance and the value of the firm. (Rutherford, Knowles, 2007)

4.2.2. Formulation for ROMI

The importance, limitations, and some clues about marketing performance analysis are mentioned so far. So, the next question is: how to calculate ROMI? Actually; a formula was given in this chapter for ROI; and the logic behind the formula for ROMI is same; it is just needed to rate the profit to the invested capital and multiplying with 100. However; to detail the formula for ROMI; these data are needed: net marketing contribution, and marketing expenses. Net marketing contribution (NMC) is the difference between the gross profit and marketing expenses. In this calculation; marketing expenses refer to the expenses associated with developing and executing the marketing strategies; such as cost of marketing administration, sales, service and advertising. As an important reminder; marketing expenses do not include research & development costs, and other operating and corporate overhead expenses. (Selime Sezgin, 2015) To show ROMI as a formula:

$$\text{ROMI} = (\text{NMC (Gross Profit} - \text{Marketing Expenses)} - \text{Marketing Expenses}) \times 100$$

Another formula to analyze NMC is shown at below Figure 9. The figure also shows how to increase NMC with some terms that affect the NMC.

Figure 10. Net Marketing Contribution



Marketing return on sales (Marketing ROS) is another calculation for the marketing performance analysis. It shows that the marketing profitability (NMC) as a percentage of sales. Its formula is:

Marketing ROS: $\text{NMC} / \text{Sales} \times 100$

After all these calculations; other important component to understand ROMI better is the metrics for ROMI which is expressed below.

4.2.3. Metrics for ROMI

To understand the analysis of marketing performance (ROMI); it is important to know some important terms and metrics in marketing; which are directly influence the business performance in short and long term. To measure the marketing performance better; companies should use some metrics. These marketing metrics can be categorized into 3 components which are market metrics, competitiveness metrics, and customer metrics which is shown as a table below:

Table 8. Marketing Metrics

Marketing Metrics		
Market Metrics	Competitiveness Metrics	Customer Metrics
Market Growth	Product Performance	Customer Satisfaction Index
Sales Growth	Service Quality	Customer Retention
Market Share	Customer Value	Customer Lifetime Value

(Selime Sezgin, 2015)

To detail these metrics below:

- *Marketing growth rate* is the domination of the company in the market. It is the increase in sales among a customer group. It should be an indicator for the financial tables. (Selime Sezgin, 2015)
- *Market share* is the rate of the total sales volume in terms of unit or monetary in a market. “This metric is used to give a general idea of the size of a company to its market and its competitors.” (<http://www.investopedia.com/>, 12.11.2017)
- *Market Development Index* is the ratio between the actual customers and potential customers in the market. (Selime Sezgin, 2015)

Customer metrics can be expressed in three subtitles as mentioned detailed below:

- *Customer satisfaction* directly influences the sales volume, and profitability of the companies. (Selime Sezgin, 2015)
- In addition to customer satisfaction, *customer retention* is another critical issue for the companies. Customer retention can be described as the loyalty level of current customers. Actually, if the customer satisfaction is high customer retention gets higher. That is why customer retention is a critical metric for financial performance. *Customer Acquisition* is also can be thought in this category and it means “The process of persuading a consumer to purchase a

company's goods or services.” The cost associated with the important customer acquisition process is an important measure for a business to evaluate in combination with how much value having each customer typically brings to the business. (<http://www.businessdictionary.com>, 12.11.2017)

- The last title of the customer metrics is *customer lifetime value*. It can be defined as the money value of a customer. It is the present value of the future cash flows related to the customer during his/her entire relationship with the company.

Competitiveness metrics is interested in the performance of the product, service quality and customer value.

- *Product performance* is an indicator for the position of the product against the competitor's products in the market. That is why it directly influences the sales of the product, revenue of the product, profitability of the product, and some of other financial indicators. (Selime Sezgin, 2015)
- *Service quality* is another important issue for the companies. In service market, service quality is one of the most critical fields that the company differentiates itself from competitors. (Selime Sezgin, 2015)
- *Customer value* is the third element of the competitiveness metrics. It is what or how the companies' products or services provide benefits for the customers. (Selime Sezgin, 2015)

There are also financial metrics, which are shown in Table 9 with marketing metrics.

Table 9. Marketing & Financial Metrics

MARKETING METRICS	FINANCIAL METRICS
Market Metrics <ul style="list-style-type: none"> • Market Growth Rate • Market Share • Market Development Index 	Profit Metrics <ul style="list-style-type: none"> • Gross Profit • Return on Sales • Return on Assets
Customer Metrics <ul style="list-style-type: none"> • Customer Satisfaction • Customer Retention • Customer Lifetime Value 	Expenses Metrics <ul style="list-style-type: none"> • Marketing & Sales Expenses • General & Administrative Expenses • Other Expenses
Competitiveness Metrics <ul style="list-style-type: none"> • Product Performance • Service Quality • Customer Value 	Asset Management Metrics <ul style="list-style-type: none"> • Sales-to-Assets Ratio • Accounts Receivable • Capacity Utilization
Marketing Profitability Metrics <ul style="list-style-type: none"> • Net Marketing Contribution • Marketing ROI • Marketing ROS 	Shareholder Metrics <ul style="list-style-type: none"> • Return on Equity • Return on Capital • Earnings per Share

(Selime Sezgin, 2015)

Table 10. Internal & External Metrics

PERFORMANCE PERSPECTIVE	TIME HORIZON	
	Forward-Looking Metrics	Backward-Looking Metrics
INTERNAL Company Metrics	Company metrics applied during an operating period, such as: <ul style="list-style-type: none"> ■ Product Defects ■ Late Deliveries ■ Late Payments ■ Inventory Turnover 	Company metrics reported at the end of an operating period, such as: <ul style="list-style-type: none"> ■ Sales Revenues ■ Percent Gross Profit ■ Net Profit Before Tax ■ Return on Assets
EXTERNAL Marketing Metrics	Marketing metrics applied during an operating period, such as: <ul style="list-style-type: none"> ■ Customer Awareness ■ Customer Satisfaction ■ Perceived Performance ■ Intent to Repurchase 	Marketing metrics reported at the end of an operating period, such as: <ul style="list-style-type: none"> ■ Relative Market Share ■ Market Share ■ Customer Retention ■ Revenue per Customer

(Selime Sezgin, 2015)

4.3. ROI in Social Media Marketing

4.3.1. What is Social Media ROI (SMROI)?

Recently, social media have presented a new analytical challenge; which is called as return on investment of social media marketing. The 2012 Digital and Social Media Survey of the Association of National Advertisers announced that 70% of the marketers use new media channels for marketing; however 62% of them concerns with the accountability and measurement of these channels performance. That is why; measuring SMROI has started to be one of the fastest growing concerns in marketing. (Cronin, 2014) As this study mentioned before, Social Media is one of the most popular channel for marketers to advertise, create word of mouth effect, support brand awareness, or serve after sales etc. Because it is getting more popular day by day; the questions about its efficiency, like marketing, increased nowadays; and will continue to accelerate. Digital channels and social media performance tracking is a standard requirement after the rapid growth of online technologies. Even, because the social media is very promising outlet for marketing; SMROI has become a very significant topic for marketers in all over the world.

Although SMROI does not have an accepted definition, it can be defined as “the ratio of the profit to the expenses for the systematic management of social media to achieve measurable gains in return financially and socially on social media investment.” As can be understood from the definition, SMROI is a set of strategic performance indicators; in which qualitative and quantitative results are obtained.

Especially in a worsening economy in the world, companies need to make sure that they are getting a return on their investment. To answer the question “Are they doing the right strategies?” the companies should measure their activities at all. Thus, actually, social media marketing is a component of marketing strategy; however because it differs from other strategies because of its online structure; it should be examined separately. For example; a research made

by Universal McCann's Social Media Research Wave 3 looked at 17 000 Internet users in 29 countries. According to this report, social media have a huge impact on the brand's reputation: "34 % post opinions about products and brands on their blog and 36 % think more positively about companies that have blogs." (Fisher, 2009) As online and social media marketing have elevated significantly in the past years, measuring marketing performance in these media has become a growing priority for organizations. (Rautio, 2012)

Actually, it seems to measure SMROI is easier because it is online; however because it is not easy to measure its quantitative effects in long term, and its purchase effect from the retail; it gets complicated, too. As known, social media has direct and indirect effects for purchase intention which can provide financial returns for the company in short or long term. As a proof for the indirect effects of the social media marketing; a recent study in 2008 by DEI Worldwide on the Impact of Social Media on Customer Behavior provides the following interesting statistics:

- Social media is visited by the 70% of the customers to get information about the brands, or products
- 49% of these customers purchased based on the information taken from social media sites.
- 60% of customers use social media sites to pass along information to other online
- 45% of customers who searched information on social media engaged in word of mouth
- And actually, these statistics are taken in 2008; the updated data are provided in social media channel chapter which are more attractive to understand the dramatic indirect impact of social media. That is why; proving financial returns of social media marketing accurately is difficult issue for marketers. Actually, marketing performance literature has created

different manners of attributing value to marketing actions; which is resulted with two viewpoints: financial metrics, and indirect measurements for SMROI.

That is why; this study will focus on both direct and indirect; or financial and non-financial measurement of SMROI.

4.3.2. The Complexities of SMROI

Marketing investment in social media is increasing day by day; however many marketers still have difficulties for measuring the efficiency of this investment. Because the social contributions of social media; many benefits of social media cannot be easily measured in the terms of finance. Marketers should measure the financial return; however they could not overlook these social contributions. Indeed, many companies sell directly to online consumers, however the others can sell to online and offline consumers, too; and that makes the evaluation process harder. In addition, some marketers try to use some metrics such as likes, followers, retweets etc. to assign financial values to the social contribution of social media; however these kinds of metrics could carry some risks. These risks can be listed as:

- Failing to measure true business value. (Ray, 2010)
- Getting in the way of achieving objectives. (Ray, 2010)
- Arriving at incorrect value for social efforts. (Ray, 2010)
- Failing to attribute results to those channels and investments that deliver the results. (Ray, 2010)

As Cronin mentioned in his article “Adding to the complexity is the fact that a social media campaign may affect several drivers, not just one. The challenge for management is not only to select the proper drivers, display them on dashboards and evaluate how the drivers have been positively affected by the campaign, but also to show quantitatively what the ROI of that positive effect is.”

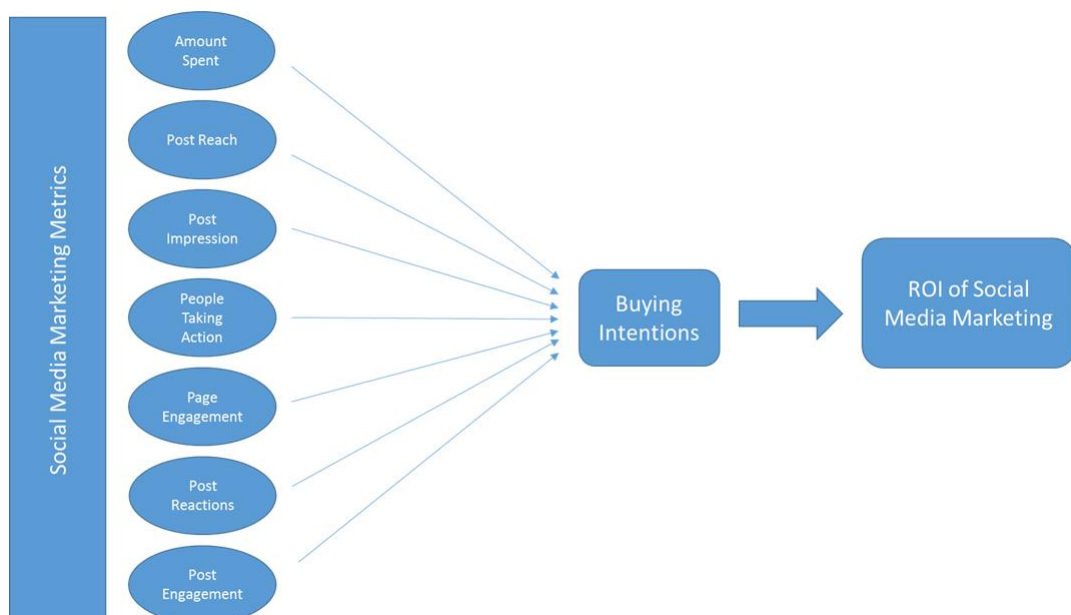
For example, a social media effort can be converted to financial values immediately; and quantitatively, to an effect on future sales. Maybe, existing customers will purchase this product and be satisfied; which probably can extend the customer lifetime and even provides new customers with the word of mouth effect of social media. In addition, some social media campaign can have a positive effect on reducing the costs. (2014)

So, let's come to the point: How can SMROI be calculated?

4.3.3. The calculation of SMROI

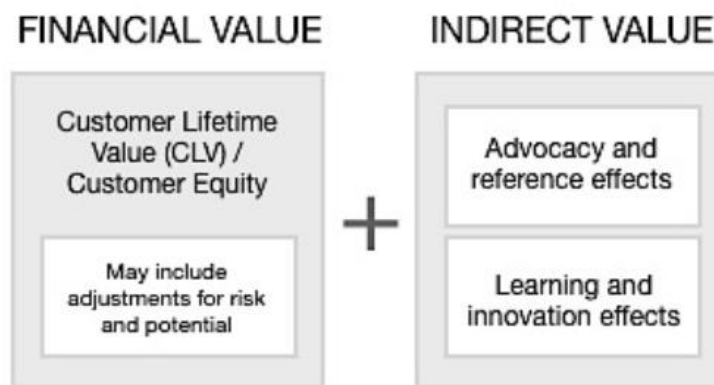
Calculating SMROI accurately, the companies should follow the direct and indirect effect of social media marketing. Actually, Dr. Kaplan and Dr. Norton created a new approach to measure the ROI in the means to capture all of the benefits. This approach named as The Balanced Scorecard which have four perspectives for ROI: financial, customer, internal processes, and learning and growth. (Ray, 2010) With the light of this information; a research model for calculation of SMROI can be created as a scheme below:

Figure 11. Research Model of ROI of Social Media Marketing



As this study mentioned; social media has a direct and indirect impacts on the performance. Another approach to show the direct and indirect impact of SMROI is Ryals' scheme can be a reference point for beginning; which is shown below as:

Figure 12. Financial & Indirect Values of Social Media



(Rautio, 2012)

As can be seen from the Figure 10; direct impact of the social media marketing is immediate effect of social media, which are seen in a short term and or long term, while indirect impact of social media is non-financial effects, which were listed at previous chapter.

In detail for these values, the direct approach presumes that customer values and marketing have a direct financial impact. Consequently, the costs for social media marketing must be tracked financially. In addition to understand these financial values: (Rautio, 2012)

Customer lifetime value (CLV), for accounting terms; it is the forecasting the net present value of a customer. However; there is a limitation here because the length and revenue of a customer are forecasted in this value. To figure out the right conclusions, customer acquisition is also important for the companies; that is why it is needed to forecast the costs for customer acquisition, too. Acquisition and retention are the key variables of CLV. Berger and Nasr highlight the importance of retention because of its four effects on profitability. The most

known effect is that satisfied customers can suggest the purchase of a product to new customers; which also means to accelerate the customer acquisition. (Weinberg, Berger, 2011)

$$CLV_i = \sum_{y=1}^{T_i} \frac{CM_{i,y}}{(1+r)^{y/frequency_i}} - \sum_{l=1}^n \frac{\sum_m C_{i,m,l} * X_{i,m,l}}{(1+r)^l}$$

Where:

CLV_i = lifetime value of customer i ;
 $CM_{i,y}$ = predicted contribution to operating margin of customer i in purchase occasion y , measured in dollars.

r = discount rate for money
 $C_{i,m,l}$ = unit marketing cost for customer i in channel m in year l
 $X_{i,m,l}$ = number of contacts to customer i in channel m in year l

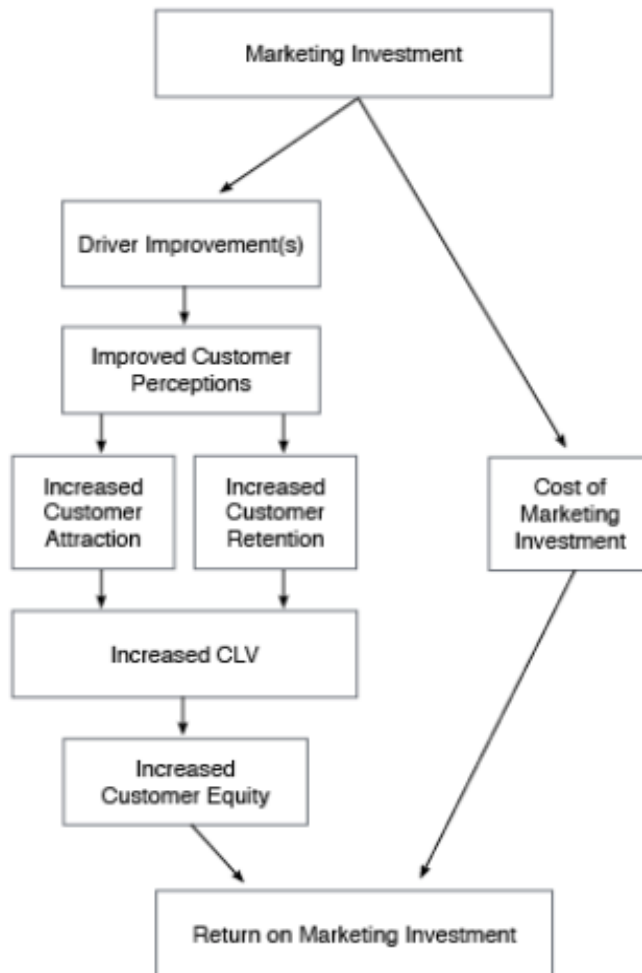
$frequency_i$ = predicted purchase frequency for customer i
 n = number of years to forecast
 T_i = predicted number of purchases made by customer i until the end of the planning period

(Kumar, Petersen, and Leone, 2007)

Another important effect of social media in customer lifetime value is the word of mouth effect of the social media, which comes from its nature. Because some bloggers or friends can influence other social media users about the purchase intention; that is why the formula should include this effect, too. To address this issue; Weinberg & Berger (2011) has created a term for this issue, which is *Connected Customer Lifetime Value* (CCLV). That is the net contribution made by other customers due to the influence of that customer. It will be detailed next pages in this study.

Customer equity is defined by Lemon (2001), as “the total of the discounted lifetime values summed over all of the firm’s current and potential customers.” Customer equity suggests that strategic decisions should focus on improving drivers of customer value, and the effect of this focus is shown as below:

Figure 13. Customer Equity and Marketing ROI



(Rautio, 2012)

These can be thought as the direct value of the social media, named by Ryals. The indirect values of the social media are categorized into four variables by Ryals; advocacy, reference, learning and innovation.

Advocacy and reference are listed as the indirect or qualitative value of social media marketing. Advocacy can be thought as the referrals or the social

version of the word of mouth effect; as mentioned at customer lifetime value. Actually, customers generally trust the information gotten from a fellow customer than created by an organization. That is why; social media has a dramatic impact on the social media users. An advocate customer can be thought as a brand ambassador who acts extension of voluntary marketing activities; and these kinds of customers are more valuable for the companies compared to an average customer. Social media is a significant place for addressing the importance of the word-of-mouth effects. That is why; it can influence the brand's image, profitability, or an organization's reputation; which means that social media's referral effect on the purchase intention can be greater than an advertising made by the company itself.

Because different types of social media represent distinctions, Weinber & Berger has introduced a novel social media performance metric which is Connected Customer Lifetime Value (CCLV) as mentioned before while explaining the customer lifetime value. CCLV is the sum of CLV, Customer Referral Value (CRV) and Customer Social Media Value (CSMV), which are detailed below:

$$\mathbf{CCLV = CLV + CRV + CSMV}$$

There have been several studies about the traditional word of mouth effect in many areas of marketing. The contemporary format of word of mouth is social media; it can be called as word of web, too. This study will think word of mouth effect with CLV; which refers to *Customer Referral Value (CRV)*. As an example, an American Express customer can participate in a promotion to get a 'reward' (\$ 50 gift card, 5,000 Membership Reward points) for each new customer acquired through his referral. Its formula can be shown as:

The formula for calculating referral value (CRV) is

$$CRV_i = \frac{\text{Value of customers who joined because of referral}}{\text{Discount Rate}} + \frac{\text{Value of customers that would join anyway}}{\text{Discount Rate}}$$

$$CRV_i = \sum_{t=1}^T \sum_{y=1}^{n1} \frac{(A_{ty} - a_{ty} - M_{ty} + ACQ1_{ty})}{(1+r)^t} + \sum_{l=1}^T \sum_{y=n1}^{n2} \frac{(ACQ2_{ty})}{(1+r)^t}$$

Where:

T = the number of periods (years, for example) that will be predicted into the future

A_{ty} = contribution to operating margin by customer y who otherwise would not buy the product

a_{ty} = the cost of the referral for customer y

$n1$ = the number of customers who would not join without the referral

$n2 - n1$ = the number of customers who would have joined anyway

M_{ty} = the marketing costs needed to retain the referred customers

$ACQ1_{ty}$ = the savings in acquisition cost from customers who would not join without the referral

$ACQ2_{ty}$ = the savings in acquisition cost from customers who would have joined anyway

(Kumar, Petersen, and Leone, 2007)

In the formula of CCLV, CSMV refers to the CLV multiplied by the product of the customer's incremental impact in different social media. Because social media encompasses a broader variety of communications and interactions between and among the consumers and individuals, CSMV can be another non-direct financial factor that affects the SMROI value. (Weinberg, Berger, 2011)

$$CSMV_i = CLV_i * ([1 + SM_{i1}] * [1 + SM_{i2}] * \dots * [1 + SM_{ij}] * \dots * [1 + SM_{iJ}] - 1)$$

In this formula, "I" refers to individual customers, I and j indexes different social media. CLV_i is the traditional CLV of customer i; and SM_{ij} means that for the customer I, the impact of social media j, where j represents any of a variety of social media applications, such as Facebook, Instagram, Twitter, communities and blogs or so on. It is assumed that; if SM_{ij} values are greater than zero, the customer i has a positive influence in social media j. In addition, if a customer is not engaged at all with any social media; SM_{ij} equals to zero and, correspondingly CSMV equals to zero, too.

Unlike advocacy and referral effects, *learning and innovation* effect influence customer valuation, learning and innovation enhance the overall revenues or efficiency of the company. Indeed, these effects can be thought as the customer relationship management; and customer-centric product or brand management. Actually, companies create customer strategies based on customer valuation processes; even they create decision-making tools for determining the most valuable clients. Learning and innovation effects help the companies for cost reductions, and revenue increases.

In addition to the Ryals scheme; there are other effects for the SMROI. These effects are mentioned in the first chapters of this study. First of all, the 4P of marketing (Product, Price, Promotion, and Place) are one of the main influencer of SMROI. In the point view of SMROI, these effects can be expressed as:

Product policy is the first component that affects the performance of the online marketing, as traditional marketing, too. Because it is at the core of all marketing activities and the other marketing mix are highly dependent to this marketing mix. When comparing product component between traditional marketing and online marketing; it loses some features in the internet; such as tangibility, smell, taste etc. That is why, the importance of information usage increases in online environment, and so online stores offer more and complex information for the potential customers. For example, many companies show their products' pictures from as much as many angles with the option of zooming. These all displaying the product performance has a great impact on the marketing performance in social media, too. In the social media; the purchase of the products are just a click away which does not need a time consuming and thus which is getting more convenience; however because the interaction is very low; consumer confidence, loyalty and trust is very much important for the companies. (Talpa, 2016) That is why, product component of marketing mix is very important in social media, for building a good relationship with the customers, and brand. That also directly affect the online presence of the companies; which is very much

important nowadays. Another point for the product mix is that if the product is a new launch or a well-known in the market. Because of all these reasons, product component of marketing mix has a direct effect for the performance of the social media marketing that is why it should be taken in consideration while calculating SMROI.

Price policy is the second component of the marketing mix that affects the social media campaigns, too. Because online environments have low cost of storage, advertising and rental, it allows companies to offer lower prices to the customer in online platforms. These costs are shown in online marketing as delivery costs; which is approximately 10-15% costs of total cost in traditional marketing. Social media platforms also allow the customer to access much information about the product, and actually, the price benchmarking is one of the most important advantages for the customers. (Talpau, 2016) Because of all these, price is one of the major factors in social media campaigns, and the question here is “What is the price of the product in social media? Does it have the same price or more reasonable price compared to retail price?”

Promotion policy is another component in marketing mix that affects the social media campaigns. It also means of the way of communication with the target market and potential customers. There are some promotion methods in online environments, which can be listed as the site itself, paid advertising (text and image ads, banners, through videos), optimizing your site for search engines, promoting an organization through social networks, and offering some additional benefits for the customers. (Talpau, 2016) Thus, promotion is one of main factor that affects the performance of the social media marketing. The question is that “what kind of promotions does the campaign uses or does the product have additional promotions (ticket, points, etc.) in the online sales?” Because that is another factor, it should be taken into consideration in the formula of SMROI.

Place policy is another marketing mix component for traditional and online marketing. Nowadays, social media is just another distribution and sales

channel for many companies. Actually, it is a kind of business model for companies, which enables them to serve customers in a more efficient manner. Because it offers an opportunity for the companies serving customers without intermediaries, the companies can lower the prices in online channel; and even they can create much more effective relations with the customer. That also increases the potential for the firms to gather information necessary to market and develop their experience interacting with customers. Online marketing has a huge effect on the availability and storage of the products, convenience of the customers, which influences directly the sales performance of the products. That is also a way for providing competitive advantage for the companies. (Talpai, 2016) Because of these and place policy directly affect the performance of the social media campaign; it is important that where the product is placed. One of the major questions here is that if it is placed only in social media, or in retails, too? Alternatively, is it placed in more than one social media channel? etc. That is why; place of the product should be one of the other factor for the calculation of SMROI.

Briefly, as can be seen from the explanations, the marketing mix components have a huge impact on the performance of social media campaigns with respect to lowering costs, flexibility, speed, the high importance given to the client, increased interactivity and rich amount of information provided by this environment, overcoming geographical boundaries and other possible barriers and permanent access. (Talpai, 2016) That is why; these all mixes should be taken into consideration while calculating SMROI.

Besides, some metrics should be detailed more and be taken in consideration while calculating SMROI. That is why; some of these metrics will be detailed. These metrics can have different effects based on the social medium; that is why these metrics will be detailed and added to the formula for each social media platform; Facebook, and Instagram.

4.4. The formula of ROI for Facebook

Facebook is the most popular social media platform all over the world; which has more approximately 2 billion people, as mentioned before. Actually, this statistics excite many companies and marketers; that is why they use Facebook as a marketing channel to reach their target market and they invest this channel much more day by day. However, for evaluating the success of these investments, marketers need to track the performances in many aspects. These aspects are actually called as the metrics in social media. Social media has some shared metrics; however, some of them are special for each social media platform. That is why, each social media platform ROI will be issued separately in detail.

The main metrics used in Facebook are mentioned in this study before. Shortly, these metrics can be listed as:

- Amount Spent
- Post Reach
- Post Impressions
- People Taking Action
- Page Engagement
- Post Reactions
- Post Engagement

Here, some of these metrics are used in the formula as below:

Total Revenues = a + b* Amount Spent + c*Post Reach + d* Post Impressions + e*Post Engagement + f* Page Engagement + g*People taking action + h*Post reactions + i*Unique Clicks (All)

This formula is for the short-term results of the social media campaigns. However, for the long term the referral value of the social media should be considered; that is why the formula could be thought as:

$$\text{Total Revenues} = a + b * \text{Amount Spent} + c * \text{Post Reach} + d * \text{Post Impressions} + e * \text{Post Engagement} + f * \text{Page Engagement} + g * \text{People taking action} + h * \text{Post reactions} + i * \text{Unique Clicks (All)} + \text{CSMV}$$

which also means:

$$= a + b * \text{Amount Spent} + c * \text{Post Reach} + d * \text{Post Impressions} + e * \text{Post Engagement} + f * \text{Page Engagement} + g * \text{People taking action} + h * \text{Post reactions} + \text{CLV}_i * ((1 + \text{SM}_{i1}) * (1 + \text{SM}_{i2}) * \dots * (1 + \text{SM}_{ij}) * \dots * (1 + \text{SM}_{iJ}) - 1)$$

Moreover, variables can be modified with other metrics, too. However, these metrics are the most related and most effective metrics for calculating the total revenues of social media marketing.

As mentioned before these all metrics and calculations can change according to being a product or service company. This thesis has studied on two service companies in Turkey. One of the companies is online selling company, and the other one is a hospital.

After the regression analysis of campaigns, the formula is drawn as:

$$\text{Total Revenues} = 1327,49 + 1,89 * \text{Amount Spent} + 0,003 * \text{Post Reach} + 0,004 * \text{Post Impressions} + 0,051 * \text{People Taking Action} + -0,012 * \text{Page Engagement} + 0,979 * \text{Post Reactions} + -0,009 * \text{Post Engagement}$$

CONCLUSION

This thesis studied on the calculation of return on investment of social media marketing. As mentioned in the introduction; the marketing investment of companies and individuals for social media is increasing day by day. That is why; the question "Is it feasible to invest on social media for marketing" or "What is the return on investment of social media marketing" is one of the major debates for the marketers, and executives. In the aspect of these questions; a formula was needed to calculate the efficiency of these investments. As mentioned in the thesis, there are lots of social media channels; this is why this thesis focused on the most popular medium, Facebook. The formulas created in this study are focused on both short-term and long-term returns in the aspect of financial total revenues.

This thesis has created a new formula for calculating the efficiency of Facebook advertisements for service companies which can be thoughts as the short-term effects of social media on service sector. However; the investments for social media have short and long-term effects that have been also mentioned in previous pages. As a result, the future researches about this subject should focus on both short-term and long-term effects of social media marketing.

Secondly, because there are many channel options to invest on social media for marketers; future researches may focus on the social media's other channels performances, and even new formulas should be created for other channels, too.

Thirdly, in addition to these, the future studies can also focus on the different sectors to customize the return on investment of social media channels formulas for each sector.

As a conclusion, social media is a trend topic for nowadays; and obviously its popularity will increase continuously. This is why; this thesis focused on this topic and can be thought as only a small part of these kinds of researches and as a new beginning for creating formulas for this area.

REFERENCES

- Agius Aaron, (2016). 10 Metrics to Track for Social Media Success, viewed 08.11.2017, <https://www.socialmediaexaminer.com/10-metrics-to-track-for-social-media-success/>
- Ambler, T., Roberts, J.H., (2008) Assessing marketing performance: don't settle for a silver metric, JOURNAL OF MARKETING MANAGEMENT, 2008, Vol. 24, No. 7-8, pp.733-750
- Andrew Hutchinson, Top Social Network Demographics 2017 (Infographic), viewed 07.11.2017, <http://www.socialmediatoday.com/social-networks/top-social-network-demographics-2017-infographic>
- Araújo J.B, Zilber S. N. (2016).What Factors Lead Companies to Adopt Social Media in their processes: Proposal and Test of a Measurement Model
- Constantinides E., (2006). The Marketing Mix Revisited:Towards the 21th Century, Marketing Journal of Marketing Management, p. 407-438
- Cronin, J.J., (2014). Teaching ROI Analysis in an Era of Social Media, Journal of Advertising Education, 28-34
- Felix, R., Philipp A. Rauschnabel, P.A, and Hinsch C., (2015). Elements of strategic social media marketing: A holistic framework
- Fisher, T., (2009) ROI in social media: A look at the arguments
- Gattorna, J. (1978), "Channels of Distribution Conceptualization: A State-of-the Art Review," European Journal of Marketing, 12 (July), 469–512.
- "https://www.ama.org/AboutAMA/", Web, 05.11.2017
- "http://www.businessdictionary.com/", Web, 07.11.2017
- "https://www.ngdata.com", Web. 07.11.2017
- "http://www.investopedia.com/", Web, 07.11.2017

“<http://www.mycustomer.com/marketing/technology/infographic-the-history-of-online-advertising>”, Web. 07.11.2017

“<https://storm81.com/all-marketing-channel-database>”, Web, 07.02.2017

“<http://historycooperative.org/the-history-of-social-media>”, Web. 07.11.2017

“<http://www.smartinsights.com/social-media-marketing/social-media-strategy/new-global-social-media-research>”, Web. 07.11.2017

“<https://www.facebook.com/>”, Web. 07.11.2017

“<https://newsroom.fb.com/company-info/>”, Web. 07.11.2017

IAB. ,(2009). Social Media Ad Metrics Definitions

Jackson Dominique, (2016). All of the Social Media Metrics That Matter, viewed 08.11.2017, “<https://sproutsocial.com/insights/social-media-metrics-that-matter/>”

Juneja P. (2016). The 7 Ps Of Services Marketing

Kumar, V., Petersen, J.A, and Leone R.P., (2007). How Valuable is Word of Mouth, Harvard Business Review

Lemon, K.N., Rust, R.T., and Zeithaml, V.A., (2001).What Drives Customer Equity

Market Share, viewed 12.11.2017,

“<https://www.investopedia.com/terms/m/marketshare.asp>”

Marketing: 96 Amazing Social Media Statistics and Facts, “<https://www.brandwatch.com/blog/96-amazing-social-media-statistics-and-facts-for-2016/>”, Web. 07.11.2017

McLeod Betsy, 100+ Social Media Statistics You’ll Want to See (2017), viewed 07.11.2017, <https://www.bluecorona.com/blog/social-media-statistics-2017>

Moro, S., Rita P., Vala, B. (2015). Predicting social media performance metrics and evaluation of the impact on brand building: A data mining approach

Oggolder, C. (2015). From Virtual to Social: Transforming Concepts and Images of the Internet

Paley, N. (2008). The Marketing Strategy Desktop Guide

Palmatier, Robert W., Louis W. Stern, Adel I. El-Ansary and Erin Anderson (2014), Marketing Channel Strategy, 8th ed. Upper Saddle River, NJ: Pearson Prentice Hall.

Pauwels, Koen, Tim Ambler, Bruce Clark, Pat LaPointe, David Reibstein, Bernd Skiera, Berend Wierenga, and Thorsten Wiesel (2008), “Dashboards and Marketing: Why, What, How and What Research Is Needed?,” “MSI Working Paper, Marketing Science Institute, Report 08-203.

Pestov Ilya, Today’s Incredible Numbers About Social Media, viewed 07.11.2017, “<https://medium.com/@ipestov/todays-incredible-numbers-about-social-media-a6b1ff2ca887>”

Peters, K. & Chen, Y. & Kaplan A.M. & Ognibeni B. & Pauwels, K. (2013). Social Media Metrics — A Framework and Guidelines for Managing Social Media

Pilon Annie, 48 Social Media Channels for Marketing Your Business: The Ultimate Guide, Viewed 07.11.2017, “<https://smallbiztrends.com/2016/09/social-media-channels-marketing.html>”

Rautio, A. (2012). Social Media ROI as part of Marketing Strategy Work - Observations of Digital Agency Viewpoints International Business

Ray, A., (2010). The ROI Of Social Media Marketing

Ringold D.J & Weitz B. (2007). The American Marketing Association Definition of Marketing: Moving from Lagging to Leading Indicator

Rutherford, D., Knowles, J., (2007). Vulcans, Earthlings and Marketing ROI
Getting Finance, Marketing and Advertising onto the Same Planet

Sezgin, S., (2011). PowerPoint slides, Istanbul Bilgi University.

Shen, B. & Bissell K., (2013) Social Media, Social Me: A Content Analysis of
Beauty Companies' Use of Facebook in Marketing and Branding

Social Media Marketing by the Numbers, viewed 07.11.2017,
“<http://marketingzen.com/social-media-marketing-numbers/>”

Spencer Jamie, 60+ Social Networking Sites You Need to Know About in 2017,
viewed 07.11.2017, “<https://makeawebsitehub.com/social-media-sites/>”

Sterne, J. (2010). Social Media Metrics: How to Measure and Optimize Your
Marketing Investment

Sümer S.I & Eser Z. (2006). Gazi Üniversitesi İktisadi İdari Bilimler Fakültesi
Dergisi 8/1, p. 165-186

Talpau A.(2006) The Marketing Mix in yhe Online Environment

Uyar, A. and Boyar E. (2015). An Investigation Into Social Media Usage of
Publicly Traded Companies

Watson G.F, Wormb S., Palmatiere R.W., Ganesan S. (2015). The Evolution of
Marketing Channels: Trends and Research Directions

Weinberg, B.D., Berger, P.D., (2011).Connected customer lifetime value: The
impact of social media, Journal of Direct, Data and Digital Marketing Practice
(2011) 12, 328– 344.

What Is Social Media? Explaining the Big Trend, “<https://www.lifewire.com/>”,
Web. 07.11.2017

Zamfir, M., Manea, M.D., Ionescu, L. (2016). Return On Investment – Indicator
for Measuring the Profitability of Invested Capital