# Chapter 6
# Social Media Based Relationship Marketing

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## ABSTRACT

*A growing number of colleges and universities are using social media as an integral component of their marketing strategy, because they realize marketing is not a marketer-led, one-way form of communication, but a student-led, two-way dialogue. By becoming part of this conversation, educational institutions can learn about how to incorporate social media as part of their marketing strategy to reach these students. The chapter combines an overview of social media based marketing tools and "real-world" experience from corporate and academic institutions on social media based marketing. This chapter ends with a case study of Penn State Global Campus to assist marketing managers to create social presence for online educational programs.*

## INTRODUCTION

Recruitment and retention continue to serve as key issues in online higher education. Currently the management of this process is changing in response to the growing array of social networks, characterized by conversation and community, which has created new paths for communicating and sharing information and have become a vital part of the online learning environment.

In online marketing, for example, there has been rapid growth in the evolution and use of social networks such as Facebook, MySpace, Flickr, and YouTube. At the same time, a growing number of students are actively participating in some form of social media such as weblogs, forums, wikis, social blogs, and tweets. The social media platform leverages the web's massive scale to carry information globally and instantly. Social media is not a buzzword, and institutions can no longer afford to exclude social media from

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online marketing strategies. Social media is rapidly becoming a preferred channel for disseminating information and communications.

Conventional mass media platforms such as print, radio, and television are inherently a one-way communication platform. Even though, mass media continues to play a role in the dissemination of information it is increasingly being influenced by online conversations. Marketers are alarmed at the prospect of losing control of marketing communications unless they speak directly to their constituents without the involvement of media intermediaries. A growing number of colleges and universities are using social media as an integral component of their marketing strategy because they realize marketing is not a marketer-led, one-way form of communication, but a student-led, two-way dialogue. By becoming part of this conversation, institutions can learn about how to incorporate social media as part of their marketing strategy to reach these students.

The chapter combines an overview of social media based marketing tools and "real-world" experience from corporate and academic institutions on social media based marketing. This chapter ends with a case study of Penn State Global Campus to assist marketing managers to create social presence for online educational programs.

## Transactional Marketing and 4P's Model

Transactional marketing is a business strategy that focuses on single sales transaction. The emphasis is on maximizing the efficiency and volume of individual sales transaction rather than developing a long-term relationship with the buyer. Prof. E. J. McCarthy proposed the transactional approach to mass marketing of products in the early 1960s based on the "Four Ps" each representing one tactical component of Product, Price, Placement and Promotion within a comprehensive marketing plan. The model tends to treat the four elements as if they are of equal importance. The 4Ps model evolved to 7Ps with the addition of three service elements, "People, Process, and Physical evidence" to the marketing mix. Transactional marketing and the 4Ps (Product, Price, Promotion and Place) concept were developed as a basic framework for marketing of products. According to Palmer (2005),

*the challenge for businesses during this period can now largely be seen as putting in place the means of production to satisfy growing demand using the techniques of marketing to capture consumers as they enter the market. By expanding and developing the product range new features and benefits helped to sustain demand, and hence marketing became operationalised by means of product and product range management.*

An example of transactional marketing is the Cola Wars of the late 1990's between the two leading brands, PepsiCo and Coca Cola. PepsiCo used the mass marketing strategies including celebrity sponsored print, television, outdoor, in-store, Internet and catalogue advertising coupled with promotional products to re-gain market share from Coca Cola. PepsiCo reported an increase in market gain of 2 points of share over rival Coca Cola (Eldridge, 2007). Not sure what percentage of the gains can be attributed to the online and traditional mass advertisement campaign, but Eldridge (2007) gives credit to the strategy of product promotion for putting PepsiCo ahead in the game. Research has shown that mass marketing campaigns and cheap give-away promotions do not have a long-lasting impact on the market share of a brand (Sheth & Parvatiyar, 2000).

## Purchase Funnel Model and Consumer Purchase Behavior

Transactional approach to mass marketing based on 4Ps provides broad guidelines to develop a comprehensive marketing plan. The classic 'Purchase Funnel' model has been used by marketers

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