

Social media marketing jumps in value on back of Google buy

According to Eric Edelstein of Cape Town's evly, Google's purchase of Wildfire last week for a reported US\$250m is confirmation that social media marketing has come into its own.

"In the past few weeks we've seen three major deals that amount to a billion-dollar bet on the power of social marketing," he says. "Apart from this purchase, we've also seen Oracle buy Vitruve for US\$300m and Buddy Media sold to Salesforce for US\$689m."

Edelstein believes there is still plenty of room in the market for more players. "Everyone is doing something slightly different. For instance, our company, unlike most other social marketing companies, is not just about entertainment."

He says both Wildfire and Buddy Media specialised in relatively shallow customer engagement through competitions, sweepstakes and other light entertainment. "The information flow is still very one-way. The client can count clicks and shares, but richer communication does not happen. We think that leaves a lot of value on the table.

"Best sources of innovation"

"Customers are one of the best sources of innovation and ideas any company has. However, traditionally it has been difficult and expensive to tap into that resource with brands not truly knowing who these people are. With our system, the power of social engagement becomes easy to harvest and that same engagement can be extended not only to fans, but also to employees."

While Facebook is the current favoured platform for customer engagement, any serious social marketing player should be able to engage with customers across multiple platforms. "Facebook has done a good job of accommodating brands and organisations, but it's not purpose-built for them. There are other ways and places to reach customers and more will continue to appear. The key is to engage with people in their own preferred environments.

"If you harness it correctly, the power of social marketing can turn marketing from a pure cost to an investment in the future sustainability of a business," he concludes.