LEVERAGING
SOCIAL MEDIA MARKETING

in Food & FMCG Industry in Saudi Arabia

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ABSTRACT

Social media is not a fad anymore, and marketers don't have that as an excuse not to pursue knowledge and research to be able to leverage its power in marketing Food and FMCG brands in the   Saudi market.   The problem they faced was the lack of understanding why some brands succeed on social media while others fail. They lacked the knowledge to form insights on the Saudi social media scene, a clear structure for formulating strategies, and above all what made those strategies successful. While available literature provided some insights and knowledge, it was all dispersed across the web and not organized as a "big picture" that gives marketers clear direction. However, by surveying a sample of online Saudi population, observing brands' efforts on social networks and their outcomes, and interviewing professionals creating or supporting their brands' social media strategy strategies, a clear process was formed to create a strategy that ensures success on the long run. Through research and case studies, it was deducted that formulating a sound strategy is comprised of 5 cornerstones: Brand assessment, brand goals, target audience analysis, tactical strategy, and measurement and evaluation. Therefore, in summary, social media marketing and communications of the Food and FMCG industry in Saudi Arabia is not as elusive as marketers and brands believe it is. By following the process revealed in this research, social media can be successfully leveraged as a sustainable communication and marketing channel.

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I invested a lot of my time, effort and expertise into this research, but of the entire thesis, this is the only place where I can show my heart. It is the place that means the most to me personally because I get to give out warm thanks to those who supported me and helped me out during the very long, and at times stressful, journey leading up to this.

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My Best Regards;
Manal "The Manalyst" Assaad

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CHAPTER ONE: INTRODUCTION

Social media have revolutionized the way business is conducted all over the world. Social networking sites such as Facebook, Twitter, Linkedin and others have become a daily integral part of people's communications. Still, many businesses in Saudi Arabia have yet to learn how to leverage their power in an effective model to reach the local target audience online & communicate corporate and marketing messages to them to warrantee an appropriate action.

The Food and Fast Moving Consumer Goods (FMCG) companies in particular have had their fair share of successes and failures on social media, as they keep on testing and learning through trial and error. The focus on Food and FMCG industry comes from the fact that it is an interesting sector where the level of competition is high, and social media is fueling this competition by enabling small businesses to compete with large businesses.

Food brands include local and franchised fast food restaurants, cafes and confectionary stores; FMCG brands include companies selling low-cost items that consumers tend to buy frequently and habitually such as food products, drinks, household products (detergents, toothpaste, shampoo, etc.) and cosmetics, as well as low-cost clothing & electronics (such as those sold at Danube or HyperPanda).

In the Food and FMCG industry, consumers are faced with many choices where price differentiation is minimal and quality is often difficult to gauge among most brands. This leaves marketers with the difficult task of finding new ways to make their brands stand out. Social media is proving to be an effective and direct channel in connecting with the target audience and influencing their perception of brands, making this research essential for guiding them to best practices.

Background of the Study

As social media networks and tools emerge, evolve quickly and rise to popularity, driven by new technologies & need gaps, it becomes easier for businesses to sidetrack from their

strategies and dilute their efforts across the Web 2.0 in order to capture a share of the online market, which only results in their failure.

Moreover, the lack of sufficient knowledge in this field and the amount of agencies and experts *claiming* to have it –but failing when it comes to applying it– have deferred so many businesses from endeavoring to adopt social media as a corporate communication & marketing channel and left them doubtful of its return-on-investment (ROI).

The lack of knowledge and expertise worsens in Saudi Arabia as most local businesses struggle from adapting social media tools to local practices in a timely manner. Statistics of Internet users in Saudi Arabia are not widely available, nor are accurate statistics of social networks' users. Even with reliable statistics available, businesses lack the direction to analyze and translate them into successful strategies.

Nonetheless, there are businesses that have figured out and pioneered the "social game" and capitalized on it. This has motivated many others to start exploring social media communication and marketing initiatives to transcend middlemen and connect directly with their public.

Problem Statement

This research focuses on solving the main issue that most companies in Saudi Arabia face with social media: What leads some businesses/campaigns to succeed in delivering results on social networks in the Saudi market, and others to fail? Holding that market conditions are the same for all Food and FMCG companies, results on social media vary for them based on different factors. What can these companies base their success and failure factors on; as in, how can they gain the necessary insights to shape their social media strategies? These strategies are also affected by the particular attributes of companies, so how do the different attributes play a role in devising social media strategies? These 3 main questions constitute the research problems.

Objectives of the Study

Through this research, Food and FMCG companies will be equipped with the right knowledge and tools to formulate appropriate social media strategies and carry out successful models in their corporate communications and marketing initiatives. By pinpointing tactics that prove successful to the nature & size of their business, their targeted markets, & planned timeline, companies can then invest resources in social media proportional to the returns they can expect from that investment. This research aims to:

- Provide a framework for finding and gathering data, transforming it into usable knowledge to form insights of the social media scene in Saudi Arabia.

- Provide a structure for Food & FMCG companies for determining appropriate courses of actions to achieve social media objectives through sound strategy formulation that fits the Saudi market.

- Determine success and failure factors of Food and FMCG businesses and campaigns in social media in the Saudi market through case studies.

The three research objectives are closely tied and the examination and achievement of each will contribute to the achievement of the other.

Significance of the Study

Utilizing social media for corporate communications and marketing can result in better targeting, reduced costs, and far higher returns when done properly. However, when done poorly, companies can end up with a PR crisis on their hands, or negative impressions in their community that can devalue their brands. Perhaps the latter is what scares most companies from jumping into the social media wagon, which on the long run would cost them even more as the world is going social and if companies don't go to where their customers are, they'll lose touch with them sooner or later.

This study builds a base for Food and FMCG companies to launch their activities in social media on sound grounds by providing them with the necessary research data and aiding them in formulating effective strategies that lead to their success. The significance of this study isn't that it provides specific details of the social media scene in the Saudi market, but that it consequently provides a stable framework that companies can use to stay updated with the social media scene and that can be adapted to achieve positive results.

Definitions of Terms

For the purpose of this study, the following terms are defined as such:

1. Social Media: It includes web-based and mobile based technologies which are used to turn communication into interactive dialogue among organizations, communities, and individuals, and defined as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content. (Source: Wikipedia).

2. Social Networks: A social structure made of individuals or organizations that are connected through various familiarities ranging from casual acquaintance to close familial bonds. In the Internet, social networking refers to a category of applications that connect friends, business partners, or other individuals together using a variety of tools. Examples of social networking sites include: Facebook, Twitter, Youtube, Linkedin, etc. (Source: WGBH)

3. Corporate communications: Corporate communication is the communication issued by a corporate organization, body, or institute to all its public(s). "Publics" here can be both internal (employees, stakeholders, i.e. share and stock holders) and external (agencies, channel partners, media, government, industry bodies and institutes, educational institutes and general public). (Source: Wikipedia)

4. Web 2.0: Web applications that facilitate participatory information sharing, interoperability, user-centered design, and collaboration on the World Wide Web. A

Web 2.0 site allows users to interact and collaborate with each other in asocial media dialogue as creators (prosumers) of user-generated content in a virtual community, in contrast to websites where users (consumers) are limited to the passive viewing of content that was created for them. Examples of Web 2.0 include social networking sites, blogs, wikis, video sharing sites, hosted services, web applications, mashups and folksonomies. (Source: Wikipedia)

5. Online and Offline: "Online" indicates a state of connectivity, while "offline" indicates a disconnected state. In the area of human interaction and conversation, offline can be used in contrast to the common usage of online. For example, discussions taking place during a business meeting are "online", while issues that do not concern all participants of the meeting should be "taken offline" — continued outside of the meeting (Source: Wikipedia). For the purpose of this research, online refers to marketing activities done on the internet, specifically social networks, while offline refers to marketing activities taken place in physical locations in direct contact with people.

6. Metric: a direct numerical measure that represents a piece of business data in the relationship of one or more dimensions.

7. Key Performance Indicators (KPIs): A KPI is a metric that is tied to a target. Most often a KPI represents how far a metric is above or below a pre-determined target. KPI's usually are shown as a ratio of actual to target.

Limitations of the Study

As in every study, there were some challenges in reaching the objectives. As stated earlier, social media tools emerge and evolve quickly so by the time the research is done, some information might change and could affect the results, although to a minimum extent. Some information might have even became absolute, like Friendster, a social networking site, plunged from the top to bottom unexpectedly as other social networking sites, mainly Facebook, rose to popularity (Wauters, accessed on May 2, 2011)[1].

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