

**Strategic Services Marketing**  
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**Lecture - 17**

**Online Customer Engagement and Social Media Marketing**

Hello everyone. In this lesson, let's understand importance of online customer engagement and social media marketing in the context of services. But what is customer engagement? Let's try to understand this concept first. Customer engagement is a measure of how effectively a business is communicating and building relationships with its customers across online and offline channels. Essentially it's a barometer for how invested people are in your brand, which can be a strong predictor for customer loyalty. Now comes to defining online customer engagement.

Online customer engagement refers to the interactive and dynamic interactions between a business or brand and its customers in the digital realm. It encompasses the use of various online channels and platforms to connect, communicate and build relationships with customers. Online customer engagement involves fostering meaningful interactions, providing valuable content and creating experiences that resonate with the target audience. Now let's understand the key aspects of online customer engagement.

Here are five communication, content, personalization, feedback and community building. First here is communication. This is about establishing a two way communication channel where customers can interact with the brand and vice versa. Content is all about delivering relevant and compelling content through various online mediums to capture and maintain customer interest. Third aspect is personalization.

That means tailoring interactions and content based on individual customer preferences and behaviors. Then comes feedback, where we actively seek and respond to customer feedback, reviews and opinions to enhance the customer experience. And finally community building aspect, which involves creating and nurturing online communities where customers can connect with each other and the brand. Now the evolution of customer engagement has undergone significant transformation with the advent of digital

technologies. In the digital age, customer engagement has shifted from traditional one way communication to a more interactive and personalized approach.

Let's understand the key milestones in the evolution of this particular customer engagement. This particular chart represents the evolution of customer engagement in the digital age. Earlier or to start with there was traditional marketing. In the pre digital era, marketing was primarily one way with businesses broadcasting messages through traditional media channels such as television, radio and print. Then comes the introduction of websites.

The emergence of business websites allowed for a basic level of interaction, providing information to customers but with limited engagement opportunities. Later there was a rise of social media. The proliferation of social media platforms marked a paradigm shift enabling real time, interactive communication between businesses and customers. Social media became a powerful tool for engagement and brand building. Then comes mobile revolution.

The widespread adoption of smartphones further intensified customer engagement, allowing businesses to reach customers anytime, anywhere through mobile apps, messaging and push notifications. Then comes personalization and data analytics era, wherein advanced data analytics and personalization techniques enable businesses to tailor their interactions based on individual customer preferences, behaviors and demographics. And then chatbots and automation. The integration of chatbots and automation technologies streamlined customer interactions, providing instant support and information. Then comes omni channel engagement.

Customers now expect a seamless experience across various online channels, prompting businesses to adopt omni channel strategies for consistent engagement. And user generated content is the prominence of user generated content, reviews and social proof became crucial nowadays in shaping customer perceptions and influencing engagement. So this online customer engagement evolved over a period holds immense significance for businesses, contributing to the establishment of strong customer relationships and the enhancement of brand visibility. The strategic implementation of online engagement strategies offer several key benefits. Let's discuss these benefits in detail.

First benefits is with respect to building customer relationships and the second one deals with enhancing brand visibility. Under building customer relationship, the first benefit is about establishing trust and credibility. Trust is a cornerstone of customer relationships, establishing credibility through transparent and authentic online interactions builds trust in the particular brand. The strategies here might involve providing accurate information, addressing customer concerns promptly, effectively and delivering on promises contribute to building trust. And if an organization does these things, customers are more likely to

engage and transact with the brand they trust, fostering a positive perception and reducing skepticism.

Secondly, under building customer relationship, the second benefit leads to fostering long-term customer loyalty. Long-term customer loyalty is a key driver of business sustainability and growth. Engaged customers are more likely to become loyal advocates. What firms can do? Personalize interactions, offer loyalty programs and even consistently exceed customer expectations so as to contribute to loyalty. If a firm does it very well, they can have loyal customers who are not only repeat buyers but also vocal advocates who contribute to positive word of mouth and brand advocacy.

With respect to second set of benefits that leads to enhancing brand visibility, the first primary benefit is leveraging online platforms for visibility. Online platforms serve as global stages for brand visibility, enabling businesses to reach a diverse audience. Firms looking out for building their brand visibility can actually participate in social media, optimize content for search engines and leverage online advertisement. What they can get in return? They can have increased visibility that leads to broader reach, attracting new customers and reinforcing brand presence in the digital landscape. The second set of benefits is with respect to creating a positive brand image.

A positive brand image influences customer perceptions and decisions. Online engagement shapes how a brand is perceived in the digital space. Firms should share positive customer experiences, they should respond to reviews and align online content with brand values. What they get in return? They can have a positive brand image that enhances customer trust, loyalty and preference for competitors contributing to sustained business success. The significance of online customer engagement is evident in its ability to not only build meaningful relationships with customers, but also elevate brand visibility and perceptions.

Service providers that prioritize these aspects can create a robust online presence, foster customer loyalty and position themselves as trusted entities in the competitive digital landscape. So, after understanding what is customer engagement, let's understand how to measure it. There are multiple majors that can be used to assess customer engagement. For example, few we will discuss here. Number one is average order value or AOV, which is nothing but the average amount spent by customers during a purchase.

It serves as a metric to gauge customer spending on your website, with repeat customers typically spending around 7 times more than one time on new shoppers. A higher average order value often indicates successful customer retention efforts reflecting positive engagement. Second major is social interactions. In the realm of social media, the total number of interactions provides a valuable measure of engagement. This encompasses

replies, likes, retweets, comments, and tags, offering insights into the success of social campaigns and indicate the type of content resonating with that particular audience.

Unlike social media impressions, which measure advertising reach, these active interactions showcase a genuine engagement. Third major is purchase frequency. Purchase frequency refers to how often customers complete a purchase within a specified period. This is calculated by dividing the number of orders in the last let's say 365 days by the number of unique customers. This metric provides a deeper understanding of the customer life cycle.

It helps identify engagement levels and areas where increased efforts are required or needed. Next measurement is repeat purchase rate. The repeat purchase rate is the percentage of customers making more than one purchase within a defined time frame. This metric assesses the effectiveness of customer retention and engagement strategies. Calculated by dividing the number of customers with multiple purchases by the total number of customers in the same period.

A higher repeat purchase rate indicates successful engagement efforts. Then comes newsletter open rates, especially with reference to email marketing. This focuses on a single campaign, particularly content-focused newsletters. This aids in measuring customer engagement. Analyzing open and click-through rates for the emails provides valuable insight into the effectiveness of your email marketing strategies allowing for targeted improvements.

Next comes pages per session. Pages per session indicate the number of web pages a customer visits during a single session on that particular website. This metric is a strong indicator of content engagement and interest in your brand. Higher page numbers reflect greater customer interest, while lower numbers may signal issues with the site structure or content quality. Next comes net promoter score, a very popular measure or NPS as some people call it. NPS gauge customer loyalty and the likelihood of customers recommending your brand.

Regular surveys asking customers to rate their experience on a numerical scale such as on a scale of 1 to 10, how likely are you going to recommend this brand to your friend? These type of questions provide quantitative insights into customer sentiment and loyalty. Now, engaged customers are good for business. They have a stronger, more emotional connection with your brand. The more engaged they are with your brand, the more they are going to spend with you. Ultimately, having a positive effect on your bottom line too.

Towards this, let's understand how to engage customers online. First way is through personalized experiences. Personalized experiences involve tailoring content, recommendations, and interactions based on individual customer preferences and

behaviors. For example, Amazon. Amazon excels in this by using algorithms to recommend products based on customers browsing and purchase history.

Personalization fosters a sense of connection, making customers feel understood and valued by the firm. So, what is the engagement strategy here? First, utilize customer data to understand preferences. Then recommend personalized content or services. And then implement targeted email campaigns and product suggestions. Second way is through gamification of content.

Gamification involves incorporating game elements into non-game contexts to enhance engagement. For example, Duolingo. Duolingo, a language learning platform, uses gamification by turning language lessons into interactive games. Users earn points, unlock levels, and compete with friends, making the learning process enjoyable and addictive. So, what are the engagement strategies deployed by Duolingo? First, they integrate game-like features into service.

Second, offer rewards, badges, or even points for achievements, and create challenges or competitions to encourage participation. Next way to engage customers online is through loyalty programs. Loyalty programs are designed to reward customers for repeat business. For example, Starbucks. Starbucks loyalty program, wherein they offer Starbucks rewards, offers points for each purchase leading to free rings or discounts.

This encourages customers retention and as well as frequent engagement. So, the strategy should be here is to introduce a tiered system with escalating rewards, provide exclusive offers or early access to loyal customers, and encourage members to earn and redeem points regularly. Then comes use of chat widgets for engaging customers online. Chat widgets facilitate real-time communication between businesses or service providers and customers.

The example is LiveChat. LiveChat, a platform for online customer service, incorporates chat widgets on websites. This allows businesses or service providers to engage with customers instantly, addressing queries and providing assistance. So, what you have to do? Enable LiveChat for quick customer support, offer proactive assistance based on customer behavior, and then use chatbots for automated responses and assistance. Next method to engage customers online is through social competitions. Social competitions involve creating contests or challenges on social media platforms to increase user participation.

For example, Airbnb. Airbnb has successfully run social competitions such as photo contests or travel stories, encouraging users to share their experiences and engage with the brand. So, what are the engagement strategies we should go for? Launch creative and shareable competitions, encourage user-generated content, and leverage hashtags and user

maintenance to increase visibility. Now, let's understand how to implement online customer engagement strategy. So, this is a five-step process as shown in this image.

First step, set the right goals. To start your online customer engagement strategy, you need to set your business goals. You need to decide what you want to achieve by implementing this strategy. Goal techniques for setting strategy goals implement smart method. The goals should be smart, measurable, achievable, realistic, and time-bound. Setting a goal allows you to determine the scope, budget, and members needed to achieve that goal.

Second step is identifying your target audience. To create an online customer engagement strategy, you need to identify your target audience. Once you identify your target audience and understand who they are and what their needs, wants, and expectations are, you can better target them. You can decide what type of content and ads resonate with them. Learn about your customers to better understand their pain points, purchase history, and online behavior.

Third step, identify metrics to track. Before implementing an online customer loyalty strategy or engagement strategy, marketers must determine the metrics they will track to measure success. You need to track which content generates the most online user engagement. You need to see what your customers like most about your popular product or services. You can track various metrics such as impressions, reach, likes, mentions, shares, and even click-through rates. Next step involves gathering feedback from different teams.

Once you develop your online customer retention strategy, track your progress. You need to see which goals you were able to achieve and which goals you did not. Gather feedback from stakeholders and cross-functional teams involved in your online customer engagement strategy. This way, you know what works and what doesn't. You can accept suggestions from your team and implement changes that improve performance.

Then comes optimize and refine your strategy. Developing a solid online customer engagement strategy requires monitoring feedback and identifying industry trends. This way, you can optimize your strategy and gain an advantage over your competitors. Find out how to improve your content strategy across different digital platforms. Businesses should strive to be present on as many digital platforms as possible so that customers can access them from anywhere. Your website can include live chat, chatbot, and phone options as well.

Now, let's move on to the next part that is social media marketing in the context of services. What is social media marketing? Social media marketing or SMM for that matter refers to the use of social media platforms and networks to promote products, services, or brands. It involves creating and sharing content on social media channels to engage

audiences, increase brand visibility, and drive business objectives. The scope of social media marketing encompasses various platforms such as Facebook, Instagram, Twitter, LinkedIn, and many more, offering a dynamic and interactive space for service providers to connect with their target audience. This image provides a view of different social media platforms.

First here is Facebook, secondly there is Instagram, Twitter, and Snapchat. We also have some additional social media platforms like LinkedIn, YouTube, and Pinterest, each one catering to different customer segments having different audience or customer profiles. Now, let's understand the role of social media marketing for marketing of services. First, brand visibility and awareness.

For example, Instagram for brand aesthetics. Service firms use visually appealing content on Instagram to enhance brand aesthetics and increase visibility. By showcasing services through high quality visuals, they create a strong visual identity and attract potential customers. Second role is with respect to customer engagement. For example, a Twitter campaign for real-time engagement of the audience or customers. Service firms leverage Twitter for real-time engagement with customers.

They respond to queries, share updates, and participate in relevant conversations, fostering a sense of immediacy and connection. Next comes community building. For example, LinkedIn community for professional networks. B2B service firms specifically utilize LinkedIn to build professional networks and communities. By sharing industry insights, participating in discussions, and connecting with other businesses, they establish themselves as authoritative and trustworthy service providers.

Next role with respect to targeted advertisement or advertising. For example, LinkedIn ads for B2B services. LinkedIn offers targeted advertisement options allowing service firms to reach specific professionals or even businesses. B2B service providers can tailor their ads to reach decision makers in their industry, increasing the effectiveness of their campaigns. And then with respect to customer feedback and insights.

For example, Facebook polls. Service firms can use Facebook polls to gather customer feedback and insights. By understanding customer preferences and opinions, they can tailor their services and improve customer satisfaction, contributing to ongoing business development. Let's now discuss the benefits of social media marketing for services. Broadly, there are three benefits.

Number one, increase brand awareness. Number two, targeted audience reach. And number three, cost effective marketing solutions. Let's discuss this one by one. The number one, increase brand awareness.

For example, Twitter campaign for brand visibility. Implementing a Twitter campaign with relevant hashtags, right, and engaging content can significantly increase brand awareness. By encouraging retweets, mentions, and shares, a service firm can amplify its reach ensuring that more people become familiar with the brand and its offering. Social media platforms serves as a powerful channels for introducing services to broader audience. For example, Twitter. Shareable content and social interactions contribute to organic brand exposure.

And consistent presence on social media platforms like Twitter helps in building a recognizable brand identity. Second benefit is with respect to targeted audience reach. For example, Facebook ads for demographic targeting. Utilizing Facebook ads allow service firms to precisely target their desired audience based on demographics, interests, and even behaviors. This ensures that promotional efforts are directed toward individuals who are more likely to be interested in the services.

Additionally, social media platforms like Facebook offer advanced targeting options for effective audience segmentation. It also allows tailoring content to specific audience segments, enhancing relevance and engagement. Moreover, with platforms like Facebook, you can go for targeted reach that minimizes marketing spend by focusing on potential customers. Third benefit is with respect to cost-effective marketing solutions.

For example, Instagram stories for affordable visual content. Leveraging Instagram stories, which are cost-effective and visually appealing, provides an affordable way for service firms to showcase their offerings. The stories encourages regular updates without significant production cost. Additionally, platforms like Instagram offer various advertising options to suit different budget constraints. Moreover, the organic reach through engaging content can be achieved without significant financial investment.

And cost effectiveness. Cost effectiveness is particularly advantageous for small and medium-sized service businesses as well. So, social media marketing for services yields several key benefits, including increased brand awareness through engaging campaigns, targeted audience reach facilitated by precise advertising tools, and cost-effective solutions that cater to various budget constraints. These advantages collectively contribute to the success of service firms in reaching and connecting with their target audience in a dynamic and competitive digital landscape. Towards the end, let's understand audience engagement, which is very much sure that align with the social media marketing. Audience engagement is a crucial aspect of social media marketing, emphasizing interaction and connection between a brand and its audience.

This involves actively engaging with the audience various strategies to foster a sense of community, build brand loyalty, and enhance the overall customer experience. There are various ways to engage your audience online or on social media platforms. First here is



responding to comments. This involves regularly monitoring comments on social media posts and responding promptly, addressing questions, not acknowledge positive feedback, and address concerns or criticisms.

Second, with respect to engaging in direct messages. This involves using direct messages or we usually call them DMs and respond to inquiries, feedback, and requests from followers. This also involves going for personalizing responses to create a more meaningful and individualized interaction. Third, with respect to participating in conversations. Brands should join relevant conversations within the social media community, especially those related to the brand or industry. And share insights, contribute valuable information, and engage with users' content as well.

Next way to engage your audience online is asking questions. Firms should encourage audience participation by asking questions in posts. This can be a simple inquiry related to content, opinions on product or services, or even feedback on recent experiences. Next way to engage your audience is through user-generated content or UGC. Service providers can acknowledge and share user-generated content that is created by their followers. Then, they can recognize and feature content from the audience showcases appreciation and strengthen the sense of community.

Another way to engage audience on social media platform is through contests and challenges. This involves running contests, challenges, or interactive campaigns that encourage audience participation. This not only boosts engagement but also generates user-generated content and excitement around the brand. Another way to engage audience is through live streaming events.

Wherein, firms can utilize live streaming on platforms that support it. For example, let's say Instagram Live or Facebook Live. Here, firms can engage directly with the audience in real time answering questions and providing exclusive behind-the-scenes content. Another way to engage audience is through surveys and polls. Firms can conduct surveys or polls to gather feedback on products, services, or even content preferences. Going further, they can involve the audience in decision-making, can create a sense of ownership and connection.

Next way or route to engage audience is through consistent brand voice. Firms need to maintain a consistent brand voice that resonate with the audience. A recognizable and authentic voice contributes to stronger emotional connection with the followers. Next, social listening. Firms need to pay attention to social media mentions and discussions related to the brand or service provider. Social listening helps in understanding audience sentiments, concerns, and trends, allowing the service provider to respond appropriately.

Next, firms can engage with the audience with respect to exclusive content for followers. Firms can offer exclusive content promotions or even sneak peeks to followers. This is

like rewarding followers with special content that fosters a sense of exclusivity and loyalty. And finally, firms can engage the audience or customers by offering customer support through social media platforms. Herein, firms can provide customer support through social media channels. Addressing customer inquiries and concerns publicly demonstrates that there is transparency and dedication to customer satisfaction.

Now, let's have a look at some best campaigns from service providers that are happening over social media platforms. The first here is AirBnB's Live there campaign. This campaign has an objective to encourage travelers to experience destinations like locals. Here, AirBnB use Instagram to showcase unique and authentic travel experiences through user-generated content emphasizing the idea of living in a destination rather than just visiting. This campaign generated a significant amount of user engagement and positive sentiments aligning with AirBnB's brand ethos.

Let's have a look at this campaign from AirBnB. Don't go to Paris. Don't tour Paris. Don't go to the same places and take the same pictures. And please, don't do Paris.

Live there. Because when you live in Paris, you have your own home. Cook. Make your bed. You know, the stuff you normally do.

Don't go to LA. Don't go to New York. Don't go to Tokyo. Live there. Live in Malibu. Live in the East Village.

Live in Ebisu. Know someone. Pretend you do this all the time. Have your own neighborhood.

Feel at home. Anywhere. Wherever you go, don't go there. Live there. Even if it's just for a night. Another case or example that we have of a successful social media campaign from a service firm is from Netflix. Netflix promotion of Stranger Things 2, a series and they use Snapchat as a social media platform. The objective of this campaign is to promote the release of Stranger Things 2. Netflix created a Snapchat filter that turned users' surroundings into the upside down from the show.

The filter was available for a limited time creating a buzz and excitement among fans. This campaign effectively utilized a popular social media platform that is Snapchat and leveraged the show's fan base for organic promotion. Have a look at this beautiful campaign from Netflix. Oh my god it's the coolest thing ever. Another brand or service provider we have is Sephora. They have their own campaign called as Beauty Insider Community.

The objective was to build a community around beauty enthusiasts. Sephora created an online community where customers could discuss beauty tips, product, recommendations and trends. The community is integrated with social media allowing members to share

content easily. The Beauty Insider Community campaign became the hub for beauty discussions, fostering brand loyalty and providing valuable user-generated content. Let's have a look at this campaign which is titled as Sephora's Beauty Insider Community.

Let's have a look at this campaign which is titled as Sephora's Beauty Insider Community. With these examples, we try to understand what is online customer engagement and also social media marketing with special reference to services marketing. I hope you enjoy this session. Thank you.