

Modern ways of managing customer relations online: Comparison of two brands

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Abstract

This paper will analyze the social media marketing strategies of two companies: one from the Czech Republic (Pivovary Staropramen) and the other from Milwaukee, WI (MillerCoors.). The comparison will be between two brands: Leinenkugel Summer Shandy and Staropramen Cool. Main parts of this paper are analysis of their engagement and success in Social Media. The last part of the project provides insight into differences in strategies and suggested recommendations.

Key Words

Social Media, Marketing, Facebook, Post Types, Engagement Rate, Response Rate, Twitter

Introduction

When we talk about globalization, we can all agree that one of the main facilitators for it, was, and still is, the Internet. The World Wide Web has allowed us to make contact and exchange information with someone on the other side of the world instantly and with great ease. And as it became more accessible, through affordable products, it has evolved from being a commodity to a necessity. It is in almost everything we do, from social media to business operations. To put things into perspective, if for some reason the World Wide Web was to stop working all around the world, the Stock Market would crash and Governments would most probably declare a state of emergency.

In the past decade, there has been one cultural wave that has revolutionized how we interact with other people; and that is Social Media. As per Google Definitions, Social Media is defined as websites and applications used for social networking. These include widely known sites and apps such as Facebook, Twitter, Instagram, Tumblr, Vine, etc. For example, Facebook has 1.26 billion users as of October of 2013, and Twitter has just under 646 million users with an average of 58 million tweets per day. It is evident that the presence of Social Media in the world is very powerful, and businesses today have recognized their potential as a marketing tool.

Social Media Marketing has allowed companies to enhance their Customer Relationship Management strategies across the world. One of the hardest things for a business in marketing is being able to know what consumers think about their brand and/or products. And a beautiful thing about Social Media is that users love to express their feelings and thoughts online, mostly due to the personal satisfaction a user gets when others see, like, and/or comment on their posts. And, because users express their thoughts and feelings online, it becomes easier for businesses to track trends in consumer satisfaction. Additionally, Social Media has provided businesses with the benefit of being able to interact with consumers in a more personal way. Some businesses today have people in their marketing department dedicated to replying to posts or comments made by customers on their Social Media sites; it being Facebook, Twitter, or Instagram, among others). And finally, Social Media is also a great outlet for advertising and consumer engagement strategies. Businesses can post ads, announce the launch of a new product, post activity dates, and many more things.

For this study, we want to focus on the differences in Social Media strategies by two different brands, one in the Czech Republic and another in the United States.

1.1 Situation in the Czech Republic

1.1.1 Social media in the Czech Republic

When we look at the Social Media in the Czech Republic the highest number of users (3.8 million) has Facebook (Socialbakers, 2014a) which is considered as the biggest Social media in the Czech Republic. Besides Facebook there is Twitter with 188 736 users (Klábosení, 2014), YouTube, LinkedIn with 0.6 million users (Filová, 2014), Instagram with 56 823 users (Obrazení, 2014) and others.

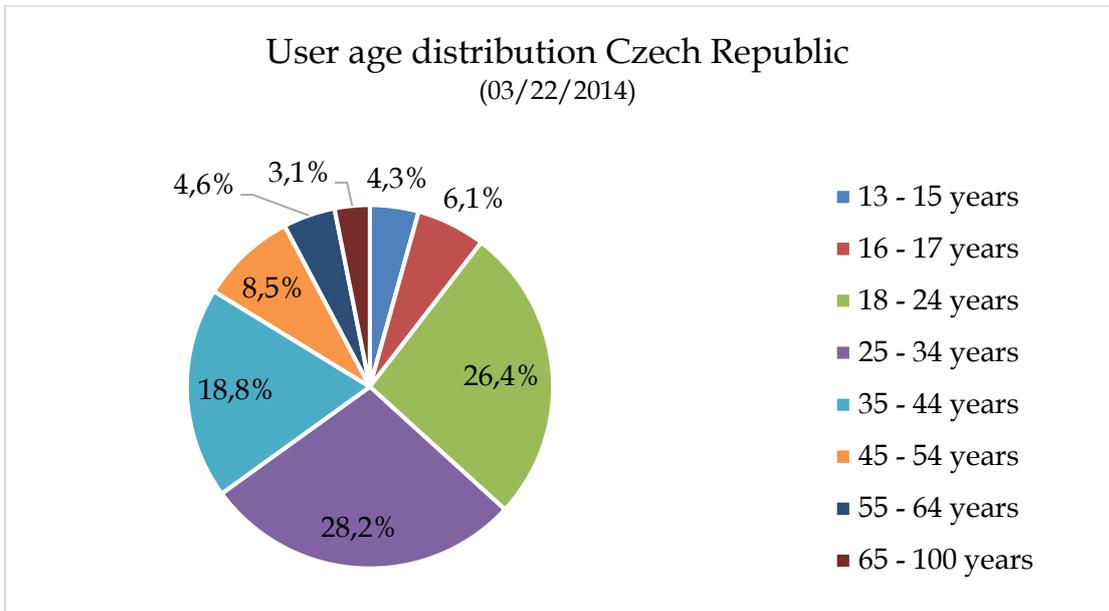
Social Media mentioned above do not have their origin in the Czech Republic. There are several Czech Social Media but their popularity has been decreasing due to the rising popularity of Facebook. Facebook being the most popular, incentivizes companies and firms to turn to Facebook as their main Social Media channel for their web solutions marketing activities.

Facebook

Facebook in the Czech Republic has 3.8 million users, 47.6% of them are Male and 52.4% are Female.

The pie chart below shows the breakdown of Czech Facebook users according to their age. Of this there is 28.2% users between age 25 - 34. The second largest age group is between 18 - 24 years (26.4%) and the third largest is age group between 35 - 44 years of age. That means that users of age 18 - 44 represent almost two thirds of all Czech Facebook users.

Picture 1: User age distribution Czech Republic

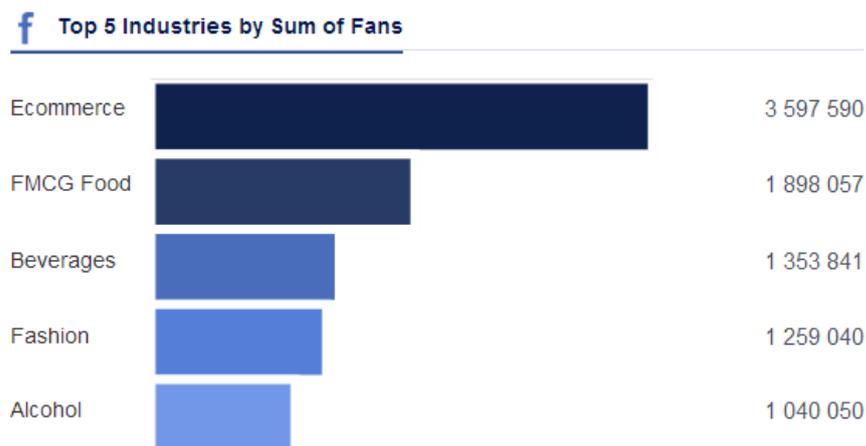


Source: Socialbakers (2014a)

1.1.2 Czech companies and social media marketing

There are many companies using Social media for their marketing activities. The most popular Facebook pages have companies providing their services in Ecommerce, followed by companies selling fast moving consumer goods and Alcohol industry also has its place in this Top 5 chart.

Picture 2: Industries by Sum of Fans (Czech Republic)



Data is from the total number of Local Fans for the largest 200 pages in Czech Republic by Fan count.

Source: Socialbakers (2014a)

1.2 Czech case study – Staropramen Cool Lemon

1.2.1 Company overview

The analyzed Czech company is called Pivovary Staropramen s. r. o. It's the second largest beer producer in the Czech Republic, which operates two breweries – Staropramen and Ostravar. Pivovary Staropramen is a member of group called Molson Coors Brewing Company. Molson Coors Brewing Company is one of the greatest brewing companies in the world operating in Canada, USA, Central Europe, United Kingdom and other markets. (Pivovary Staropramen, 2014)

Company's portfolio includes many local brands, such as Staropramen, Staropramen COOL, Branik, Velvet and Mestan. The company also offers Belgian beers – Stella Artois and Hoegaarden on the Czech market. This portfolio consists of lagers and also fruit beer mixes.

1.2.2 Product description

Staropramen Cool Lemon is a fruit beermix and a flagship of the Staropramen COOL series. This Lemon beermix was launched to the market in 2011 and nowadays there are 3 more flavors under the Staropramen COOL brand.

Competitors for Staropramen Cool Lemon are Gambrinus Řízný citrón and Zlatopramen Radler Citrón.

Target group for this product are people of age from 18 to 30 years and women in general. The characteristic of members of the target group is that they are interested in summer music festivals and they often share their opinions online with their friends. The need to share their

opinions was one of the reasons to launch a campaign on Facebook.

1.2.3 Social media marketing

This case study is focused on Facebook marketing. The reason is, that Staropramen does not have its company’s profile on Twitter, because the popularity of this social media is not remarkable in the Czech Republic.

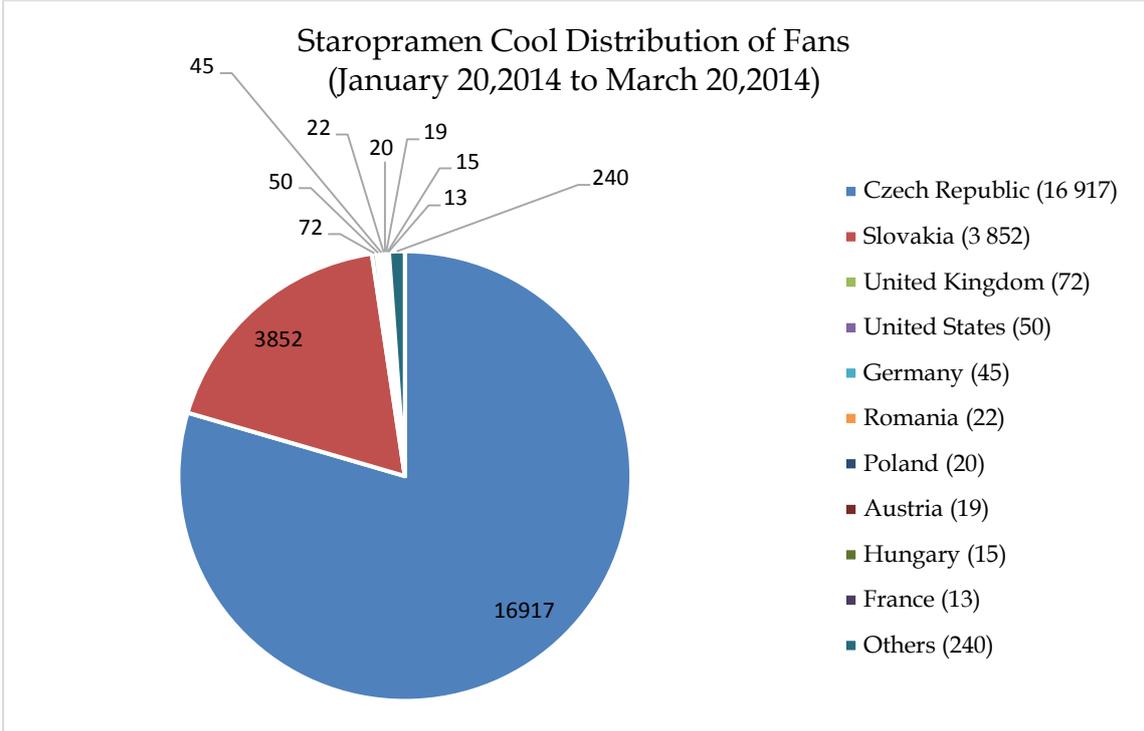
The launch of first Staropramen COOL happened on Facebook in 2011. At that time, company was using only one Facebook page for all the brands. Nowadays, Staropramen Company uses different Facebook pages for lagers and fruit beers. There is a special page for all Staropramen COOL products called Staropramen COOL.

Number of Fans

One of the indicators to follow on Facebook is number of Fans. Facebook Page of Staropramen Cool has 21 264 fans. In 2 month period starting on January 20, 2014 and ending on March 20, 2014 number of Fans rose from 15 708 fans to 21 265 fans, which means increase by 35.36%.

Distribution of Fans of Page is an important indicator for marketing activities. This helps companies to decide how to tailor posts and the time of posting so that the majority of fans find the content engaging. (Socialbakers, 2014b) The majority of the fan base are Czech users (79.55%), followed by Slovak users (18.11%).

Picture 3: Staropramen Cool Distribution of Fans



Source: Socialbakers (2014b)

Posted Content

Success with Facebook is not about having the highest number of fans. More important is how many of these fans can see the content which company posts there. Companies can use several types to attract their fans – photo, status, video etc.

Picture 4 shows number of each post type used by Staropramen COOL page to attract fans.

Picture 4: Post types

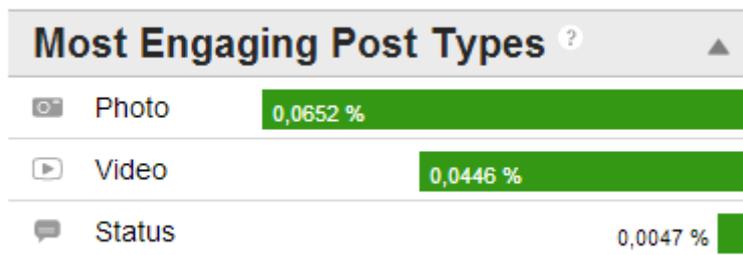


Source: Socialbakers (2014b)

Increasing the number of fans is important, but these fans have to view the content company is posting. For this reason there is a metric called Engagement rate which measures how engaged fans are. The engagement rate is calculated as the number of likes, comments and shares made on a post divided by the total number of page fans. The engagement rate of a page is calculated by averaging the engagement rate of all posts during a selected time range. (Socialbakers, 2014c)

Staropramen Lemon Cool Facebook page gets more fan engagement from photos than statuses, or videos. That means that company is able to attract most of its fans by this type of post content.

Picture 5: Most Engaging Post Types



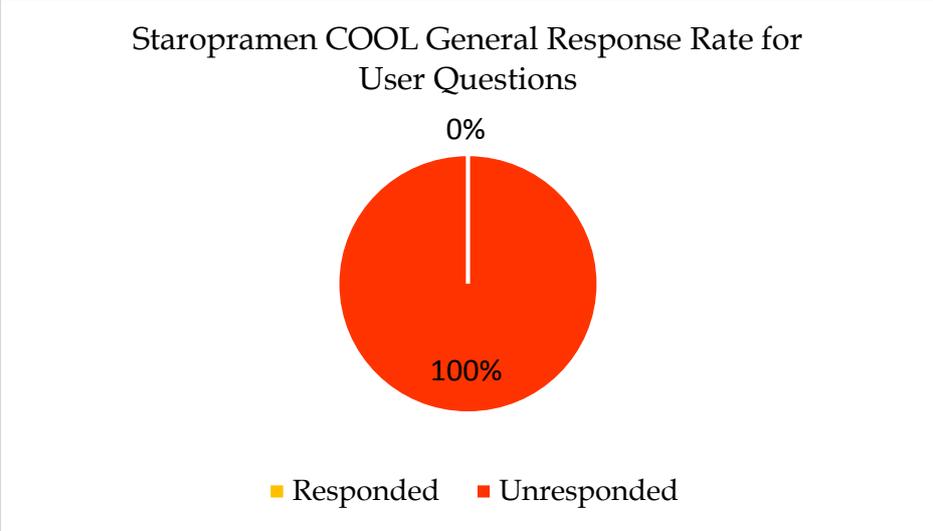
Source: Socialbakers, 2014b

Level of Social Customer Care

The big importance in social media activities of companies should be given to the social customer care. It means to care what do customers think and try to help them if they have some problem e. g. with company's product. Facebook and social media in general are great platform for customers to notify company about these problems or their opinions. Fans usually ask questions on company's Facebook profile. Each company present on the social media should care about answering as many questions or posts made by fans as possible.

In the 2 month period there was only 1 post made by fan on the Staropramen COOL Facebook page. Picture 6 shows that even there was only 1 post it remained unanswered. This means that social customer care is really low and administrators of this page should work on improvement.

Picture 6: Staropramen COOL General Response Rate for User Questions



Source: Socialbakers, 2014b

1.3 Situation in the United States

1.3.1 Social media in the United States

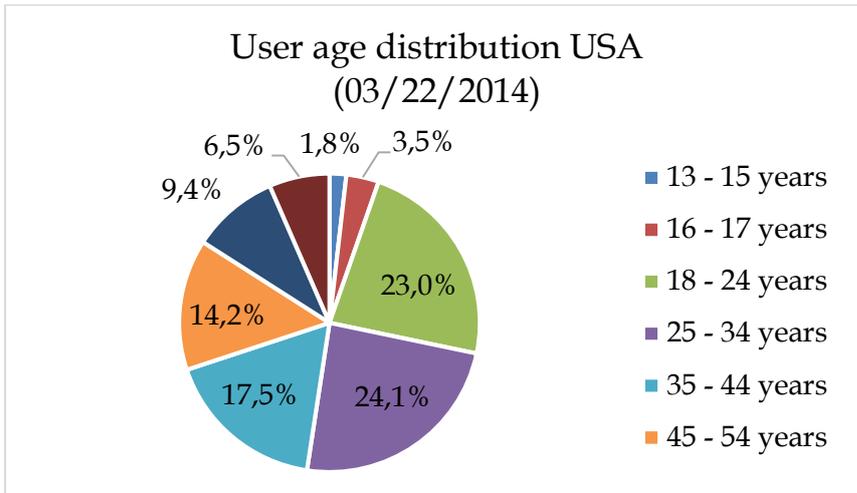
The United States has played a major role in the creation and advancement of Social Media. Facebook was created by Mark Zuckerberg in his dorm in Harvard University back in 2004. Twitter, a microblog social media site, came almost right after Facebook in 2006 and followed by Instagram in 2010. Today, these are the parent sites of Social Media used by all sorts of people including celebrities, politicians, and even businesses. In the U.S. alone, Facebook has around 180 million users and Twitter has around 50 million. Other big Social Media sites include YouTube and MySpace (which is not as popular anymore).

After the creation of these sites, many other apps and sites have come into existence trying to take advantage of the “Age of Social Media”. But many of these haven’t thrived much. The main sites though, have spread all throughout the world becoming an incredible cultural phenomenon.

Facebook

In Facebook, the age group that represents the largest percentage of users is 25-34 years with females representing the majority at 53.9%. The second largest group is 18-24 years and the third is age group 13-15. This means that 64.4% of Facebook users in the U.S. are between the ages of 13-34, a very young demographic.

Picture 7: User age distribution USA

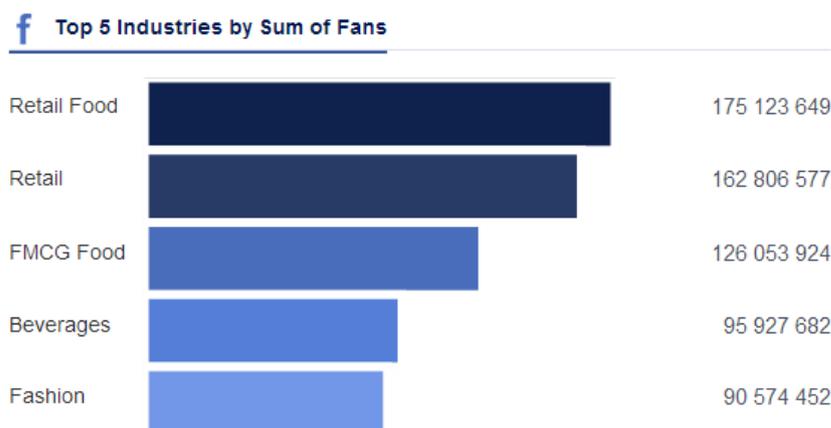


Source: Socialbakers (2014a)

1.3.2 US companies and social media marketing

As mentioned before on our analysis of Social Media in the Czech Republic, many businesses are widely engaged on Social Media sites. The idea of having tools that benefit their Customer Relationship Management strategies, is very enticing to many firms and corporations. And Social Media does not discriminate from industry. The approaches by companies in different industries will of course, be different, but at the end of the day, they have the same goal and that is to create better communication channels between the company and consumers, it being business to business or business to consumer. Below you can see a chart which shows the top 5 industries engaged in social media as measured by the number of Facebook page fans. All 5 of the industries shown below are known for their Pull Marketing strategies, mostly consisting on large varieties of advertising and consumer engaging strategies.

Picture 8: Top 5 Industries by Sum of Fans (USA)



Data is from the total number of Local Fans for the largest 200 pages in United States by Fan count.

Source: Socialbakers (2014a)

1.4 US Case study - Leinenkugel's SummerShandy

1.4.1 Company overview

Leinenkugel's Summer Shandy is produced in a brewery called Jacob Leinenkugel Brewing Company, which belongs to MillerCoors, located in Milwaukee, WI. MillerCoors is currently a joint venture between SABMiller and Molson Coors Brewing Company as of 2009. MillerCoors handles beers from all around the world including such beers as Peroni, Blue Moon, Miller High Life, and Pilsner Urquell, amongst many others.

MillerCoor's emphasis in providing consumers with quality products has placed them as one of the largest and most successful brewing companies in the world. It has phenomenal reach around the world and is one of the most famous beer brands in the US and around the world.

1.4.2 Product description

Leinenkugel's Summer Shandy is a Wheat Beer with a splash of Lemonade flavor; in more basic terms, it's a combination of lemonade, beer and soda. According to Adam Nason, a beer connoisseur, "Leinenkugel's Summer Shandy features a tangy character with malty undertones of hops. Its tart lemonade flavor complements spicy and robust grilling dishes, and its subtle hoppiness creates the perfect balance for salads" (Nason).

It's also a seasonal beer, meaning that it is not sold throughout the year. In 2012, it was released in Feb 29th, a date many considered to be much earlier than its normal release date (typically in late March). It was the first summer shandy to be sold in the US and in 2011 reported a whopping 80% growth.

After some research we concluded that the top competitors for the Summer Shandy were Shock Top Lemon Shandy by Anheuser-Busch and Porch Rocker by Samuel Adams.

1.4.3 Social media marketing

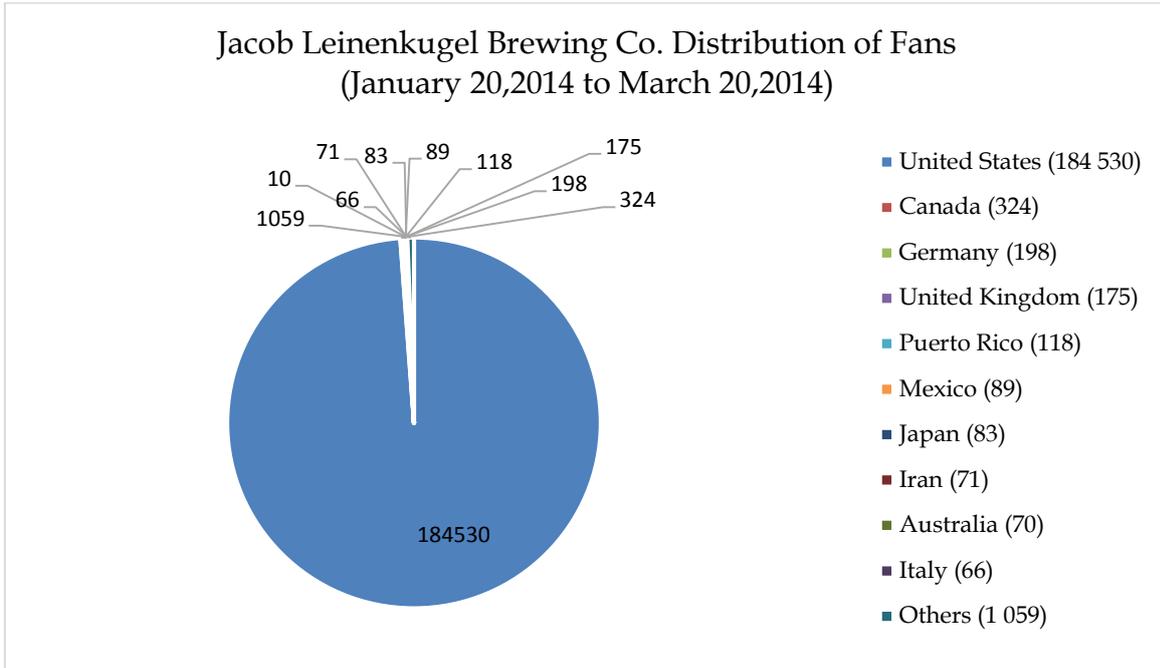
As mentioned before, in this case we are focusing on the use of Facebook by these brands. For Leinenkugel's Summer Shandy, there doesn't exist a dedicated Facebook page, but rather is represented under the Jacob Leinenkugel Brewery Facebook fan page. It has become common practice for business, particularly those in the common goods, entertainment, and services industries, to have a Facebook fan page, hence it is no surprise for us to see that the brewery has a fully functional Facebook page.

The page was created on May 29th 2009, and currently has a bit over 192,000 fans (measured in "likes"). The page includes posts of all types: administrative, photo, and video which vary in content. They have posted major milestones of the brewery, such as founding day and expansion, as well as ads and major news.

Number of Fans

Leinenkugel's fan base rose from just over 145,000 fans in January 2014, to 192,000 fans by May 2014, indicating an increase of 32% in its fan base. Out of its fans, the great majority are from the United States (98.81%) and some fans in other countries such as Canada (0.17%), Germany (0.10%) and the United Kingdom (0.09%).

Picture 9 Distribution of Fans

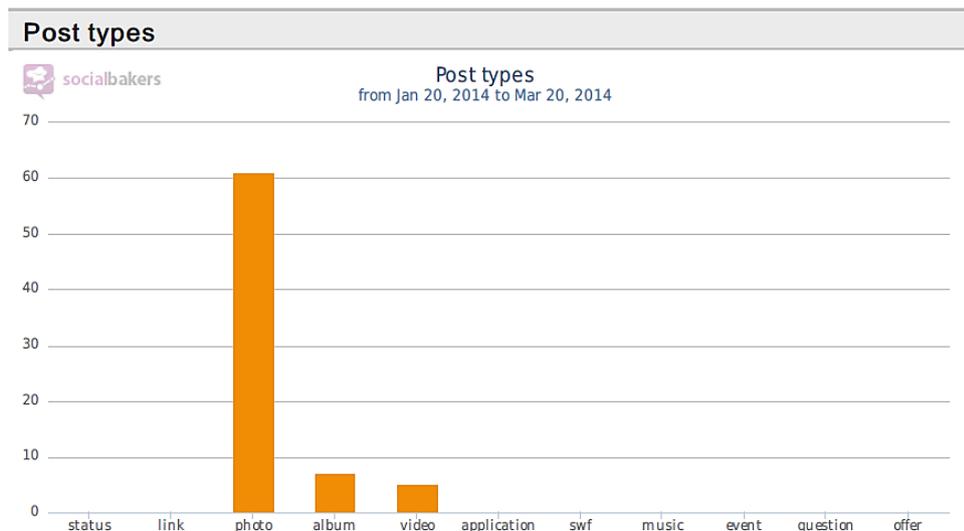


Source: Socialbakers (2014a)

Posted Content

When we take a look at the post types, we see that they have only three types of posts in which they engage, and those are: photos, albums and videos. Usually, Facebook pages have more picture type content because it is more visual and easier for fans to become engaged. Administrative posts or videos take longer because the fan either has to read the whole administrative post or sit and watch a 3 minute video.

Picture 10: Post types



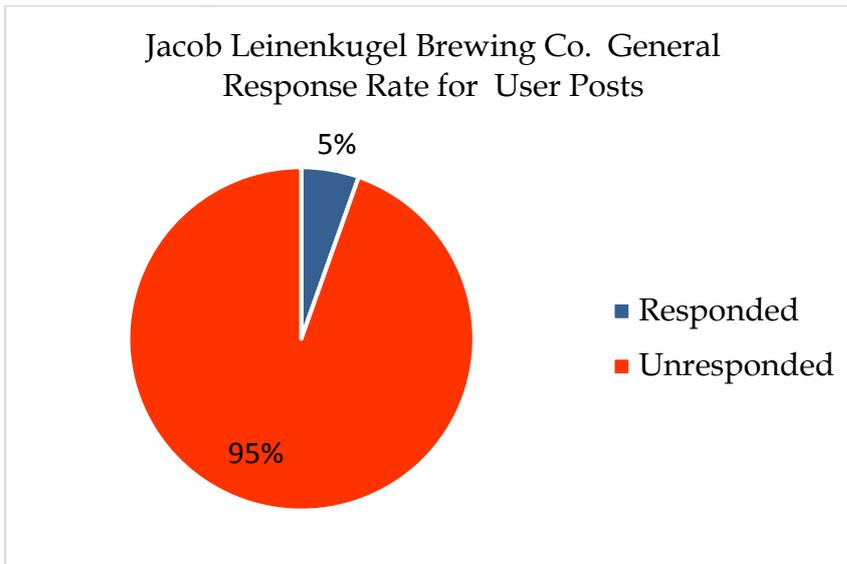
Source: Socialbakers (2014a)

Level of Social Customer Care

As mentioned above, companies should concentrate on their social media activities in order to build a relationship with their customers. One of the metric we use to analyze social customer care is Response Rate, which measures how many user questions or posts were answered by company and how many of them remained unanswered.

In the 2 month period there was 334 posts made by fans on the Jacob Leinenkugel Brewing Co. General Facebook page. Picture 11 shows that 95% of these posts, which is 317, were unresponded. Company responded only to 17 of 334 posts. The result of Response rate analysis shows, that company should concentrate more on posts made by fans.

Picture 11: Response Rate for User Posts



Source: Socialbakers (2014a)

1.5 Comparison

1.5.1 Number of Fans

The first thing to note between the distribution of fans for Staropramen and Leinenkugel, is that Staropramen has a significant percentage of fans from another country, Slovakia. Now, this can be open to interpretation given that Slovakia and the Czech Republic used to be one country and they share very similar cultural ideals and trends. For Leinenkugel, the great majority of its fans are Americans, suggesting a lack of international exposure, even though Staropramen's international exposure is not that significant either. It is understandable though, that most of the fans for each product is from the country the product is produced in. These products are mostly locally distributed and the Facebook posts suggest that they are catered to this type of audience. This means, for example, that Leinenkugel will post content on the Facebook page that is catered for the American public and takes into consideration local trends and likes. The same goes for Staropramen.

Table 1: Staropramen Cool: Distribution of Fans

Staropramen Cool	
Country	Percentage
Czech Republic	80.37%
Slovakia	18.30%
United Kingdom	0.34%
United States	0.24%

Source: Socialbakers (2014a)

Table 2: Jacob Leinenkugel: Distribution of Fans

Jacob Leinenkugel Brewing Co.	
Country	Percentage
United States	98.81%
Canada	0.17%
Germany	0.10%
United Kingdom	0.09%

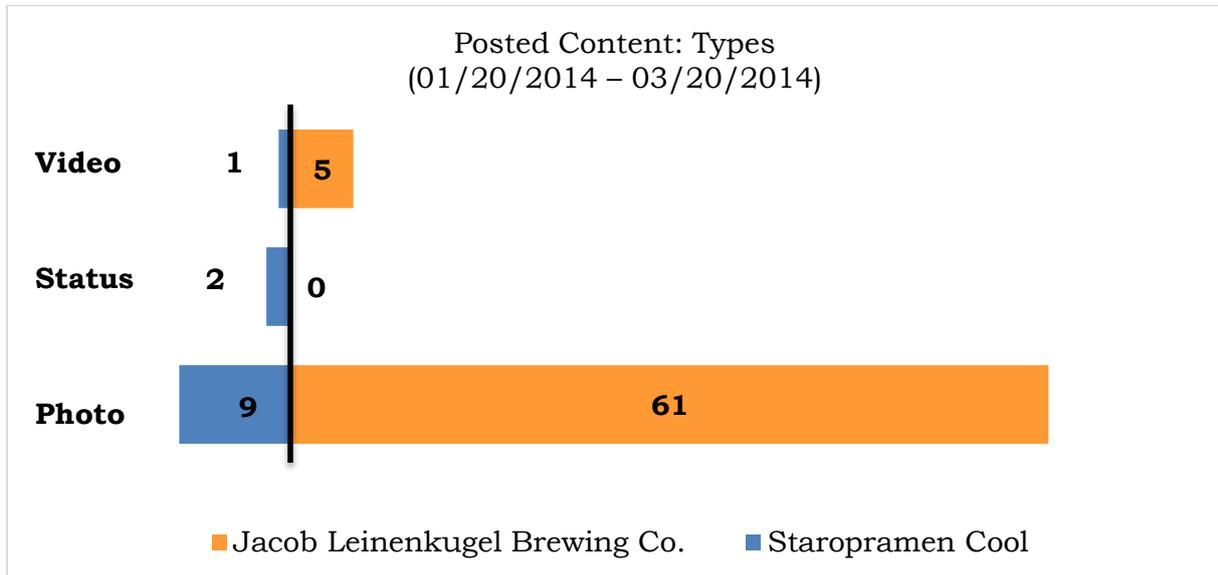
Source: Socialbakers (2014a)

1.5.2 Posted Content

Now, we want to compare the posted content. The first this we can note about the posted content (as shown in the graph below) is that Leinenkugel's Facebook page has a much larger amount of posts, in general, than Staropramen. The next thing you can notice is that for both pages, the largest amount of posts were pictures. This relates back to the idea of easy posts for engagement, mentioned before. It is peculiar to see that the Leinenkugel page did not post any videos during that 3 month period, but Staropramen did. Videos can be expensive and time consuming and do not have the same engagement rate as pictures do. In other words the

return on investment of creating a video is not as good as that of a picture; hence the lack of videos in the Leinenkugel page. The other type of posts shown in the graph are administrative posts, or statuses. Usually these do not have much to say, and are probably used to communicate news.

Picture 12: Posted Content

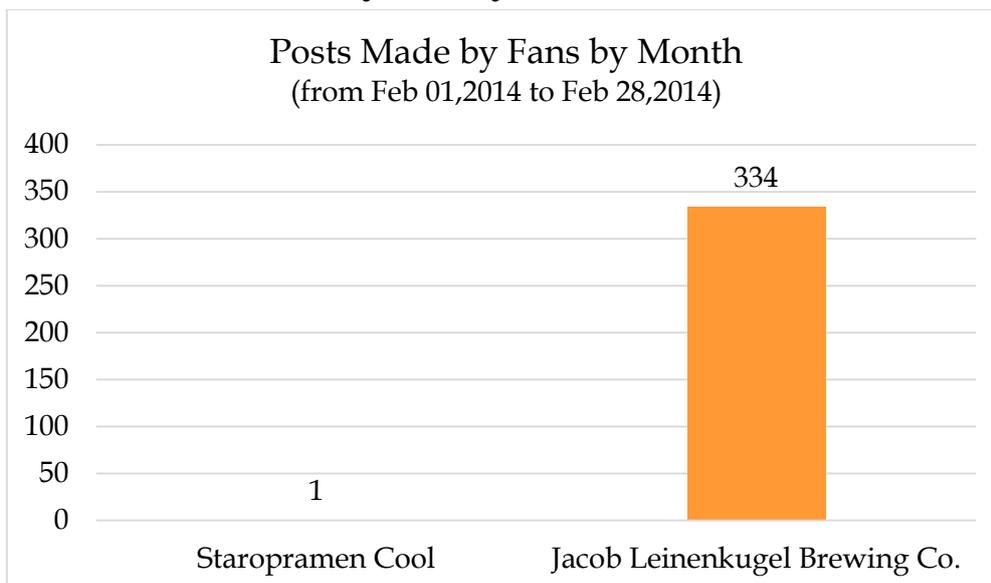


Source: Socialbakers (2014a)

1.5.3 Posts made by fans by month

But let us flip the coin and look at fan engagement in these pages. Fans can post on these pages as well. We think, based on the graph below, that it is evident that Leinenkugel's Facebook page has been significantly more successful in engaging its fans on their Facebook page. It is very important, to allow for the success of a Facebook page, to really try and engage consumers. In this way, you can learn trends and thoughts of your consumers about your brand and/or product. You can also engage the company in a conversation with consumers, through the posts. This makes companies look more approachable and consumer oriented.

Picture 13 Post Made by Fans by Month

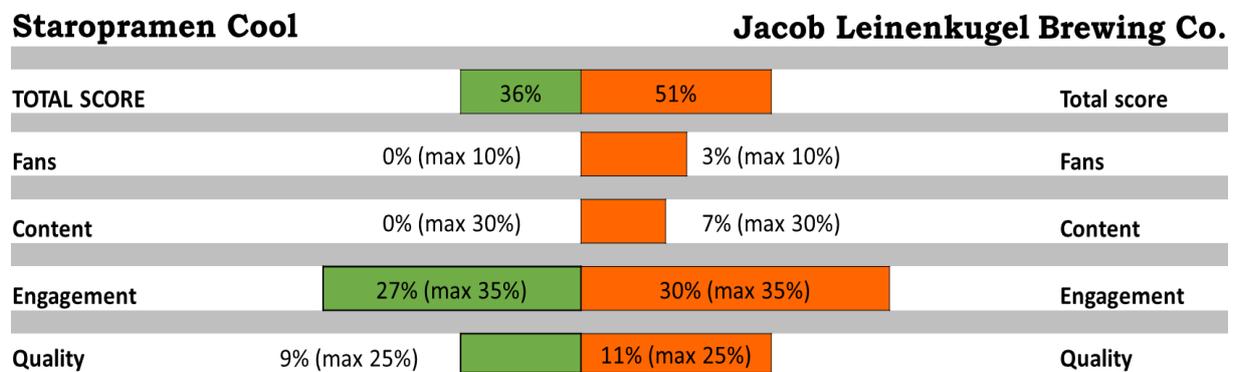


Source: Socialbakers (2014a)

1.5.4 Page Score

We wanted to take our analysis of both of these pages a bit further hence, we got their page scores. These scores represent the overall score of the page based on content, number of fans, engagement and quality. It comes as no surprise that Leinenkugel's page has a better score than that of Staropramen given the previous analyses we've talked about. Still, it is notable that there is room for improvement for both pages. When we focus on content, for example, we see that both scores are incredibly low; 0% for Staropramen and 7%, out of a max of 30%, for Leinenkugel's. This is the area with more potential for improvement and the most important as well. Content is what makes the page, it's the frontline of a marketing strategy. Fans is the second area they would need to focus on the most. They need to get those numbers up and increase engagement with users in order to maximize brand exposure. Overall, both pages need to improve the quality of their page in order to make sure their Social Media marketing strategies are successful and profitable.

Picture 14: Page Score



Source: Socialbakers (2014a)

1.6 Recommendation and Conclusion

We believe that both brands are highly engaged in Social Media, but there are some recommendations which we would like to point out. For Leinenkugel, we believe that there is a need to attract a larger international demographic into its Facebook Page. This way they can profit from tourists that come to the US already knowing of the existence and quality of this Summer Shandy. For the Cool Lemon page, we believe that they should focus increasing their amount of posts they make a day to increase their presence in the Social Media atmosphere. Also, as recommended for Leinenkugel, they should try and attract a larger international demographic. Furthermore, both brands have much room for improvement in replying consumer's complaints online. And lastly, we believe both brands need to increase their engagement on their Twitter Accounts.

As a conclusion to our analysis we need to say that even Social Media marketing strategies are still very new in the world of business, so far it has proven to be a very powerful tool. The result of the analysis shows that both brands are active in their social media activities, but both of them have some imperfections in their Social Media strategies, regarding e. g. responding to customers or number of posts. We want to make sure that these brands stay ahead of the curve in their Social Media marketing strategies to help maximize their efforts for branding, positioning, customer gain and retention, as well as many other positive results that come from efficient social media management.

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