

# Social Media Working Better For Retention Than Acquisition

Contributed by eMarketer  
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Campaigns to acquire new customers have not taken off

Social media marketing has been around for several years, and as marketers begin to converge on best practices and use the channel in more uniform ways, it is emerging that their top goals are brand awareness and cultivating customer loyalty.

Conversely, customer acquisition through social media is less important.

A July 2010 survey of US marketers by the Direct Marketing Association and COLLOQUY found that brand awareness was the most popular objective of social media efforts, followed by customer growth and loyalty.

A July eROI study similarly showed brand awareness was the top goal of US marketers using social media, and business-to-business (B2B) marketers reported the same to BtoB magazine and Business.com.

In April, search marketers surveyed by MarketingSherpa cited increasing brand awareness and improving brand reputation as the two objectives for which social media marketing was most effective.

The DMA and COLLOQUY also looked at average marketer spending in various areas of social media marketing and how it changed over time.

While marketers started out in 2008 spending similar amounts on branding, customer loyalty and customer acquisition, by 2009 customer acquisition budgets had failed to grow as quickly as the others.

Customer acquisition budgets more than doubled twice between 2008 and 2010, but they still lagged behind the even more dramatic growth of spending in other areas.

The report noted that customer acquisition is a more important goal for smaller companies, which often use social media as an inexpensive marketing channel.

Those companies are devoting budget to gaining new customers through social media, but by definition their budgets are small.

They are overshadowed by large companies who have chosen social media primarily as a venue for cultivating customer loyalty and spend more heavily in that area.

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