

Social Media Marketing Brings New Revenues, Customers

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Social networks continue to prove their worth as a marketing channel

Social media marketing has been top of mind among marketers and is becoming a worldwide phenomenon.

Earlier this year, eMarketer estimated that worldwide social network ad revenues alone, not including money that companies spend developing presences on social networks or hiring staff to manage them, would reach \$5.97 billion in 2011, a 71.6% increase over 2010.

Already, firms worldwide are seeing returns on their increased investment. According to a survey by office services firm Regus, 47% of businesses successfully used social networks for customer acquisition in 2011, a 7 percentage point increase over 2010. The US followed closely behind the average, at 43%.

China saw the greatest gains in customer acquisition from social networks among all countries studied, increasing from 44% in 2010 to 65% in 2011.

The survey had one other interesting finding: Social networks made the biggest impact for companies that are operating in developed markets. A significantly higher percentage of companies that used social networks for customer acquisition in developed markets, including the US, the UK, Japan and Canada, saw a revenue increase over the previous year vs. those companies that did not use social networks to acquire new business in developed markets.

Companies in developing markets like China, Mexico and South Africa experienced revenue growth whether or not they were using social networks to acquire new business, probably as a result of rapid overall economic expansion.

As companies continue to chase revenue in both developed and developing markets, competition will force marketers to increase investment in new platforms to reach customers.

Social networks are proving to be a reliable source of customer acquisition and increased revenues in both, but can provide a necessary edge over competitors in developed markets.

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