

*Marketing Communications
Individual Assessment*



The Advantages & Disadvantages of Social Media as Part of an IMC Campaign

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Company: McLaren Automotive Technology Group—
Winner of Marketing Society Excellence Award 2013



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Introduction

Marketing communications has defined our daily lives through its presence onto our society. An average of 600 advertisements are targeted out daily towards audience that could potentially be converted to customers; it is no wonder that marketing communications is a particularly discussed topic by many parts of group and culture ever since its advent on our planet.

More and more agencies set out to establish series of successful integrated marketing communications campaign as means to improve the total presence and brand equity of companies they are representing. Organizations and business owners are willing to spend the amount of cost required in order to get their brand heard of with the aim to maximize product distribution and sales.

Overview of Organization

McLaren Automotive, a British sports & luxury cars automaker founded by New Zealander Bruce Leslie McLaren in 1963 is one of the many companies with aggressive launches of marketing campaign to date. Its headquarter is based in England part of Woking, Surrey. Named as McLaren Technology Campus, McLaren Automotive employs over 1,000 highly skilled employees throughout their designated production facilities.

As indicated on their group official website, McLaren Automotive exports about 90% of in-house manufactured automobiles overseas which comprises a global network of 50 dealerships in key automotive markets. This mainly includes region of Europe, U.S, Canada, Australia followed by Middle East & Asia.

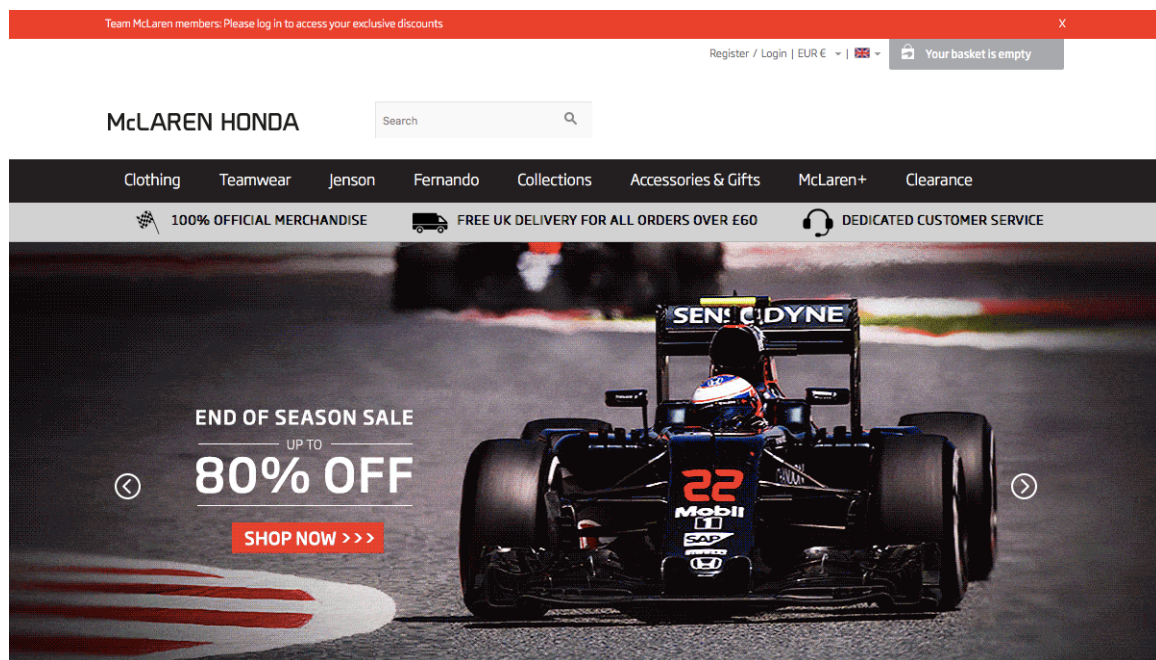
In effort of locking more customers/fans, the automotive company hired British creative agency VCCP London, responsible for other major companies such as O2 Telecommunications and easyJet Airline to devise a marketing campaign which marks off with inspiring slogan ***“Life is measured in achievements, not years alone”*** quoted by McLaren’s belated race-car designer, driver, engineer, inventor and owner himself as ambassadorial function to its advertising campaign.

Through slice-of-life emotional appeal, the agency evoked a new wave of target audience whilst promoting McLaren’s brand persona compellingly around the globe.

Marketing Penetration via Social Media

McLaren Automotive, although a premium brand in the elite market does not shy away from utilizing Social Media Marketing, e-active Marketing deliverance as part of its organization's IMC campaign in attempt to increase exposure of media presence and improve target reach.

By franchising itself as a manufacturer & retailer as its primary business model rather than a pretentious race team in contrary to its main competitor Ferrari N.V, McLaren Automotive manages to induce interest of audience from general population who may not be necessary affluent or fans of Formula 1 Championship through distribution of basic sporting merchandise and accessories on McLaren Honda Online Store. This especially includes targets that are active on Internet and social networks.

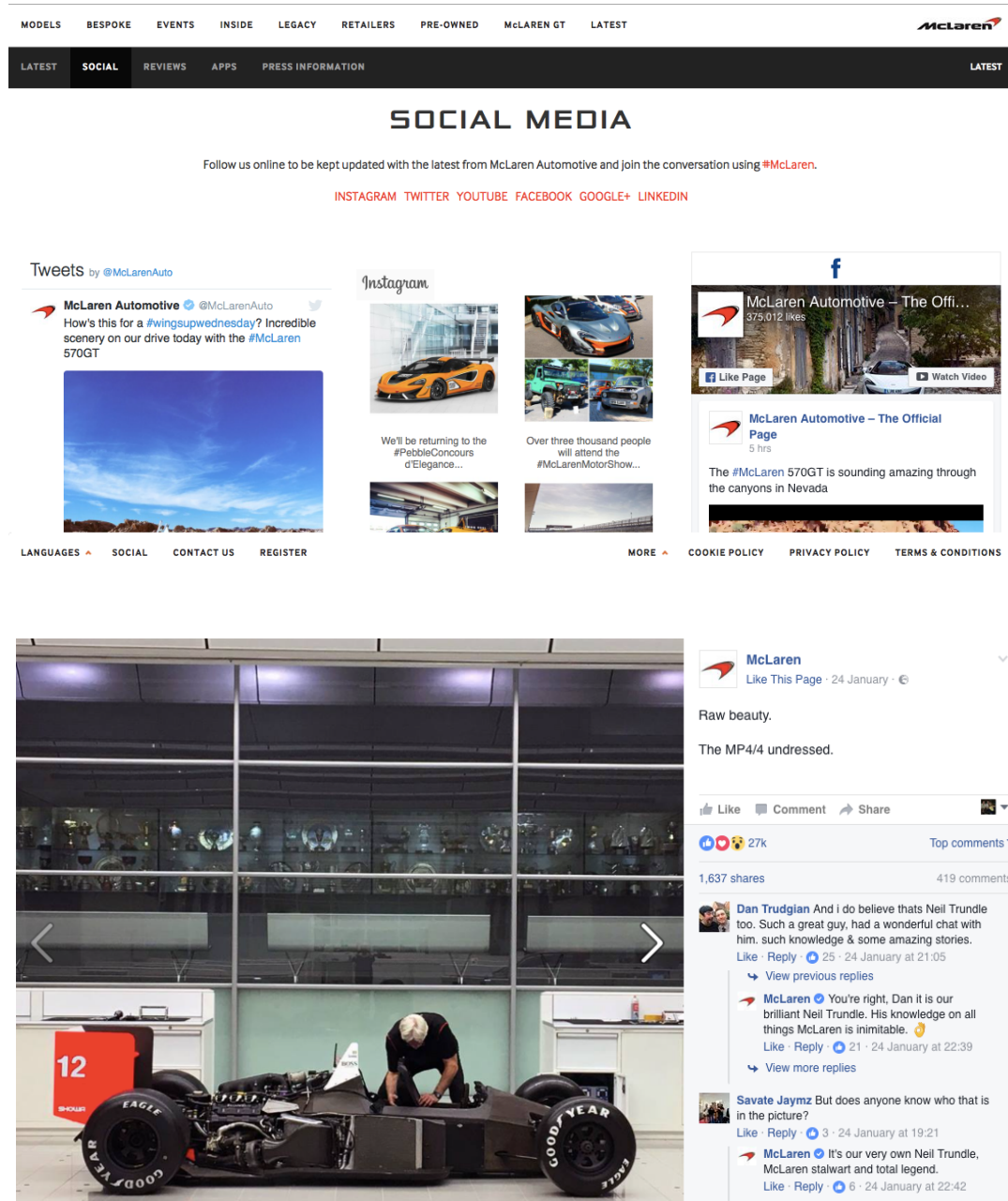


Screenshot: McLaren Honda Online Store Official Website

Other than promoting sporting goods with dedicated customer service, The McLaren Honda online store would offer its audience, customers with the incentive of live-feed updates enticing them to sign-up to its email marketing newsletter which ranges from item discounts up to highlights of its racing team's activities.

The function of the online store channel attempts to drive further traffic redirections onto its other online channel via bouncing between its ecosystem of social media pages through Facebook, Instagram, Twitter, YouTube and Google+ page along its mobile app platform which integrates bulletin such as race events, photos, videos and other achievements attained by the automotive company where audience can engage directly with the social team.

The advantage to this two-way relationship interaction would affirmatively increase the brand loyalty between current, potential customers and McLaren Automotive.



Screenshot: McLaren Automotive Official Portal/ McLaren Automotive Facebook

Negative Effects of Social Media

Social Media Marketing while integral to providing a tremendous amount of positive effect may also harness negative inclination. Another downside to it is that it requires the procurement of a dedicated agency or assembly of an entirely specialized department to moderate social media handles. Although social media marketing has the advantage of being a cost-effective and rapid tactic, the ROI effort is complicated to measure for 63% of digital marketers today.

When implemented in wrong technique or negligently, a brand may face the risk implication of losing its social media followers thus potentially jeopardizing brand equity. One of the reason would be negative feedbacks, mocking received from disgruntled customers, employees and any one of its audience may tarnish or leave a lasting dent on the company's image as moderators have no absolute control to what people would say on social media despite guidelines enacted by platform provider.



Above screenshot is an example of mild criticism in context of humor. Marketers and social media handler usually face worse than one exhibited above, complaints that would significantly affect the perception of other audience regarding the brand they are representing which would synonymously make the brand seem shoddy.

A poor testimonial can be harmful to any business, as it would spread either virally or over time and affect sales performance of a company even upon retract. To rectify bad publicity would be time-consuming and expensive, as it would often require monetary incentive in order to win back the favor of audience.

Overall Review

To abbreviate this report that reinforces on the positive and negative effects of SMM for McLaren Automotive, the initiated marketing tactics could potentially convert a unique portion of its audience to become final purchaser of its high-end automobile or attract new business investment clients, partners by basing on multichannel retailing approach.

As cited by VCCP London's Planning Director Rob Dougan who was responsible with the automotive company's marketing campaign throughout 2010 to 2013, McLaren Automotive sold no sports car in 2008 to vending off 1,398 sports cars circa 2012 and an additional 18% increase to 1,649 sports cars by 2014.

While there is no exact statistical indication being released as to what other medium contributed to the sales increase, it is however certain that the IMC campaign by the creative agency which includes mix of SMM provided impactful outcome to McLaren Automotive's positive turnover and for more time to come if coherently managed.