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# Social Media Marketing: Business Value, Multiple Media Interplay and Contingent Effect of Product Popularity

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# SOCIAL MEDIA MARKETING: BUSINESS VALUE, MULTIPLE MEDIA INTERPLAY AND CONTINGENT EFFECT OF PRODUCT POPULARITY

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## *Abstract*

*This dissertation explores the new phenomenon of social media marketing from a whole marketing channel perspective. First, as managers often find difficulties in quantifying its impact, I attempt to assess the business value of social media marketing at the channel level for a product's financial success. Second, since social media marketing is a new practice, I investigate its impact and its interplay with other marketing media. Previous studies on relationship between multiple advertising media show mixed results, i.e., they found both substitution and complementarity effects. I propose such relationship between multiple media is contingent on product characteristics such as product popularity. A rich dataset is constructed, which includes information about 200 movies' Facebook marketing activities, box office revenues, traditional marketing expenditure and various control variables. I estimate that an official Facebook Page contributes to an average increase of more than \$6 million in opening box office revenue and more than \$15 million in overall box office revenue. Additionally, I find because of its low marketing cost (marketer side) and low search cost (consumer side), social media marketing benefits less popular movies through both direct impact of marketing intensity and indirect impact of attenuating substitution for other advertising media. The results will enhance our knowledge of social media marketing at the channel level and suggest implications of Facebook marketing implementation and multiple media advertising coordination for practitioners.*

*Keywords: Social Media Marketing, Facebook Marketing, Motion Picture Industry, Advertising Media, Substitution, Popular/Niche Movies, box Office Revenues*