

VIDEO CASE 8

Carmex® (A): Leveraging Facebook for Marketing Research

Video 8-4

Carmex (A)
Video Case
kerin.tv/14e/v8-4

“What makes social media ‘social’ is its give and take,” says Jeff Gerst of Bolin Marketing, who manages the Carmex® social media properties. By “give” Gerst is referring to the feedback consumers send on social media; “take” is what they receive—such as news and coupons.

“For Carmex, Facebook isn’t just a way to share coupons or the latest product news, but it is also a marketing research resource. We have instantaneous access to the opinions of our consumers.”

“While some people think of social media as ‘free,’ that is not true. However, almost everything in social media can be faster and cheaper than in the offline world,” adds Dane Hartzell, general manager of Bolin Digital. “Many platforms have been prebuilt and we marketers only need to modify them slightly.”

CARMEX AND ITS PRODUCT LINE

Although Carmex has been making lip balm since 1937, only in the last five years has it made serious efforts to stress growth and become more competitive. For example, Carmex has:

- Extended its lip balm products into new flavors and varieties.
- Expanded into nearly 30 international markets.
- Developed the Carmex Moisture Plus line of premium lip balms for women.
- Launched a line of skin care products, its first venture outside of lip care.

Carmex has used social media tools in developing all of these initiatives, but the focus of this case is how Carmex might use Facebook marketing research to grow its lip balm varieties in the United States.



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FACEBOOK MARKETING RESEARCH: TREND SPOTTING

Brands can leverage Facebook and all social media platforms to test what topics and themes its audience engages with the most as well as validate concepts and ideas. In 2012 Carmex identified the growing trend of consumers seeking product customization. Carmex combined research with Facebook engagement data, which helped to validate consumer interest and led it to develop two new lines of limited-edition lip balm products that launched in 2013.

The first line was a set of three different Carmex “City Sticks” featuring New York, Chicago, and Las Vegas versions of the Carmex lip balm stick with recognizable landmarks from each city on them. The brand partnered with Walgreens to exclusively sell the “City Sticks” in each of the three cities. During this time Carmex leveraged its social media channels on Facebook and Instagram to solicit photos of fans holding up their favorite style of Carmex in front of a landmark in their own city. Carmex then used these photos to help it decide on new locations for future limited-edition “City Sticks.”

Carmex’s second line of new products was four fashion-forward “glamorous” designs of Carmex Moisture Plus. Carmex researched current design

trends in the women’s fashion industry to come up with the four different styles, and it had seen good engagement from its Facebook community on “fashion themed” posts, which helped validate the concept. The four styles were: “Chic,” a black and white houndstooth; “Fab,” with bright purple circles; “Adventurous,” a leopard print; and “Whimsical,” with blue, orange, green, and pink intertwined ribbons. Carmex first announced the line to its Facebook fans to generate interest and they were brought to market in the summer of 2013.

FACEBOOK MARKETING RESEARCH: TWO KEY METRICS

“We have three potential new flavors and we can only put two into quantitative testing,” explains Jeff Gerst to his team. “So we have two goals in doing marketing research on this. One is to use Facebook to help us determine which two flavors we should move forward with. The second goal is to drive our Facebook metrics.”

The two key Facebook metrics the Carmex marketing team has chosen to help narrow the flavor choices from three to two are “likes” and “engagement.” “Likes” are the number of new “likers” to the brand’s Facebook Page. This metric measures the size of the

brand's Facebook audience. In contrast, "engagement" measures how active its Facebook audience is with Carmex. Anytime a liker posts a comment on the Carmex Wall, likes its status, or replies to one of its posts, the engagement level increases.

The easiest way for Carmex to grow the number of "likes" on its Facebook Page is through contests and promotions. If it gives away prizes, people will be drawn to its site and its likes will increase. However, these people may not actually be fans of the Carmex product so at the end of the promotion, they may "unlike" Carmex or they may remain fans but not engage with the Carmex Page at all.

"One of the biggest challenges facing Facebook Community Managers for brands is how to grow your likes without hurting the level of engagement," says Holly Matson, director of experience planning at Bolin Marketing.

"Depending on how we go about conducting the research," Gerst adds, "we can drive engagement with our existing Facebook community, we can use this as an opportunity to grow our Facebook community or, potentially, we could do both." The benefits of this Carmex Facebook strategy are twofold: (1) narrowing the number of flavors to be researched from three to two and (2) enhancing the connections with the Carmex Facebook community.

HOW THE METRICS MIGHT BE USED

Carmex's Facebook activity can benefit (1) by using a poll to increase engagement, (2) by launching a

contest to increase the number of likers, and (3) by trying to increase both engagement and likers through combining a poll with a contest.

The "Engagement" Strategy: Use a Poll

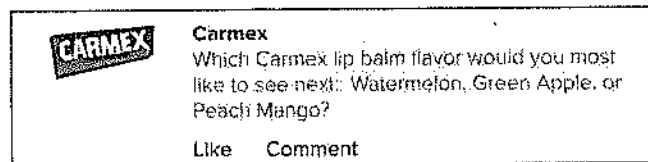
Let's look at two ways to use the engagement strategy showing actual Facebook screens. First, Carmex can post a somewhat open-ended question on its Facebook Wall, such as, "Which Carmex lip balm flavor would you most like to see next: Watermelon, Green Apple, or Peach Mango?" (Figure 1). However, consumers are less likely to respond to a question if they have to type in a response and have their name attached to it.

Alternatively, Carmex can post the same question on its Wall as a fixed-alternative poll question (Figure 2). Then consumers need only click on a flavor to vote; this is quick, anonymous, and will drive more people to vote, where more votes means more engagement. Within five minutes Carmex will have several dozen votes and, by the end of a business day, Carmex can very easily have over 500 responses.

In this scenario, the consumers are content because they are able to engage with a brand they like and have their opinions heard, Carmex is content because it has engaged hundreds of its fans on its Facebook Page, and it gains results that are very helpful in deciding which flavors to put into testing. This scenario gets an answer quickly and drives fan engagement with existing fans but does not drive new likers to the Carmex Facebook Page.

FIGURE 1

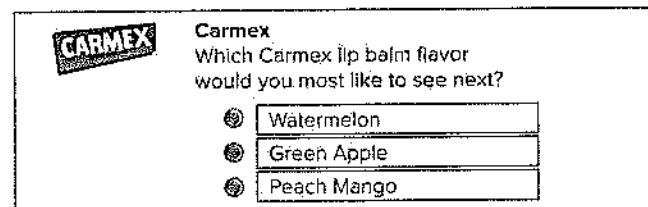
Facebook Open-Ended Poll Question



Carmex
Which Carmex lip balm flavor would you most like to see next: Watermelon, Green Apple, or Peach Mango?
Like Comment

FIGURE 2

Facebook Fixed-Alternative Poll Question



Carmex
Which Carmex lip balm flavor would you most like to see next?

- Watermelon
- Green Apple
- Peach Mango

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FIGURE 3

Potential Results from Three Possible Facebook Strategies

FACEBOOK STRATEGY	POTENTIAL IMPACT ON...		
	Increased "Engagement"	Increased "Likes"	Cost
Poll Only	High	Low	Low
Contest Only	Low	High	Moderate
Poll + Contest	High	High	Moderate to High

Favorable
 Neutral
 Unfavorable

The "Likes" Strategy: Use a Contest

If Carmex wants to grow the size of its Facebook community, which means the number of its brand page "likes," it can adopt a different strategy. Carmex can announce a contest where, if consumers "like" Carmex on Facebook and share a comment, they will be entered to win three limited-edition flavors. The chance to win limited-edition flavors is exciting to Carmex enthusiasts, and a contest like this will draw new consumers to the page. Carmex can ask the winners to review the limited-edition flavors and see if there is a consensus on which flavors should move on to quantitative testing. Setting up a contest, developing official rules, promoting the contest through Facebook ads, and fulfilling a contest can be costly and time-consuming.

The Combined Strategy: Use Poll and Contest

Carmex can also choose to layer these two strategies into a combined strategy where it runs the limited-edition flavor contest to promote new likes and meanwhile posts the poll question on its Facebook Wall to drive engagement.

REACHING A DECISION

Figure 3 shows the potential results from the three Facebook strategies being considered—the poll only,

the contest only, or both strategies together. Assume the Carmex marketing team has sought your help in selecting a strategy and needs your answers to the questions below.³³

Questions

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