
Practice papers

Paid, earned and owned media: Convergence in social media

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Abstract Social media can be paid, owned or earned. What makes social media a truly remarkable marketing channel, however, is the intersection of all three in the social media space. This paper will discuss the application of social media among paid, owned and earned media. It will also discuss how to leverage these to build more engagement among fans, drive sales via direct response campaigns and build brand awareness.

KEYWORDS: social media, owned media, paid media, earned media, digital marketing

INTRODUCTION

Social media carry a huge burden. Not only must they engage and relate to customers on a very intimate level, but they must also sell products. Social media are brand awareness meets direct response, all wrapped up in one.

Is it fair to place such a burden on social media? No other marketing channel is subject to such labour. Do marketers and C-suite executives ask too much? Social media should not be the saving grace of a marketing programme. Social media should be woven into the fabric of a marketing mix and form the foundation upon which all other channels integrate.

Social media can accomplish this by embracing what they are — a conduit to the consumer. A brand can reach a consumer through a variety of means: a Facebook post, a blog, sponsored story, video, promoted tweet, word-of-mouth

virality and sharing content. While social media can be successful when using these types of messages, it is still imperative to understand the traditional strategies of paid, owned and earned media.

Social media can work using all of these aspects if considered in terms of traditional media strategies of paid, owned and earned media.

Paid, owned and earned media strategies refer to the types of ways marketers can reach consumers. In traditional media, paid media referred to media placements in television, radio or print. Owned traditional media were made up of bricks-and-mortar store locations and websites. Earned traditional media would refer to pickups in media through public relations efforts. Traditionally, these strategies have worked in silos by nature of the constraints in time, space and location inherent in traditional media.

However, social media transcend time, space and location. Thus, the three strategies of paid, earned and owned can work together within social media to connect a brand and its customers. This paper will define each media type within the context of social media, why they are important to social media, and how they interact with one another.

OWNED SOCIAL MEDIA

A brand's Facebook page, Twitter profile, Pinterest board or YouTube channel all constitute owned media within the social media space. Here, a brand can mostly control the brand voice via the posts, images, videos and interactions with its customers and fans. Brand managers can help mould the perception of the brand by producing supporting content. Owned social media help the brand live outside the website in a semi-controlled space.

So, how many owned social media assets are companies managing? A lot. In 2011, Altimeter conducted a study of 140 companies with 1,000 employees or more and found these firms to be managing an average of 178 social media accounts.¹ Companies in this sample were averaging almost 40 Twitter accounts and 30 Facebook accounts. This is an enormous amount of accounts for a team to manage but underscores the importance brands place on owned social media assets.

What makes social media so important as an owned asset? People spend a lot of time on social media. According to the editors of the Socially Aware Blog, people spend an estimated 18 per cent of their online time on social media sites.² Facebook dominates with an average 6.75 hours a month spent on the channel. The next channels for most time spent in a month are Tumblr and Pinterest with 1.5 hours a month each. It is not surprising that people are spending more time with

long-form content, such as Tumblr and Pinterest, versus short-form content, such as Twitter.

When one reviews the types of content distributed across social media, a staggering amount of time is spent on the channels. According to work compiled by Mashable, for every minute of the day, there are approximately 100,000 tweets sent on Twitter, 48 hours of video uploaded to YouTube, 700,000 pieces of content shared on Facebook and more than 3,600 photos shared on Instagram.³ In other words, a significant amount of content is being created and used by consumers and brands alike.

Brands are mixed on their adoption of owned social media. A CMO Council study found only 23 per cent of brand marketers were actually creating social media strategies.⁴ Furthermore, even though these brand managers were building the strategies, they were having a hard time executing them. The inability to execute social media strategies is a problem. As stated in the '2012 Local Search Usage Study', 63 per cent of local searchers are more likely to use a business or brand with owned social media, and 91 per cent of users performing a local search look to Facebook to find a local business online.⁵ Gone are the days of the Yellow Pages. If a company has not at least minimally invested in its owned social media then it is leaving money on the table.

So far, this paper has mostly discussed owned social media in regards to social media networks — Facebook, Twitter and Pinterest. However, there are many other types of owned social media assets a brand can use to help promote its product or service. Here is a snapshot of the different types and descriptions:

- *Social media networks*: Defined as an external site where a brand can develop a presence and connect with users on a

- one-to-one basis. Examples: Facebook, LinkedIn, Google+ and Pinterest.
- *Social news sites*: News is crowd-sourced then shared among the followers of the site. Examples: Reddit, Digg.
 - *Social bookmarking*: Sites allow a user to aggregate information and store or bookmark it as an online resource. Examples: StumbleUpon, Delicious.
 - *Blogs*: Blogs are the most popular owned social media asset. Blogs typically sit on a brand domain. In some cases, they may sit outside the domain as a separate owned asset. Examples: Domain CMS, WordPress, Blogger, Tumblr.
 - *Microblogs*: These are very short storytelling platforms. Platforms are limited by word or character length. Example: Twitter.
 - *Photo-sharing*: These sites allow users to upload photos and share and comment on them with their followers. Examples: Flickr, Picasa.
 - *Videos*: These sites allow users to upload videos and share and comment on them with their followers. Examples: YouTube, Vimeo.
 - *Wikis*: Wikis are websites that allow users to make modifications to entries. Examples: Wikipedia, Wikiquote.
 - *Forums and chat rooms*: One of the first owned social media assets, forums and chat rooms allow users to exchange information back and forth via text. Initially, they lived off-site. Then companies began putting them on their domain. With the advent of social media networks, most of this activity has moved away from forums and chat rooms. However, this type of activity still readily exists on news sites in conjunction with specific articles. There is some concern that search engines will begin penalising sites for spam content within owned forums and chat rooms.
 - *Online ratings*: These are sites where users can rate and review products or services offered by a company.

E-commerce sites typically will have a ratings and review section for each product. Examples: Yelp, Google+.

- *Checking-in*: Check-in sites allow users to share their location, interests and activities by checking-in and allowing users to view and comment on these check-ins. Examples: FourSquare, GetGlue.
- *Audio*: These sites allow users to upload audio files and share and comment on them with their followers. Examples: Podcast, last.fm.

Much like other forms of owned media, owned social media require time. Producing branded content and maintaining consumer engagement take time and resources, neither of which should be taken lightly. A brand is building a long-term relationship with its customers. Hiring a team of inexperienced community/social managers coupled with limited resources produces an insufficient environment for sustainable growth. Owned social media should be treated as a store front — where first appearances and the store experience directly relate to how the customer interacts with the brand.

Starbucks is a great example of understanding the importance of owning its social media identity. Its multiple channels — Facebook, Twitter, Pinterest, YouTube, Instagram — all have the same brand look and feel. The content is different by channel, but it is still recognisable as Starbucks.

Owned social media assist the other types of media. They validate the paid social media by being an established destination for consumers of the brand. In addition, a brand's social media channels allow a 'protected' place for earned media to exist.

Owned social media need to be cultivated and harnessed by all members of the marketing team, from the top down.

Embracing social media as an effective owned media channel will build a community of brand loyalists.

PAID SOCIAL MEDIA

Paid social media can be defined as any type of display ad, post, tweet and so forth that requires monetary payment for the content to appear. Paid social media act similarly to traditional and digital paid media. Typically, media are placed for specific periods of time. Paid social media, in some cases, can be highly targeted to specific audiences by psychographics or intent.

The volume of paid social media is growing. A BIA/Kelsey report forecasts paid social media to hit \$9.2bn by 2016.⁶ Additionally, Nielsen has projected that 64 per cent of advertisers will increase their paid social media in 2013.⁷ Of those advertisers surveyed, three-quarters reported using paid social media as a part of their overall marketing mix.

Paid social media amplify the message of the brand on both owned and non-owned media properties. In a Group M study reported by AdAge, a brand's post on Facebook will reach only 16 per cent of the brand's fan base.⁸ For a brand with 500 fans, as few as 80 people will see the message. Paid social media, in the form of promoted posts, can expand the reach to most, or even all, of the 500 fans, amplifying the message to the target audience.

Paid social media build brand awareness among an audience that may be unfamiliar with the brand. Much like television spots and billboards promote a brand message, paid social media can reach out to new target consumer groups via a variety of factors such as geo-location, interests, age, gender, likes, check-ins or intent. The key difference between buying traditional media and paid social media is that the data are based on actual historical data, not

syndicated or secondary measurement in the case of traditional media. For example, if a user checks in at a local coffee house, they can be served ads on Keurig, iced lattes or coffee cups. The granularity in which paid social media can target reduces media waste and improves campaign effectiveness.

Scale is a problem with both earned and owned social media. If a person has hundreds of fans or followers, a brand's message can get lost. Paid social media can help break through and emphasise a brand's message. For owned social media, paid media can help spread owned assets to new and existing audience targets. Websites, blogs, videos and shopping carts are all examples of owned assets that paid social media can help promote. Additionally, paid social media can help spark earned media. With promoted posts on Facebook, a post with high organic engagement can be moved to a paid promoted post to increase the potential virality of the post to non-fans, thus driving up engagement and more earned media.

Social media channels are rapidly trying to monetise the activity occurring on their sites. Thus, many different ad models exist, most without a high degree of standardisation. Here is a rundown of some of the more popular types of paid social media units and the channels within which they can be found:

- *Twitter:*
 - *Promoted accounts:* Advertise an account by 'promoting it'. The account is highlighted as 'promoted' in the Twitter feed, the 'who to follow' menu etc.
 - *Promoted tweets:* A paid tweet by an advertiser, similar to Facebook promoted posts. Marked as 'promoted' in the feeds of both followers and targeted users who are not currently followers.

- *Promoted trends*: An ad placed within the trends section of Twitter, acting as a trend. Usually placed at the top of the list and denoted as ‘promoted’.
- *Facebook*:
 - *Sponsored stories*: These stories are ads that sit both inside the timeline on the right-hand panel and can be targeted in a variety of ways. There are many distinctions of sponsored stories.
 - *Promoted post*: These posts mimic the look of a non-paid post on Facebook but are used to increase reach. Ads are placed within the news feed, and can be targeted both to fans of the page and their friends.
 - *Fan ads*: Fan ads drive users to the timeline or tab on a brand page.
 - *Marketplace ads*: Marketplace ads send users outside of Facebook to a brand website or other landing page.
 - *Facebook exchange ads (FBX)*: FBX ads are run through an exchange and direct users to a page outside of Facebook. Retargeting capabilities exist in FBX.
- *Tumblr*:
 - *Mobile ads*: Tumblr currently offers in-stream ads within iOS and Android apps.

As more channels adopt paid social media opportunities, consumers are becoming blind, and even distrustful, of the advertising in the space. According to a survey by Forrester Research, 85 per cent of US respondents do not trust social media marketing.⁹ For brands that rely heavily on paid social media to move brand messaging, this is a big problem — one that needs to be addressed immediately by channels and brands. Paid social media are of definite use to an overall campaign and need to be treated with the same care as any other paid media.

EARNED SOCIAL MEDIA

Earned social media are *the* opportunity for social media. In fact, when compared with paid and owned, earned social media truly embody the origins of social media. Social media space was designed as a place of engagement, interaction and sharing. Earned media embrace all of these forms of communication to support brands and efforts to sell products and goods.

What is meant by ‘earned social media’? Earned media traditionally referred to write-ups via media outlets where a brand did not have to pay for the placement. For example, if a baseball story appeared in the local paper and described the type of bat the hometown hero used to hit the walk-off home run as a ‘Louisville Slugger’, then the placement was considered earned media. Louisville Slugger had not paid the media company to write about the product.

Earned social media spots are when consumers are talking about the brand within social media space. Using the same example as above, a Facebook post, tweet, video or photo of the bat used to hit the walk-off home run, Louisville Slugger, would be considered earned media. Louisville Slugger has not paid anyone to post the content — they did so willingly in sharing the story about the home run.

The key to these examples is that they both live outside brand control. Louisville Slugger cannot predict how a journalist will interpret the story. The newspaper could be from the opposing team and the Louisville Slugger could become enemy number one. Additionally, Louisville Slugger cannot possibly control the way users ‘report’ the event via their social media channels.

This makes earned social media unique. For the most part, owned and paid social media are controlled by the brand. When brands participate in owned social media, the brand controls how conversations are started, the look and feel of the page and

the overall brand voice. When it comes to paid media, the brand controls when and where it places its media buy. This is not true of earned social media. Here, the customer, rather than the brand, has complete control over the conversation.

Why are earned media so important? Brands cannot control the message and customers could talk in such a way as to impede sales and discredit the brand. As a brand manager, why take the chance with earned social media? Because the data point strongly to their effectiveness.

Nielsen performed a study to determine the influence of earned social media, and the numbers are astounding.⁷ Ninety-two per cent of consumers worldwide count earned media as the most effective advertising for making decisions on a purchase. This is an increase of 18 per cent since 2007. Simply put: social media channels have become increasingly essential in influencing our decisions.

Earned social media can be challenging to earn and measure. Earned media look to drive the following goals:

- *Word of mouth*: Refers to individuals talking about the brand and influencing others to take action regarding the product or service.
- *Buzz*: Involves discussion (more than normal activity) about a product, service or company. May or may not have a direct impact on sales.
- *Viral*: A piece of content — video, infographic, blog — that reaches mass appeal outside of the target audience. May or may not have a direct impact on sales.
- *Sharing*: Customers spreading information or content about the company, product or services to their fans or followers.
- *Influencers*: The Pareto rule applies to customers. Capturing those individuals who share and create buzz around a

product or service can help to increase overall engagement.

- *Loyalty*: Drive repeat business by connecting with customers on a one-to-one basis.
- *Partnerships*: Increasing the number of contacts that help a brand's business succeed.
- *Engagement*: Interaction with the brand and assets throughout owned social media.

These goals are in stark comparison to what one would see in the paid and owned social media space. Those goals are defined. Earned social media rely on outside forces, ie consumers, to drive this form of advertising. Earned social media can take enormous amounts of time and effort — and lead to minimal gain in any of the above. However, the potential for any of the above to occur far outweighs the potential risk.

A large component of earned social media is content. Many of the same items listed as owned social media can be used for content in earned social media to help achieve earned social media goals. How important is content? Really important. The Content Marketing Institute, a leading authority in the area, found that 70 per cent of consumers say content marketing makes them feel closer to the sponsoring company.¹⁰ The Custom Content Council, a source for the US publishing industry, found that 90 per cent of consumers felt that brand content was useful, and 78 per cent of consumers felt organisations participating in developing content were trying to build good relationships.¹¹

Can earned social media drive sales and return on investment? Yes. According to a study by Kapost and Eloqua, content marketing drives roughly three times as many leads as other forms of marketing on the dollar.¹² On a similar note, the Customer Content Council found that 61 per cent of people felt better about

branded content versus traditional advertising, and are more likely to buy from a company participating in content marketing.¹¹

Earned social media utilise owned social media assets, or content marketing, to amplify reach and distribution. In turn, earned social media hope to increase engagement, build influencers and create buzz about the brand.

Paid social media can help amplify earned social media. Promoted posts are a great example of taking a post that is doing well in the social space and extending the message to another audience. Paid social media are extremely valuable at increasing buzz and the opportunity for a brand to go viral.

ANALYTICS

Analytics are essential to understanding how all three components — owned, paid and earned — work together to drive results. Each social media component relies on different metrics to assess effectiveness:

- *owned*: number of fans, number of followers, visits, page views, time on site, unique visitors, blog subscribers;
- *paid*: impressions, cost per click, cost per action, cost per like, click-through rate, conversions; and
- *earned*: likes, shares, retweets, share of voice, sentiment, number of influencers, ratings and reviews.

This list is by no means exhaustive. In addition, many of these metrics can be used interchangeably among the three types of media. Those managing social media campaigns must understand two things. First, social media marketers should not shy away from measurement. Return on investment can be measured and help determine the value of a social media programme. Secondly, social media managers need to speak the same language

as company decision makers and understand how to equate social media key performance indicators with the bottom line.

Most importantly, it is when all three social media types converge that a brand's social media programme will have more success and bigger results.

DIGITAL MARKETING AND PAID, OWNED AND EARNED MEDIA

Social media do not work alone in the paid, owned and earned space. When it comes to digital media, social media channels walk hand-in-hand with other digital marketing channels. As paid media, social media work with the entire media buy, to include banner ads, video pre-roll and so forth, to extend the reach and the number of impressions brands can capture. Paid social media help marketers gain campaign scale. In the owned space, social media should be seen as a component with the other brand-owned assets (websites, microsites, landing pages, content marketing) to provide a cohesive brand message to the target audience. A cohesive brand message across all owned media will help increase brand awareness, brand loyalty and assist marketers in driving brand interaction. Finally, social media can work extremely closely with public relations teams when it comes to earned media. A consistent voice and message to the public instils confidence in the brand and helps frame the brand in the consumer's mind.

CONCLUSION

It is an exciting time for social media, especially for those who run social media programmes. Social media managers can use an army of strategies, assets and tools to connect with a brand's target audience. This includes utilising owned, earned and paid strategies.

With this plethora of opportunity, however, come challenges. Social media programmes need resources. A social media team must be more than just an intern, or even a team of interns. Social media should be led by a team of well-seasoned marketers who understand paid, earned and owned strategies in traditional and digital marketing as they are best equipped to garner the most from the marketing channel. This team should be able to understand how all of the other marketing channels work together to form a single cohesive message across the platforms.

Social media campaigns that make the most impact will utilise paid, earned and owned strategies. Engaging, quality content that is shared by current customers and then multiplied to reach a brand's entire target audience will drive social media forward. One strategy cannot do it alone. The combination of all three strategies will create an increased lift above a singular strategy every time.

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