

Brand Strategy in Transition: From Traditional Marketing to Social Media Precision Marketing

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Abstract. This paper researches the strategic transition from traditional mass marketing to algorithm-driven precision marketing and why it has become essential in modern society. Traditional frameworks such as the 4Ps and STP models are based on one-way communication and demographic segmentation, being less effective in today's world. As consumer behavior shifts to focus more on user-generated content (UGC) and electronic word-of-mouth (e-WOM), brands have started losing their narrative control. In order to adapt to these changes, companies could make use of big data and algorithms to deliver personalized content directly to individuals, predicting potential consumers and making the marketing process more efficient. By a case study of Nike's digital strategy, this study shows how using social media and brand apps can help the company share a better connection with consumers, while also having challenges around internet privacy. Overall, this paper offers insights about how brands can promote their marketing strategies in the digital age.

Keywords: Precision marketing, social media, promotion

1. Introduction

For many years, the main idea of marketing has been to create and offer value for the target consumers of a company. Traditional marketing is in a mass-media environment, and the brand has had centralized control over information dissemination. Public channels, such as television, newspapers and radio, can all help the company reach more consumers in the market and build brand awareness across a wide area.

With the development of the world's technology, many people have begun to use social media and changed how they shop. Nowadays, the public is no longer a passive recipient of information released by enterprises; they have started creating their own content, posting comments, sharing recommendations, reviews, and rankings of products on social media platforms. Information is now widely available and easy to obtain; companies are no longer the only sources of mass media, and consumers can learn about a brand from all over.

1.1. Research problem

While the development of digital technologies offers more access to consumer data, many organizations are facing difficulties accommodating and making use of those new opportunities in

social media environments. The research problem focuses on how traditional marketing concepts can be combined with precision marketing to promote brands and products in the modern internet environment.

1.2. Research questions

The research questions as follow:

- RQ1: What parts of traditional marketing theories need to be altered to accommodate social media environments?
- RQ2: How does consumer participation on social media influence brand strategy?
- RQ3: What kind of method effectively combines traditional strategies with precision marketing?

1.3. Research objectives and significance

The research objectives are :

- To evaluate the limitations of traditional marketing models in modern times.
- To research precision marketing and algorithmic targeting.
- To develop the theory under the transition from mass traditional marketing to social media precision marketing.

This study helps develop modern brand strategies. By focusing mainly on how consumer behavior affects brand reputation, this paper aims to combine older business frameworks with the modern digital environment.

2. Literature review

2.1. Traditional marketing

In the past, the center of the marketing strategy was put on the brand itself rather than consumers. The most popular model used in traditional marketing is the 4Ps framework: Product, Price, Place, and Promotion. Under this traditional model, brands relied heavily on "Promotion" using mass media like television, newspapers, and radio [1]. To define consumers, they grouped consumers into basic categories based on age, location, or income. Consumers only received information from the company, making it a one-way communication.

The STP (Segmentation - Targeting - Positioning) model aimed to bring order to mass markets [2]. It brings Segmentation to divide the market into different sections based on categories such as gender, age, or income. Once segmentation is finished, brands would target specific groups and create a clear Positioning statement to make sure their product would differentiate from competitors.

2.2. Digital transformation

The rise of the internet and digital platforms dramatically affected the foundations of traditional mass marketing [3]. As the method of communication between sellers and consumers moved online, the power of advertising shifted from brands to consumers.

The most profound change in modern consumer behavior is that people prefer to trust product reviews far more than brand marketing, and now they have the digital platform to achieve this goal. Today, before purchasing a product, consumers rarely rely on a brand's promotional description or advertisement. Instead, they have become more focused on electronic word-of-mouth (e-WOM) [4], including star ratings and long reviews on websites, unboxing videos and product tests on social

media, or simply daily comments from regular buyers. Because most buyers do not have an incentive to promote and support the brand, their feedback carries higher trust than regular promotions. As a result, brands no longer fully control their own reputation. The brand's success is now largely shaped by public comments.

2.3. Modern social media ecosystems

Within the general modern social media environment, consumer behavior is now focused on interactive content. User-Generated Content (UGC) refers to the outputs created by regular customers rather than the brands themselves [5]. For modern shoppers, UGC works as a kind of proof that a product would work in real life. The fact that seeing a normal person use a product in a daily scene gives relatively more useful information for consumers.

While traditional marketing spent a large amount of promotional expenses on celebrity endorsements, modern consumers often view traditional celebrity ads as artificial; also, this strategy has been used too commonly in past decades. Today, consumers instead tend to pay more attention to social media influencers [6]. Because creators usually interact directly with their followers, those potential consumers would view their recommendations as advice from a knowledgeable friend, instead of just an advertisement [7].

2.4. Precision marketing

Traditional STP grouped consumers by specific categories; it only included information like gender, age, or income. By contrast, precision marketing uses big data to build dynamic user profiles [8]. Algorithms analyze more detailed consumer behaviors, such as search history, video watch time, and the different like rates in different topics of content [9]. Instead of guessing what a kind of group favors, big data predicts what a specific individual is interested in.

Precision marketing enables brands to spend promotional expenses with less waste, delivering content only to those targeted people who would be interested.

3. Theoretical analysis of marketing transition

3.1. From mass marketing to precision marketing

The transition from traditional mass marketing to digital precision marketing is about a fundamental change in how companies analyze market segmentation, targeted customer categories, and information delivery [2].

The change in market segmentation refers to when traditional mass marketing is no longer based on fixed demographic divisions, and precise marketing has been introduced to dynamically divide users according to detailed information gathered about them during the process [8]. Traditional marketing has a wide target audience and assumes that people in the same group have the same needs. Precision marketing focuses on the individual's specific interests, filters user data, and thus meets their needs more precisely [9].

Mass marketing has a single distribution mode and is thus wasteful of promotional funds. Precision Marketing employs algorithms to offer more personalized content for interested users.

3.2. The changing role of consumers in social media

With the loss of direct control over product launches, Brands are no longer entirely responsible for the public perception. A product's reputation is now linked to online reviews [4].

As potential buyers are more likely to believe peer product comments and reviews than official company advertisements, some of the brand's strategy should shift from general advertising to enhancing customer satisfaction and electronic word-of-mouth (e-WOM) [5].

3.3. Opportunities and challenges of precision marketing

A high-precision marketing method can be used to reduce advertising costs by targeting only those who are likely to be interested in a product, and thus increase the conversion rate. It will help the consumer learn about the product and decide whether it is suitable for their life, thus increasing their willingness to buy [3].

The problem with the strategy of personalized marketing is that a large amount of personal data is required. An increase in public awareness of privacy and stricter data protection laws have created some risks for the brands' promotional activities [10]. At the same time, some consumers feel that the personalized advertisements are too intrusive and thus avoid them, leading to a negative view of the brand.

4. Case study: brand strategy in the social media environment

4.1. Case background and brand marketing strategy

Nike, Inc., founded in 1964, is one of the most popular and well-known sports apparel and footwear brands. Traditionally, Nike slowly built up its global presence by creating brand stories, making athlete endorsements, and spreading mass-media slogans like "Just Do It." Nike's target market includes both professional athletes and regular people doing sports [11].

In recent years, Nike made a strategic shift towards its "Direct-to-Consumer" (DTC) and digital-first strategy [11]. As young consumers no longer favored physical retail stores, Nike made a strategic transition quickly, establishing its own mobile applications and social media platforms, while its success in the past was mainly due to its physical retail stores.

4.2. Transition from traditional marketing to social media marketing

In the past years, Nike spent heavily on prime-time television commercials during major sporting events [1]. These ads built massive global brand awareness, but communication was still one-way. Today, while Nike still maintains its visibility and public recognition, their customer communication is taking place more on online platforms. Instead of simply delivering advertisements, Nike's social media strategy could focus on interactive storytelling, posting stories of everyday athletes or just some sports-related social events. They also encouraged UGC by encouraging consumers to tag #Nike in their posts, simply to reach consumers [5].

4.3. Application of social media precision marketing

Nike made use of consumer data and algorithm-driven precision marketing to provide personalized content for individual users [9]. Unlike some other brands, Nike collects data from its own mobile apps and websites, such as the Nike App, SNKRS, and Nike Run Club. Through these apps, Nike

collects information about their users and uses this data to make user profiles, making sure that its advertising matches the individual's interests. For instance, a user who usually runs while using the Nike Run Club app may be seeing targeted ads for different running shoes.

At the same time, Nike uses precision ad delivery on social media platforms. If a user used to view shoes on Nike's website but did not make a purchase, they may show that ad on that user's social media, hinting them to return to the website and make the purchase.

4.4. Analysis of marketing outcomes and limitations

Nike's shift toward precision marketing has started to create success. Selling directly to consumers through digital platforms would increase profit mainly by reducing the problems that may occur due to other unknown factors. The method of precision targeting also allows the brand to spend its ad expenses on specific interested consumers and reduce waste [8].

Some challenges also occur in this process. Long time of relying on precision targeting may lead brands to focus too much on short-term sales, kind of ignoring long-term brand storytelling [11]. Also, privacy concerns are a serious topic for the brand to consider; personal data collection may cause consumer backlash [10].

5. Conclusion

5.1. Main findings

This paper researched and investigated the strategic shift from traditional marketing theories to social media precision marketing. The main findings show that classic marketing frameworks, like the 4Ps and the STP model, for example, were mainly designed for mass media promotion and are flawed due to their one-way communication. While these traditional models used to work well in building brand awareness, they are more limited in today's world.

By contrast, the emergence and rise of digital platforms and social media have distributed the role of communication to both sides, sellers and consumers. Today, the reputation of a brand and its product relies far more on user-generated content compared to the past. So, brands could choose to transition toward precision marketing on social media. By making use of big data, brands can deliver personalized content to specific individuals, effectively improving marketing efficiency while also raising consumer engagement.

5.2. Limitations and future research

This study has some limitations; basically, the analysis relies on existing literature and publicly available information, not primary data or evidence.

Future research can address these problems by conducting surveys or interviews to gather primary data about purchasing decisions. Other than that, future studies could also make comparative analyses between different brands in varied spheres.

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