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MARKETING IN SOCIAL MEDIA: THE FACEBOOK PHENOMENON

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ABSTRACT

The main objective of this study was to explore whether brands should have a presence in social media, especially in Facebook, and if so, which issues should then be considered. A critical review of literature was carried out and primary research was conducted about Finnish consumers' behaviour in Facebook.

The media landscape is becoming increasingly fragmented and internet marketing especially is evolving at a fast pace. These changes have created new opportunities and challenges for marketers in terms of how to use the traditional marketing theory to suit the new environment.

It is impossible to say whether social networking sites will continue to grow or end up as a niche market in the media landscape. Nevertheless, the results of this research show that a large number of consumers in Finland are actively using Facebook at the moment and therefore marketers should strongly consider taking marketing action in that environment.

The thesis comes to the conclusion that brands can benefit from having a presence in Facebook if the objectives and the nature of the brand suit the environment. Marketing in Facebook is best for increasing brand exposure, creating buzz, establishing relationships and for learning what people are saying about the brand. The study also comes to the conclusion that to succeed in marketing efforts in Facebook certain main issues should be considered. In this media, brands should follow the rules of social media and be transparent. It is also vital that marketers understand the community and be relevant and also enable sharing of content and allow engagement. Brands should also take into consideration the difficulty of measurement, advertising clutter, and the possible consequences of being absent from this media.

Keywords: Social media, Web 2.0, Facebook, social networks, marketing

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TIIVISTELMÄ

Tämän päättötyön tavoitteena oli tutkia tulisiko brändien olla läsnä sosiaalisissa medioissa, erityisesti Facebookissa, sekä selvittää mitä tekijöitä kyseisessä ympäristössä tulisi ottaa huomioon. Tämä päättötyö koostuu teoriaosasta sekä tutkimuksesta jonka aiheena oli kuluttajien käyttäytyminen Facebookissa.

Mediakenttä on yhä enemmän pirstaloitunut ja etenkin Internet-markkinointi kehittyä kovaa vauhtia. Nämä muutokset ovat luoneet sekä mahdollisuuksia, että haasteita perinteisen markkinointiteorian soveltamisessa uudessa ympäristössä.

On mahdotonta sanoa tulevatko sosiaaliset verkostot jatkamaan kasvuaan myös tulevaisuudessa vai päätyvätkö ne niche-markkinaksi. Tätä päättötyötä varten tehty tutkimus kuitenkin osoittaa, että suuret suomalaiset kuluttajajoukot käyttävät Facebookia tällä hetkellä aktiivisesti. Tämän takia brändien tulisi vahvasti harkita osallistumista markkinointiin sosiaalisissa verkostoissa.

Tämä päättötyö tulee siihen johtopäätökseen, että brändit voivat hyötyä läsnäolosta Facebookissa jos sen tavoitteet sekä luonne sopii kyseiseen ympäristöön. Markkinointi Facebookissa toimii parhaiten brändin näkyvyyden lisäämisessä, mielenkiinnon ja suhteiden luomisessa sekä kun halutaan tietää mitä kyseisestä brändistä puhutaan. Tämä tutkimus tulee myös siihen johtopäätökseen, että menestyäkseen markkinointitoimenpiteissä Facebookissa tulee ottaa tiettyjä tekijöitä huomioon. Tässä mediassa brändien tulee noudattaa sosiaalisen median sääntöjä ja olla läpinäkyviä. On myös tärkeää että markkinoijat ymmärtävät yhteisön toimintaperiaatteet, ja mahdollistavat sisällön jakamisen ja osallistumisen. Brändien tulisi myös ottaa huomioon tulosten mitattavuuden vaikeus, mainonnan monimuotoisuus, sekä mahdolliset seuraukset brändin poissaolosta kyseisestä mediasta.

Avainsanat: Sosiaalinen media, Web 2.0, Facebook, sosiaaliset verkostot, markkinointi

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1. INTRODUCTION

1.1. Area of the study

The media landscape is becoming increasingly fragmented and internet marketing especially is evolving at a fast pace. These changes have created new opportunities for marketers and many of the new marketing channels to many are as yet fairly unknown or unexplored. Recently, social media has been much discussed with regard to internet marketing.

Internet marketing is currently based mainly on the formula of companies trying to get consumers to visit their own websites. However, with the new trend in consumers' internet behaviour and overall in internet marketing, companies should be doing just the opposite and going where the consumers are instead of trying to lure them to their websites in hopes of sales or building brand awareness. Therefore traditional internet marketing is being, and should be, challenged. An increasing understanding is developing among marketers that brands should be where the consumers are. Today, consumers spend growing amounts of time in social media networks such as *Facebook* and *MySpace*. Interestingly, marketing in social networks remains a relatively new topic with problems to solve.

In Finland *Facebook* has become the largest social networking site but there seems to be no clear consensus whether brands should have a strong presence there. This study explores whether marketing in *Facebook* is worth the hype.

1.2. Focus of the study

The main focus of this study in consumer behaviour research is on Finnish consumers and the social networking site *Facebook*.

1.3. Aims and objectives of the study

The overall aim of this study is to explore whether marketers should have a presence in social media, and especially in *Facebook*, and if so, which issues should then be considered. What opportunities, if any, exist for brands to create more meaningful consumer connections within these social networks?

Finland is used as a case study regarding the subject. A fairly large amount of research on subjects concerning social media and consumers and social media and companies does exist, but a reasonably understudied area in Finland is specific social networking sites and how their members behave in relation to marketing.

1.4. Project structure

The report initially explains how internet marketing has become important in the media landscape and the basics of marketing theory and the main theoretical aspects of how social media marketing differs from traditional marketing. The theoretical study is followed by a market based study of the social media environment and the social networking site *Facebook* is presented. The market based study also explores how companies in general, and especially in Finland, have come to terms with marketing in social media and how consumers use social media. All of the above mentioned is then compared with the primary research conducted on the subject of how consumers in Finland use *Facebook* and how they react to marketing in that environment to finally reach conclusions which methods of marketing, if any, work in *Facebook* and ultimately if brands should have a presence there.

2. LITERATURE REVIEW

2.1. Definitions

Social media

Social media can be defined as online applications, platforms and media which aim to facilitate interaction, collaboration and the sharing of content (Universal McCann 2008).

Social media refers to activity found in networks, collectively produced and/or shared media content.

Commonly social media is connected to Web 2.0 and services under it such as, wikis, social networking sites, podcasts and blogs (Koskela et al 2007).

Viral marketing

Viral marketing can be defined as the voluntary spread of an electronic message from one consumer to one or many others, creating exponential and self-perpetuating growth in its exposure. (Perry and Whitaker 2002)

Web 2.0

Web 2.0 is the second generation of the World Wide Web, the social media revolution. Web 2.0 is about user-generated content, producer-consumers. (Academica Group 2008) The idea of sharing information and the movement of it from users' computers to the net is seen central to the Web 2.0 phenomena. (Koskela et al 2007)

2.2. The basics of marketing strategy

Marketing is a process for defining markets, quantifying the needs of the customer groups (segments) within these markets, determining the value propositions to meet these needs, communicating these value propositions to all personnel in the company responsible for delivering them, attending in delivering these value propositions to the chosen market segments and monitoring that the value is actually delivered (Baker

and Hart 2008). In order for a company to be realistic with its strategic marketing plan, it must take into consideration the organizations' existing competitive position, where it wants to be in the future, its capabilities and the competitive environment it faces. To do this, the marketing planner must learn to use various available processes and techniques which help in determining them.

Marketing theory is generally suggested to be based on three essential schemas. The schemas are the three generic strategies, the four contexts and the five forces.

The three generic competitive strategies of focus, cost leadership and differentiation were introduced by Michael Porter (1980, 2004). His thrust is that a firm's relative position within its industry determines whether a firm's profitability is above or below the industry average and that the fundamental basis of above-average earnings in the long run is *sustainable competitive advantage*. Porter explains that the two basic types of competitive advantage of low cost or differentiation combined with the scope of activities for which a firm seeks to achieve them lead to the three generic strategies in aim for above-average performance. The three strategies are cost leadership, differentiation and focus. Porter (2004) claims that all these three involve a fundamentally different route to competitive advantage but a number of other writers, most particularly John Kay (1993, cited in Baker and Hart 2008), have noted that the cost-differentiation might not be seen as a real dimension at all as many successful strategies do not have a wholesome emphasis on either cost or differentiation.

The four boxes stems from the market share / market growth matrix called the BCG Matrix created by the Boston Consulting Group (Kotler 2005). The BCG growth-share matrix is used to classify the company's strategic business units (SBUs) to the matrix and result to a suitable strategy based on the position in the matrix. During time there has emerged a range of different matrix frameworks but the BCG one remains as an exceptional exemplar. The model faces criticism on basis that the 'relative market growth' ignores the PEST factors and Porter's five forces and is only one variable of competitive positioning (Grundy 2003).

The five forces analysis was introduced by Michael Porter (Baker and Hart 2008). The analysis emphasizes that competition is much broader than just the rivalries between established competitors in a particular market. The tool helps to determine the possible threats in a particular market for a company.

2.3. Segmentation

Theoretically all business strategies should be based on understanding, meeting and most preferably exceeding the needs of chosen target segments. Segmentation is at the core of organizations' efforts to become customer driven. Segmentation has been viewed as a key marketing concept since the early 1960s and the basic concept has mainly stayed the same (Baker and Hart 2008). Despite the stability of the core concept, the recent advances in information technology and the emergence of globalisation are introducing a discontinuous change to the adoption and implementation of segmentation strategies. The Internet for example has not only expanded the ability to implement market segmentation research more effectively, but

also expanded the portfolio of segmentation methods available resulting in 'one-on-one marketing' or segments of one (Baker and Hart 2008).

2.4. Marketing mix

Once a company has chosen its marketing strategy, it should plan its marketing mix accordingly. The marketing mix is the set of controllable tactical marketing tools – product, price, place and promotion – that the company in question can blend to produce the response it wants in the target market (Kotler et al 2005). Some writers have suggested adding a fifth P standing for people to underline the service element in marketing (Baker and Hart 2008).

Dev and Schultz (2005) in their article *A customer-focused approach can bring the current marketing mix into the 21st century*, argue that there is reason to rethink the four Ps as the changing marketplace dynamics make the concept obsolete. They propose that the old supply-driven concept should be replaced with a new customer-focused approach. Salmenkivi and Nyman (2007) similarly claim that in this new era of the internet this model should concentrate on answering the challenges the new environment brings. Figure 1 introduces the CREF model which aims to adapt the 4Ps model to the new environment of the internet.

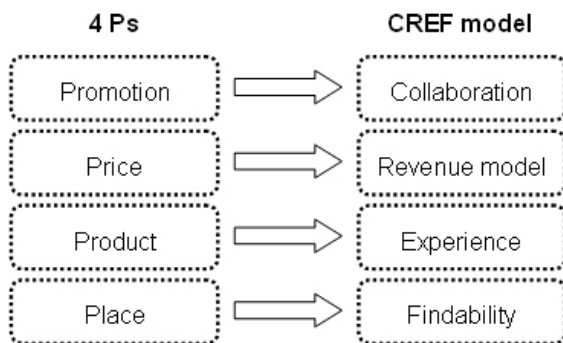


Figure 1. *The CREF model (Salmenkivi & Nyman 2007, p. 220)*

Salmenkivi and Nyman (2007) explain that promotion should be handled as collaboration as we are moving from one way marketing to a two-way interaction and collaboration with consumers and other reference groups. Price should be talked about in terms of revenue model because instead of price wars there is a focus on revenue models and winnings are made more and more through indirect income. They continue that product's meaning is declining as consumers are increasingly interested in the wholesome experience rather than the mere product. The place should also be talked about in terms of findability as making the product accessible to consumers does not just mean the physical placement as much as making the product or service accessible.

2.5. Experiential marketing

What is nowadays regarded as 'traditional' marketing strategy was developed primarily in the 1970s. Traditional marketing is mainly functional features-and-benefits marketing. Bernd Schmitt (1999) proposes that there are three phenomena which signal an emergence of a new approach to marketing. These phenomena are the omnipresence of information technology, the supremacy of the brand, and the ubiquity of integrated communications. He brings forward a concept of experiential marketing which is mainly concerned with the six senses: smell, vision, taste, hearing, touch, and balance. Experiential marketing has grown in importance as traditional marketing has principally ignored the notion of these experiences. He also explains how the Internet's interactive capabilities are ideal for creating experiences for customers.

2.6. Media landscape

Marketing is continually changing. In the 1980s consumers were confronted with fewer ads than today and each of those ads reached a lot more people with undivided attention. Today, consumers are faced with more ads and each ad reaches fewer people paying less attention than before. The media landscape is becoming increasingly fragmented and the audience has more power as they can create, select and change many media.

At the same time the audience is becoming more fragmented as people's lifestyles and consumer behaviour becomes more manifold. Big worldwide phenomena such as increasing energy consumption, political instability, globalisation, global warming, the aging western population, ecological and income level differences affect marketing directly and especially indirectly now and in the future. Kotler et al (2005) present four major forces which shape the internet age: digitalisation and connectivity, the explosion of the internet, new forms of intermediaries, and customisation and customerisation as seen in Figure 2.

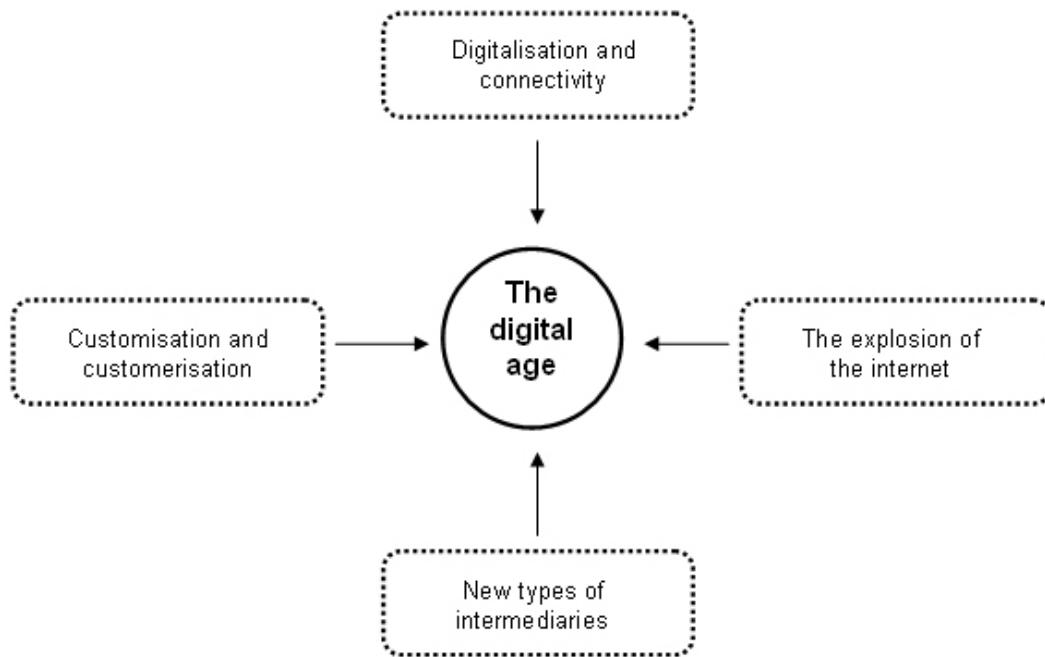


Figure 2. Forces shaping the internet age (Kotler et al. 2005, p. 128)

The direct and indirect motions have lead to the shaping of digital information, cost-effective saving and mobility which shape media behaviour in addition to the rapidly growing amount of media channels which decreases wide targeted mass media usage. Furthermore, age, gender and income levels mean less and less in marketing, thus reaching the wanted target groups with means favoured by them is made harder by the changes in consumer behaviour (Salmenkivi and Nyman 2007).

In recent years internet marketing has grown rapidly and is transforming and acquiring new forms continually. Marketers are faced with new opportunities in different forms such as RSS, blogs, viral marketing and social media networks such as *Facebook*, *SecondLife*, *YouTube* and *MySpace*. At the same time the whole media landscape is changing due to recent advancements in wireless networks and mobile phones and more specifically, their transformation to portable devices which enable access to the internet whenever and wherever.

2.7. Integrated marketing communications

The idea behind the concept of integrated marketing communications (IMC) is that a company carefully integrates and coordinates its different communications channels to deliver a clear and consistent message about the organization and its products providing short cuts to understanding what the brand stands for, and adding depth and strengthening a particular message (Baker and Hart 2008).

There are two major factors which have shaped the face of today's marketing communications. Firstly, mass markets have fragmented and marketers are moving away from mass marketing. Second, the enormous

advances in information technology have sped the movement towards segmented marketing. These two factors have had a dramatic impact on marketing communications as the roles of various media and promotion-mix tools have changed (Kotler et al 2005). This shift has presented a situation where customers are bombarded with advertising messages from various media. Conflicting messages from these different sources can result in confusion in the customers mind in terms of company images or brand positions and for this reason a concept of IMC has been established (Kotler et al 2005). Many other writers on the subject argue that IMC is the natural evolution of mass-market media advertising towards targeted direct marketing. Ilchul et al (2004) in their article *Understanding the Diffusion of Integrated Marketing Communications* argue that IMC is an emerging concept and thus it does not have a commonly accepted theoretical framework yet. In the article Ilchul et al present views from different scholars on the subject such as Caywood, and Kitchen and Schultz. The views of these scholars can be summed up as follows: The emerging factors which have impacted the emergence of IMC are the development of new media technologies which has weakened the power of traditional mass media, diversified media sector, the development of consumer databases, widely varying consumer's needs and tastes, and clients' desires to develop a cost-effective marketing strategies that are able to quickly respond to the changing market environment. To succeed in using the integrated marketing communications concept, careful identifying of the target audience has to be matched with well-coordinated promotional programme.

2.8. Communication process

Today, marketers are continually seeing communications as managing the customer relationship over time (Kotler et al 2005), and creating a dialog with the customers. To do this properly the concept of the communication process has to be clearly understood. There are two major elements in communication – the sender and the receiver. The other two are communication tools – the message and the media. The basic functionality is that for the message to be effective, the sender's encoding process must be suitable for the receiver's decoding process (Kotler et al 2005).

2.9. Internet as a media channel & e-marketing

The internet has evolved into something of an assembly media, to which consumers are directed from other media. An example of this is the Super Bowl half time advertising spots in America which have been widely recognised as one of the best in attention value, one of the most expected and also surely one of the most expensive. In 2007 the internet played a main role in half of the advertisements as they were made by consumers and almost two thirds of the commercials during 2006 Super Bowl were designed to send viewers to a digital destination. When other media directs consumers to the internet and the fact that ever faster internet connections enable incorporating the best features of traditional media into the interactivity of the internet, the internet becomes the most powerful medium with which to mould and build brands and corporate identity (Salmenkivi and Nyman 2007).

Engagement is an important theme in marketing at the moment. Interactivity in brand building is turning into engagement and even self-creating (Koskela et al 2007). Engagement marketing is marketing strategy where consumers are encouraged to take part in a brand's development (VTT 2008). Instead of treating consumers as passive receivers, engagement marketing aims to activate consumers to take part in the development of marketing campaigns and this way committing consumers to dialog with brands (VTT 2008). This increasing trend is closely connected to social media.

Participatory economy can especially be seen on the internet where Web 2.0 discussions run fiercely (blogosphere). According to Koskela et al (2007) the internet's second coming is based on a new sense of community and fragmentation of markets creates a huge challenge for traditional business, but at the same time also an opportunity. In participatory economy any internet user can become an entrepreneur and website can become the topic of the week, the combining factor being networking and the fact that certain basic services are free. At the moment the concept of Web 2.0 dominates the internet. It is neither a new standard nor a new paradigm shift, but rather an evolution of technologies and communication approaches.

Another characteristic of the internet nowadays is that it enables consumers to have more power. Salmenkivi and Nyman (2007) state there are four reasons behind the consumers' rise to power within the Web 2.0;

1. Consumers collective intelligence
2. The possibility to share consumer experiences, the information shared about products and services in comparison networks makes price, quality and characteristics transparent
3. The transition of information control from companies to the chaos of the internet
4. The consumers possibility to control the channel

There are multiple ways in which to practice marketing on the internet, but banner advertising is still the most used form of internet advertising although research claims that they can have negative effects on consumers' attitudes. It is also claimed that consumers tend to learn quickly how to avoid looking at banners regardless whether they are animated or not (Kulutustutkimus 2006). Banner ads are most often a way companies try to attract consumers to visit their websites. This formula is growing old as consumer behaviour keeps changing in the direction where consumers spend increasing amounts of time in virtual worlds, social communities and networks and so they may even wish that companies and brands would be present in their environment instead of the companies trying to get them to go elsewhere.

E-marketing can be defined as the use of electronic communications technology to achieve marketing objectives (Baker and Hart 2008). E-marketing at the moment is the fastest moving area of marketing tactics which enables early adopters a possibility to gain a competitive advantage. Dave Chaffey (Baker and Hart 2008) lists six main changes in moving from traditional media to new media. These key changes are 1) In contrast to traditional media, the internet is a pull medium, 2) The communication is instead of a monologue a dialogue, 3) in e-marketing messages are from one-to-some or even one-to-one, 4) new media enables many-to-many communications, 5) new media are instead of 'lean-back' a 'lean-forward' media, and 6) new media is an integrated media.

2.10. Social media campaigns

Social media campaigns help the company to execute the marketing strategy. All campaigns should start with setting objectives which must be set to be appropriate for the arena (Tuten 2008) – in this case the social media arena. Without a clear understanding of what you want to achieve and who exactly you want to reach, your campaign will not be focused and the results will be fragmented and unclear. The objective of all marketing is to increase sales. In practise advertising can also have different objectives, such as brand building, increasing attention value, information gathering, getting consumers to commit, and increasing awareness (VTT 2008). Traditional advertising is often measured by reach or frequency, but in social media these are not easily measured. Despite this, the objectives of a campaign should be SMART i.e. specific, measurable, achievable, realistic, and timed (Marketing Teacher 2009). Social media marketing offers marketers various possibilities. Objectives suitable for social media campaigns can be to build brand awareness, maximize cross- and within media integration, research consumer behaviour, develop ideas for new marketing strategies, drive traffic to a digital destination or extending the brand message's exposure time (Tuten 2008).

According to Tracy Tuten (2008) there are seven primary factors which contribute to the success of a social media marketing campaigns: 1) setting appropriate objectives, 2) embracing engagement, 3) making it relevant, 4) staffing it, 5) integrating multiple social media outlets, 6) building on the socialcentricity inherent in the communities, and 7) investing the time. Evans (2008) on the other hand highlights the importance of transparency as marketers always have an incentive to make a sale which makes transparency a crucial aspect in word-of-mouth and social media campaigns. When marketers enter the world of social media they are faced with a dilemma – they have to give up control in order to gain a presence in the conversations that matter (Evans 2008).

2.11. Measurement - Social media impact and metrics

As any advertising campaign, also social media campaigns start with setting objectives, and they end with assessing the effectiveness of chosen strategies and tactics to determine whether the set objectives were met (Tuten 2008). The measurement process should begin with reviewing the set objectives and then mapping the components used in the social media strategy and finally determining the criteria that will be used to assess the achievement of the set objectives (Tuten 2008).

The main problem with social media advertising is that at the moment it lacks the standard metrics that can help to define the success of a campaign. The reason is that much of what is tried to be understood is intangible. The internet is said to be the most measurable media as it has measurability built into its existence. Marketers can measure various aspects of the campaign such as reach (the number of people exposed to the message) and frequency (the average number of times someone is exposed), and they can

analyze stickiness (the ability of a site to draw repeat visits and to keep people on a site) and the relative pull of creative presentations (Tuten 2008). Advertisers can also observe click-throughs (the number of people exposed who click on an online ad or link), sales conversations (the number of people who click-through who then purchase product), and view-throughs (the number of people who are exposed and do not click-through but later visit the brands web site). Often in social media campaigns these metrics are either totally inappropriate or irrelevant because numbers do not tell the depth of interaction consumers had with the brand or the degree of engagement felt during and after the interaction. Also the effects of interaction such as exposure to brand messages, and brand engagement on measures such as brand likability, brand image, brand awareness, brand loyalty, brand affiliation, congruency, and purchase intent are completely ignored with these kinds of metrics (Tuten 2008).

A common metric for measuring success of a marketing campaign is return on investment (ROI). ROI is a measure of profitability – calculating it tells how much income was generated from investments in advertising (Tuten 2008). According to a study, Social Media Survey, where large corporations were asked about their social media ROI, 35% reported positive ROI, whereas 41% said that ROI was unknown (Marketing Charts 2007). The results showed that direct sales revenue is not a top measure for determining social media success as a large part of respondents stated engagement with their brand as the number one most important measure of social media success (Marketing Charts 2007). SMROI (social media return on investment) tries to answer the question, how much income was generated from investments in social advertising (Tuten 2008)? This is challenging as the outcomes in social media have a qualitative nature as investments often generate goodwill, brand engagement, and momentum (Tuten 2008). Also Darlene Fichter (2008) in her article about social media metrics argues that with social media, qualitative and quantitative measures must be studied together to see the full picture.

In a research conducted by TNS et al (2007) through two case studies it was found that while advertising and community pages in social networking sites have a strong effect, over half the impact of social networking marketing comes from something called “the momentum effect”. The momentum effect occurs when consumers become motivated to tell their own personal stories using your brand as a prominent reference point (TNS et al 2007). The average ROI from these two case studies is stronger than the average for online advertising in general. Their research also shows that almost all the C2C value comes from seeing the brand within one’s social network. Therefore according to the research, “the momentum effect” is the single strongest measure of overall social networking marketing success.

These attempts and studies which try to find ways to measure the success of social media campaigns show how social networking is being taken all the time more seriously and the measurement of ROI is being modified to meet the needs of the new environment.

3. SOCIAL MEDIA ENVIRONMENT

Social media includes very different types of services of which some have found huge visitor amounts and the patterns and processes they offer have generated big changes. For example *Wikipedia* has shown that unofficial and voluntary cooperation can produce significant results. *MySpace* has cleared the way to social networking sites and communication with media content. *Facebook* encourages people to appear with their real names and *YouTube* has significantly moulded people's expectations and ways in media usage (VTT 2008). Social media has various platforms of which the key social platforms are presented in Figure 3.



Figure 3. Key social platforms (Adapted from: Universtal McCann 2008: *Social Media Tracker Wave 3*, p. 11)

Advertising is the most important source of income in many social media services which means that social media is a significant competitor to traditional media (VTT 2008). Competition is over people's time. People telling about themselves and producing content is often a part of social media, which can be used in targeting advertisements. This is yet to largely taken advantage of.

3.1. Social media networks

The difference between a network and a society is fickle, but important. The members of a society always have a common denominator, for example an interest to something like photographing or football. A network can form without a common denominator. In other words a community is also a network, but a network isn't necessarily a society. (Salmenkivi and Nyman 2007)

Social media networks are becoming more and more popular around the world. The phenomenon keeps growing in many regions of the world. But from the results of a study of worldwide usage of social networking sites conducted by *ComScore* (2008), it can be seen that the social networking trend is already beginning to

reach a point of maturity in North America as seen in Figure 4. – especially as the established American brands turn their focus to developing markets.

Social networking growth by worldwide region June 2008 vs. June 2007			
	June 2007	June 2008	Percent change
Worldwide	464,437	580,510	25 %
Asia Pasific	162,738	200,555	23 %
Europe	122,527	165,256	35 %
North America	120,848	131,255	9 %
Latin America	40,098	53,248	33 %
Middle East – Africa	18,226	30,197	66 %

Figure 4. Social networking growth by worldwide region (ComScore 2008)

Salmenkivi and Nyman (2007) state that people's hindmost need is to be recognised and accepted as a part of a society – which explains the addiction that easily appears with social media communities. They also state that at the same time as people want to belong to something, they also want to stand out from the crowd. This has made target groups to become even more fragmented. Examples of networking services are *Facebook*, *MySpace*, *IRC-Gallery*, *LinkedIn*, *Mixi*, *Habbo*, *Flickr*, *Last.fm*, and *Second Life*.

Marketers can be a part of existing societies for example by posting pictures in *Flickr* or videos to *YouTube* or writing blogs and making profiles to their products to *MySpace*, *IRC-gallery* and *Facebook*. Taking part is free, but creating usable content is naturally still chargeable. The possibilities of how and what to do in social media networks are endless.

3.2. Introduction to Facebook

Facebook is the next *Google* – some say *Facebook* will do to social media what *Google* did for information search. *Facebook* is a service in the internet which offers people basic networking services; a platform to create your own profile and the ability to network with other users. Within *Facebook* there are 50 000 small networks which consist of students, company employees or friend circles (Salmenkivi and Nyman 2007). One of the reasons of its success is that it offers a possibility to maintain privacy and control how you share your own information.

In February 2004 *Facebook* was created by Mark Zuckerberg (with Dustin Moskowit, Chris Hughes and 2 other Harvard students). Initially, the membership was restricted to students of Harvard University but in September 2006, it has been available for any email address globally. On May 2007, *Facebook* launched the Facebook Platform which provides a framework for developers (anyone) to create applications that interact with core *Facebook* features (Facebook 2009a).

There are various metrics and research results which calculate the top social networking sites. Last couple of years *MySpace* has ruled those charts, but as of June 2008 there has started to emerge results which show *Facebook* being the largest social networking site. According to *ComScore* (2008), as of December 28th 2008, with more than 132 million active users, *Facebook* is the largest social networking site globally. The problematic with these charts and figures is that they might not always be comparable because of the different methods of measurement. *Facebook* itself announces it to have 140 million active users (*Facebook* 2008), whilst for example *ComScore* measures by total unique visitors.

Within a year from June 2007 to June 2008 the amount of users had increased by 153 % as seen in Figure 5 (*ComScore* 2008). *Facebook* has done an exceptional job of leveraging its brand internationally during the year 2008 by increasing the site's relevance to local markets through local language interface translation (*ComScore* 2008). Noteworthy when examining the growth numbers of social networking sites in general is they as a phenomenon are relatively new which enables and partly explain the high growth numbers.

Worldwide growth among selected social networking sites (Total unique visitors (000))			
	June 2007	June 2008	Percent change
Total internet: total audience	778,310	860,514	11 %
Social networking	464,437	580,510	25 %
Facebook.com	52,167	132,105	153 %
MySpace.com	114,147	117,582	3 %
Hi5.com	28,174	56,367	100 %
Friendster.com	24,675	37,028	50 %

Figure 5. Worldwide growth among selected social networking sites (*ComScore* 2008)

Facebook is increasing its presence in many ways. For example in Finland the word “Facebook” had the biggest increase in search word machines (*Metrolehti* 2008) and also *Facebook* courses are held where they teach how to use the social networking site. *Facebook* is nowadays even noted in the Finnish media as a reference, for example the Finnish magazine *Image* (1/2009) used *Facebook* as a reference by mentioning in their editorial how many groups have been created about the current recession to demonstrate the magnitude of the situation.

Online communities navigate between media and social sites. In media sites users mostly produce content. The objective for users is to increase their visibility as a brand, individual or a company. *Facebook* is a social oriented site but convergence toward media orientation can be seen (see Figure 6.). *Facebook* provides the means for a real conversation. The conversation is multi-media, with the use of words, drawings, pictures, videos etc. The conversation is both verbal and non-verbal, through dedications (e.g. songs), gestures (e.g. pokes) and emotions (e.g. gifts, feelings).

Major online communities seem to converge on the social media scale

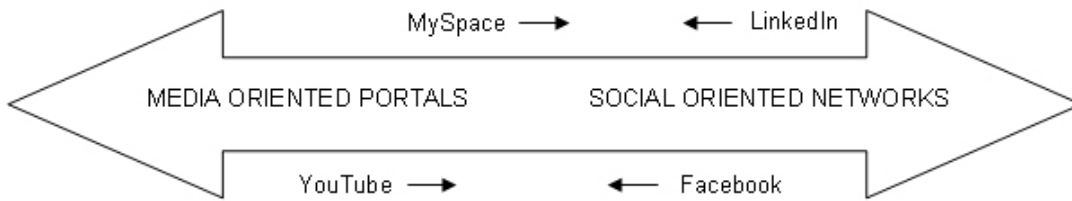


Figure 6. *Online communities' convergence (adapted from Fabernovel Consulting, 2007)*

Facebook statistics reflect the scale of impact the social networking site has in the Web 2.0 environment with its currently available 52,000 applications and more than 660,000 developers and entrepreneurs from more than 180 countries (see more statistics in *appendix 2*). According to the wildest conclusions *Facebook* and other social networking sites are becoming the new malls in which people “hang out” and which direct buying behaviour.

3.3. Marketing in Facebook

Facebook offers many opportunities for marketers. Marketers can do paid advertising in forms of *Facebook* ads (see *appendix 3*). Companies have the possibility to choose a level of filtering: untargeted, by gender or location, by their favourite interests, activities or movies. Marketers can also take free marketing action by creating *Facebook* pages or groups for brands or products or other innovative methods. See Figure 7 for an example of a *Facebook* page. iPhone page had 303 719 fans in March 2009.



Figure 7. Facebook page for iPhone

By starting a group or a page in *Facebook*, you create a central place for customers, partners, and friends to participate in conversations around your brand. *Facebook* groups come with boards for posting discussion topics, photos, videos, and links right out of the box. The downside in social media marketing is that the marketer loses control. Users can also themselves create groups which mean that there might be existing groups for any brand in *Facebook* maintained by users. The best thing about groups and pages are that users have joined (or even created) them because they want to – and therefore are more open for messages coming from this channel.

Marketers can also systematically aim to create viral marketing. *Facebook* provides an excellent environment to word of mouth and viral marketing as it has the aspect of sharing information. The viral aspect of *Facebook* cannot be underestimated as posting a link to a video ad using *Facebook* the distribution is exponential compared to someone sending the link for example via email. But it has to be remembered that as viral marketing relates to social media, the two terms need to be kept separate and do not mean the same. The social web is the environment where the message can spread, but it does not mean that all messages will always spread. The audience decides. In March 2009 *Facebook* renewed its home page which made it even easier to follow what is going on with the people in your network. Now your friends' posts are streamed in real-time and you have more control over what you see (see *Facebook* homepage in appendix 4).

Companies and brands are talked about constantly in the internet in blogs and other social media such as *Facebook*. Continually monitoring the blogosphere and social networking sites to see what people are talking about your brand can for example help companies to react to certain rising issues before they turn against

the brand. *Coca Cola* has been successful in turning something bad talked about them in social media to something positive. The fact that if you put a couple of *Mentos* candies into a *Coca Cola* bottle, the inside of the bottle will explode was spreading in the internet. *Coca Cola* tried to ignore it, but in the end found a way to turn this negative thing into a positive one by making it the company's main marketing campaign. They started asking people to take part in their campaign by sending in videos where they explode *Coca Cola* with *Mentos* candies. (Salmenkivi and Nyman 2007) The campaign was a success. *Mentos* did not take advantage of the situation.

Facebook, and social media in general, has enormous engagement potential but why is it good to make consumers participate? Salmenkivi and Nyman (2007) list the reasons as follows a) participation increases brand awareness, dialog gives insight where consumers are and what they are thinking, participation and collaboration increase the preference to company's products and services and encourage them to recommend it to others and that thousands of people together create a collective intelligence which can be capitalised on behalf of the company. The many opportunities of *Facebook* in creating engagement are reality as brands can exist as "people". Friends can interact with the brands, share information, photos and videos and participate in two-way communication.

Facebook has operated as an active innovator and tester of new advertising formats but not always successfully. *Facebook's* aim has been to make use of the fact that people trust in their friends' opinions and recommendations more than anything else. The problem is that not all *Facebook* friends are close and trustworthy friends. Another problem has been that often the applications are seen as violations of privacy. An example of this is the Beacon application which transmitted certain buys made in certain net stores to their friends' knowledge, without the person being aware of it. In May 2008 Mark Zuckerberg, the founder of *Facebook*, stated his view that *Facebook's* primary area is in brand advertising and building demand (VTT 2008).

Social networks in general have some of the lowest response rates on the Web. The average click through rate in *Facebook* for an ad is 0,04 % (Fabernovel Consulting 2007). Marketers say as few as 4 in 10,000 people who see their ads on social networking sites click on them, compared to other places in Web where 20 in 10,000 click on the ads (Ante and Holahan 2008). There is a lot of talk in the blogosphere and articles around the World Wide Web that even though advertising in social networking sites is rapidly growing at the moment the forecasts for the future seem to indicate that unless advertisers cannot figure out how to monetize, social networking could end up as a niche market in the online ad world. *Facebook* alongside *MySpace* recognize the issue and are therefore testing new forms and innovations (Ante and Holahan 2008).

Although doing marketing in *Facebook*, or any social media, has a low entering level as having a presence is easy, maintaining is key. Maintenance usually requires resources to keep it up. Focusing on merely having a presence can sometimes result in brand assets that are underutilized and underperforming in terms of the objectives set for the campaign (Tuten 2008).

3.4. Case study: Finland

3.4.1. Use of social media in marketing by Finnish companies

Regardless of the fact that consumers are already waiting and even demanding the right messages at the right time, Finnish companies are yet to make full use of the existing opportunities of the web. (Salmenkivi and Nyman 2007). The digital marketing barometer 2008 – research (VTT 2008) shows that in 2007 the most popular digital marketing channel in Finland was the company's own website, search engine marketing as second and newsletters sent via email being the third. In sixth place came different social networking sites as *Facebook*. Only affiliate partnership advertising, mobile service messages and advertising via email became after social networking sites. According to *IAB Finland*, the share of internet advertising in Finland in 2007 was 8 % and they estimate that including designing and production costs, internet advertising is an approximately 500 million industry (VTT 2008).

Communications bureau *Hill & Knowlton Finland* and a research company *Interquest* have done a research on the state of digital communication in Finland (Slideshare 2008). According to the research 90 % of companies think digital communication is strategically important, yet only less than a fifth has created digital communications its own strategy (Markkinointi & Mainonta 2008). The research also shows that companies' knowledge and interest towards social media is nowadays already at a high level. 92 % of B2C companies hold it important what is being said about them in the internet (Markkinointi & Mainonta 2008). According to the same research the term social media is known and could be explained by 60 % of the people who took part in the research. This figure has grown from 38 % in 2007 to 60 % in 2008. 47 % are fairly interested in creating a dialog with their customers in an online community, and only 26% see it as very interesting (Slideshare 2008).

Despite the yet relatively small attendance in social network advertising in Finland, continually increasing amounts of money is put into social networking site marketing. According to Accenture media study in 2007 the top three targets of digital marketing budgets were banners 86 %, user-generated content 41 % and social networking sites 38 % (Slideshare 2007). According to digital marketing barometer 2008 (HSE 2008) the main reasons Finnish companies use digital media channels are consumer behaviour, speed, adjustability of message and cost but the use was also validated by having customer dialog. In a recent research conducted by VTT (2008) it became clear that engagement marketing is increasing its popularity among Finnish marketers.

Nowadays around the world there are success stories about marketing in social media, for example the US 2009 presidential election where Barack Obama used social media to grow the amount of his supporters. He used already established social networks, such as Facebook and a home-grown networking site to build his database of supporters. Although small success stories with social media are rising among Finnish companies, big cases like these are yet to surface.

According to the research commissioned by the *Fox Interactive Media Inc, Isobar and CaratUSA (2007)* for many marketers there is comfort with the traditional advertising model where the media owner is paid to insert an advertisement, and assume it generates impact. It also suggests that when it comes to social networking marketing, marketers don't know how value is created. And because social networking marketing is different from traditional marketing it therefore requires a new way of thinking which might explain why the past decade of digital marketing has focused on translating the traditional marketing rules they knew to the new landscape of the Internet. The common thread of this past decade of digital marketing is the traditional advertising model translated into new digital environments (TNS et al 2007).

3.4.2.Social media usage by Finnish consumers

The use of the internet is a very regular activity in today's world. 78 % of the Finnish population use the internet on a weekly basis (Tilastokeskus 2008) and in practice nearly all under 40 year olds use the internet (VTT 2008). Finland is world's number two in having broadband connections compared to the population right after Denmark (VTT 2008). The use of social networking sites such as *Facebook* takes up to 18 percent of internet usage and out of young Finnish people even two thirds spend significant amounts of time in social networking sites (VTT 2008).

People born in the era of interactive media want to receive media content they have themselves selected, bring their own opinions heard and mould the content and send it on. The use of traditional media has not noticeably decreased because it is used parallel to other media but internet is seen as the most important media which consumers would give up last (Salmenkivi and Nyman 2007) and 53 % of 15-24 year old Finnish people consider the internet to be their most important media (Markkinointi & Mainonta 2007). Of all 15-24 year old Finnish people almost half are active content creators (Salmenkivi and Nyman 2007). Also the fact that the number of blogs is increasing and the fact that every minute ten hours of video is uploaded to *YouTube* (Youtube 2008) indicates that people want to create content.

According to the eMedia 2007 –research conducted by Taloustutkimus Oy Finnish media usage is getting more and more fragmented and different media is used even more parallel and the internet is often used as an interactive commentary channel for what happens in television. Attitudes toward internet marketing generally are more positive than what the public belief is and more often considered positive than negative. The recommendations coming from friends and family are considered the most reliable – over half of internet users in Finland have gone to a certain web address because they got a recommendation from somebody they know (Mediaviikko 2007). Internet advertising is perceived as positive or in the least as neutral. The positive connotations are fewer the older age groups are looked at. It is worthwhile noticing, that over half Finnish internet users do not mind whether a Google search result is sponsored or not. The CEO of Taloustutkimus who conducted the eMedia – research is certain that according to the results of the study, if you want to conduct marketing communications in the internet, interactivity is the hook that consumers react to (Markkinointi & Mainonta 2007).

In a research commissioned by communications office Text 100 in Scandinavia it was revealed that information received from social media affects clearly in Finnish populations' purchasing decisions (Digitoday 2008). Mostly this kind of information is gathered from price comparison sites and conversation columns rather than from social networking sites such as *Facebook* or *MySpace* (Digitoday 2008). The reason why *Facebook* has little worth in purchasing decisions can be due to the fact that price is still the most influential aspect in purchase decisions but the role and status of social networking sites is still indisputable and therefore companies should really think which media their target group really uses (Digitoday 2008).

Facebook has already over 1 000 440 Finnish users aged 18 or older and out of Finnish users 622 760 are over 25 years old. And there are even 110 360 users aged over 40 and 8260 users who are aged over 60 in *Facebook* (Facebook 2009a).

4. RESEARCH METHODOLOGY

4.1. Research structure and design

This study uses primary research as a base for assumptions. The mix of qualitative and quantitative research consisted of an online survey questionnaire. The main reasons why an online survey questionnaire was used were the wanted sample size, anonymous responses, and the fact that with online questionnaires there is no geographical limitation.

The respondents answered questions on their usage of social networking, behaviour within *Facebook*, and a battery of attitudinal questions. The aim was to look for answers to questions such as: how much time and energy are users devoting to social networking, particularly *Facebook*, what activities do users participate in while on social networking sites and this way look for nuances and clues on what opportunities, if any, exist for brands to create more meaningful consumer connections within these social networks. See *appendix 1* to see the whole questionnaire.

4.2. Data collection and analysis

The primary data collected for this specific purpose uses both a deductive and inductive approach in collecting and analyzing data. The sample chosen to represent the population as a whole was taken from within the users of *Facebook*. The link to the online survey questionnaire was sent via messages in *Facebook*. The original message was sent to 60 people through *Facebook*, and this resulted in 101 answers as people passed along the message within *Facebook*. Cluster sampling was used. All ages from 12 years old to over 50 were included in this study.

5. FINDINGS

5.1. Facebook is an alternative place to spend time

Findings of the primary research reveal the fact that social media networks, most importantly *Facebook*, have caused a fundamental shift in the way people interact with each other and with media. More than 80 % of Finnish people aged 19-30 are actively using social networks on a daily basis, them being the most active *Facebook* user group in Finland. Social networks are not just an after-school or after-work snack as seen in Figure 8. The research showed social networking sites are taking a strong foothold in the primetime hours as half of the time spent in *Facebook* happens in the evening. It is also noteworthy that the other half is spent in the morning, during school / work, lunchtime, night-time, and 8 % even says to use *Facebook* first thing in the morning when they wake up. This suggests that users want their real and virtual worlds to be synched throughout the day. When asked what people would do if they have 15 minutes spare time, 51 % said they would go to *Facebook*.

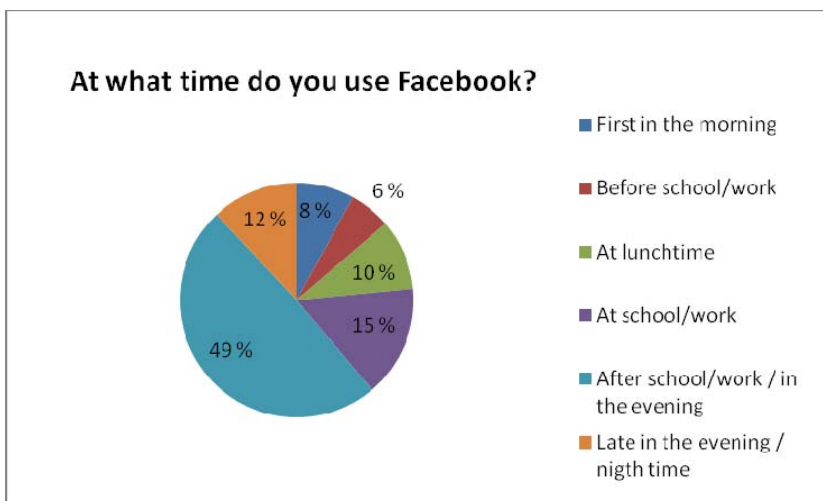


Figure 8. At what times do people use Facebook

The results of the research confirm the fact that social networking sites are a strong alternative place to spend time and to keep up with friends as 85 % said to be more aware of what is happening with their friends when they use *Facebook*.

5.2. Banner ads not favourable in Facebook

In *Facebook*, users are enriching existing relationships with family and friends; and even initiating meaningful brand connections. 17 % said to have found a new brand they liked through *Facebook*. This is an interesting number because in the same study 90 % said they pay no attention to banner ads in *Facebook* which suggests that brand connections are mostly found elsewhere than through banner advertising. When taking this idea further and relating it to the opportunities in *Facebook* to conduct marketing, the result seems to suggest that groups and other innovative ways of being present in *Facebook* are favourable to brands.

In general advertising in *Facebook* is seen as unnoticeable by 53 % and annoying by only 25 % as seen in Figure 9. 90% said they belong to a group and 42 % stated that they are a “fan” of some brand in *Facebook* which proves that following and attending groups is a common activity in *Facebook* among Finnish consumers and they do not see the presence of brands as annoying or unnoticeable as many see advertising in *Facebook*.

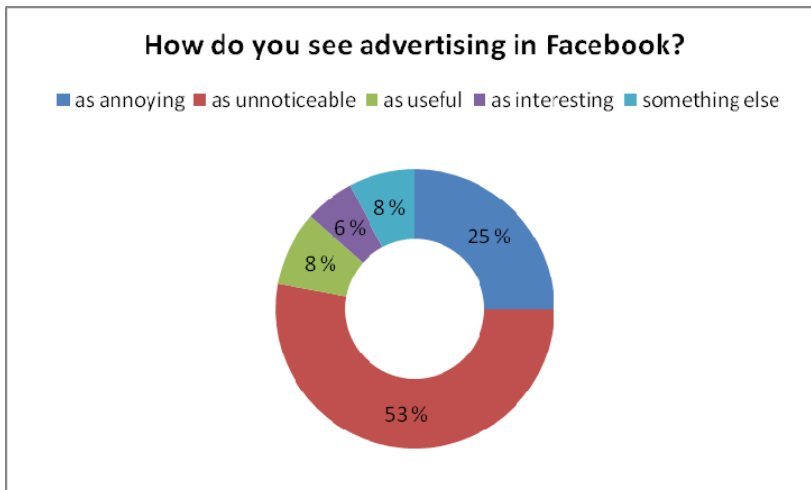


Figure 9. How users perceive advertising in Facebook

5.3. Facebook gives users the power to share

Facebook gives people the power to share and makes the world more open and connected. Millions of people use *Facebook* everyday to keep up with friends, upload an unlimited number of photos, share links and videos, and learn more about the people they meet. Photo sharing seems to rank high in Finnish consumers *Facebook* usage, as sharing and viewing photographs accounts for 29 % of time spent in *Facebook*, only keeping contact with friends ranked higher as seen in Figure 10. 24% of people who answered to the questionnaire also said to follow up on current events which opens a great window for advertisers with content relating to events. 18 % said that *Facebook* is a good place to bring forward brands they like and half use *Facebook* to tell about themselves to their friends.

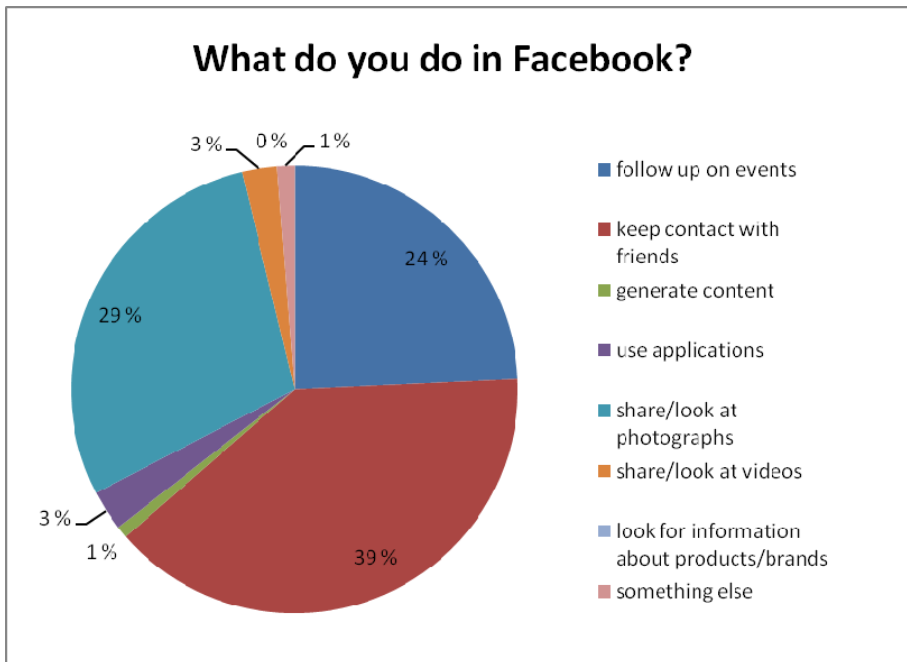


Figure 10. *What people do in Facebook*

5.4. Case: Feikkitteli

Talentum is a Finnish company which has used marketing in *Facebook*. It wanted visibility to its recruitment service called *Uratie* and decided to try what opportunities *Facebook* had to offer as a marketing channel. They planned an application called *Feikkitteli* (translation: Fake title) which makes fun of and plays with the idiocy of the titles of the business world and through that lure consumers to their *Uratie* site. The application raffles your friends a funny title which you could then send to them. The campaign was a success. The campaign budget was 8000 euros. Within a month from its launch *Feikkitteli* had been used by 23 000 people and over 100 000 titles had been given and within a month over 35 000 users had tried the application (Valve 2008).

24 % of *Facebook* users who answered to the research said that the *Feikkitteli* application is familiar to them. Out of those who were familiar with it, 48 % passed the application forward to their friends. 79 % said to become interested in the application because of their friends recommendation. This result indicates that the reason for the applications success was not its appearance, functionality, curiosity or something else, meaning that a friends recommendation weighs most in receiving data in *Facebook* which fueled the viral aspect of the campaign.

5.5. Reliability and validity

In research the greater the accuracy required in the true representation of the population, the larger the sample must be (Walliman 2000). The general view is that conclusions from a study with a small sample are less convincing than the conclusions from a study with a large sample. In this primary research taking into

consideration the amount of variability within the population, the sample may be too small to be able to make completely accurate conclusions to represent the whole population. The methods were intended to collect mainly numeral data to illustrate the current behaviour of *Facebook* users in Finland. The online questionnaire had a small number of open-ended questions, which were designed to specify the answers to some of the closed-ended questions. The interpretation was conducted by the researcher and thus the data resulting from these questions includes the subjective view of the researcher/writer but as majority of the questions were closed-ended questions it leaves little legroom for the research results to be reflected by the writer's own experiences with the social networking site.

6. DISCUSSION AND ANALYSIS

6.1. Issues to consider when practising marketing in Facebook

There is no magical formula for success with social media just as there is none for any form of marketing in any media. Nevertheless, some basic assumptions can be drawn based on the current literature on the subject of marketing in social media and the primary research conducted for this study. *Facebook* is a good channel for increasing brand awareness, community building and feedback/testing/trials. It should be used to create a dialogue with consumers. Users join *Facebook* to be a part of something. They join to keep in touch with friends, share stories and to have fun. To succeed the marketed brand has to also be a part of the community.

6.1.1. Turning the brand into a persona

One of the main things is to be present and easily found. The brand should be turned into a persona. Continuing on the assumption that brand connections are found and being kept alive through brands being present in *Facebook* in innovative methods, it is clear that to succeed the first thing to do is be present. Brands should be present where their stakeholders want them. This can be done by establishing a *Facebook* page, joining Facebook groups, commenting on blog postings and interacting with consumers. Understanding the communication process is vital in the social media environment. Learning to market to the social web requires learning a new way of communicating with the audience in a digital environment.

Engagement has risen as a topic in marketing as it enhances brand relationships. *Facebook* provides a splendid environment to practise engagement marketing. Brands can use *Facebook* pages to enhance engagement marketing. Brands can send invitations to upcoming events or sales and special offers or give relationship-oriented motives such as a desire to support the company because it offers ecologically made products. This associates the user with the brand and its image. The key to branding with friends is to treat them like friends. This way the brand differentiates itself from competitors and sets the stage for a perceived relationship.

6.1.2. Understanding the community and being relevant

It is vital to be relevant. As social media marketing relies on the social elements of the communities in which it resides, it is never passive. It thrives when the community decides it should thrive. This means that understanding what the community wants is the key. The primary research done showed that *Facebook* users do not follow closely the banner ads that appear in *Facebook* but yet some stated to have found a brand they liked through *Facebook*. This indicates that brand connections are found elsewhere. 90% told they belong to some group and 42 % told that they are a “fan” of some brand in *Facebook*. This suggests that when brands are being found through virality and groups and pages. This means that by finding the right societies and networks and approaching them with the society’s own rules and way of speaking the marketer has a good chance to create a dialog with an active consumer group. Well defined and targeted, conversational marketing is not perceived as annoying noise but rather as an interesting information and/or entertainment (Salmenkivi and Nyman 2007).

6.1.3. Transparency

Being authentic is essential in social media. There should be no filtering or screening because that would violate the basic terms of engagement between marketers and participants on the social web. It is not so much about letting the users make the rules but rather to work with those already in the community and to become a part of it to establish your value and develop a shared sense of respect. Being authentic and transparent is essential as the communication needs to feel real to the consumer. The downside and risk in non-paid marketing always is that as a marketer you lose control.

6.1.4. Sharing of content

Another vital issue which enables success in *Facebook* marketing is to be promoted and making content easily shared. There are marketing campaigns which have found success in the *Facebook* environment. One of these is the *Feikkitteli* case study presented in the previous chapter. What this success story and the results from the consumer questionnaire suggest is that success seems to stem from the viral and social aspects of *Facebook*. *Feikkitteli* went where the consumers are instead of trying to lure them to come to it. The success of an application is highly dependent on the application’s virality and its user base. Social networking equals influence. For the young consumer, there is no greater influence and no more desirable commercial context than within their friend group. For this reason, one concrete way of enabling success in *Facebook* is to enable sharing of content. This is vital as social media can enable it and combine it with the ease of communication. Making the content easily shared relates to the term “the momentum effect” which has been established in the social media networking landscape to explain how value is created in that environment and it is used in determining the success of social media campaigns.

6.1.5. Advertising clutter and low click through rates

Facebook, as other social media, comes with flaws. Advertising suffers from clutter – and it is tremendous distraction for people as they are faced with advertising in and on every imaginable media. The display ads in social media are not as effective as in other sites in the web – the click through rates are much lower in social networking sites.

6.1.6. Understanding strategic marketing planning

In social media marketing it is fundamental to understand the basic theory and practise of strategic marketing planning. The first thing is to understand the sources of competitive advantage and differentiation. Other vital aspects of marketing theory which has to be understood in order to be able to function also in the social media environment are understanding the environment, competitors, own strengths and weaknesses, market segmentation, customer orientation and finally setting clear strategic priorities and sticking to them and being professional.

6.2. Should brands in Finland have a presence in Facebook?

It is safe to say that a social networking environment such as *Facebook* provides uniquely fertile terrain for brands to establish meaningful relationships with current and future constituents but the big issue seems to be if brands will be able to capitalize on having a presence in *Facebook*.

Whether companies and brands should have a presence in *Facebook* depends mostly on their goals and objectives. Social media is good for learning what people are saying about the brand, creating a buzz for events & campaigns, increasing brand exposure, identifying and recruiting influencers to spread a message, supporting products and services, gaining competitive intelligence, getting the message out fast, retaining customers by establishing a personal relationship and possibly being an industry leader – not a follower. But most importantly marketing actions in *Facebook* should be used as part of an integrated marketing communications strategy if it fits the objectives of the marketing communications strategy. A company can be present in *Facebook* if the culture fits the brand's positioning or fit how the brand wishes to be perceived, if the customers are present there, if there is time and resources to commit to the campaign and the marketers are willing to take risks.

6.2.1. Power of consumers

The sheer size of the audience that *Facebook* has gathered may seem like a reason enough for brands to plan and execute a social media campaign, but there are various advantages to advertising in *Facebook*.

Firstly taking part in *Facebook* can inspire the viral spread of brand information by influential brand enthusiasts. The power of consumers that rises from within social networking sites is massive. For example in *Flickr* there is a group called "Converse world domination" which has more than four thousand registered members who have posted more than 12 000 pictures of Converse shoes. In *Facebook* the soap and beauty shop *Lush* has its own profile page with more than 21 000 fans/members. Social networks are a channel with which it is possible to get close to consumers and the subjects that interest them.

Social media can start a firestorm of criticism but if you have enthusiastic supporters, they will rally to your defence. Better to have your message reflected, than be silent. Also it is vital for marketers to be found at the right moment rather than being visible in just one place all the time. Consumers are distrustful of advertising and want the information they want when they need it.

6.2.2.State of Facebook now and in the future

Although forecasts estimate that social networking sites can become the niche market of web advertising, it can be useful to take part now during the boom and while users in are active and spend their time in that environment. For now statistics still show the amount of users to be increasing.

6.2.3.Consequences of not having a presence in Facebook

The main problem that rises when companies do not have a presence in *Facebook* is that social media exists and it is real whether brands take part in it or not. It gets used by people who are the target group and by people who are thinking about purchasing the product. Choosing not to participate can be crucial. Companies cannot choose whether or not their customers will see them on the social web – and most likely they will, as users themselves can put it there. Brands can only choose whether or not they will join them there.

7. CONCLUSIONS

As the media landscape is becoming increasingly fragmented and marketers are moving away from mass marketing, the concept of integrated marketing communications should be taken into consideration when planning marketing communications strategies. Today, consumers spend growing amounts of time in social media and especially social media networks such as *Facebook*. This social media channel should be considered to be a part of integrated marketing communications because of the opportunities it brings.

The new digital media channels challenge traditional marketing theory. Marketers are learning the new rules of the social media environment as we speak. Social media is difficult for marketers because it cannot be bought. These new channels of the internet can be frustrating because they do not function in traditional ways. The best products and services manage to evolve with their environment, retaining a constant appeal to their target audience – the best marketers remember those traditional principles and apply them to new opportunities.

The aim of this thesis was to explore whether brands in Finland should have a presence in *Facebook*, and if so what opportunities, if any, exist for brands in this social networking environment. The thesis comes to the conclusion that brands can benefit from having a presence in *Facebook* if the objectives and the nature of the brand suit the environment. *Facebook* is best for increasing brand exposure, creating buzz, establishing relationships and for learning what people are saying about the brand.

The study also comes to the conclusion that to succeed in marketing efforts in *Facebook* certain main issues should be considered. In this media, brands should follow the rules of social media and be transparent. The results suggest that groups and other innovative ways of being present in *Facebook* are favourable to brands rather than banner advertising. Therefore it is also vital to understand the community and be relevant, and also to enable sharing of content and allow engagement. Brands should also take into consideration the difficulty of measurement, advertising clutter, and the possible consequences of not being present in that environment. Companies cannot always choose whether they will be present in social media as the users have the power to put them there – companies can only choose whether they will join them.

Whether *Facebook* will keep on growing or end up as a niche market in the media landscape remains to be seen. Nevertheless, the results of the research show that a large number of consumers in Finland are actively using *Facebook* at the moment and therefore marketers should strongly consider taking marketing action in that environment. In the era of Web 2.0, marketers should be present where the consumers are and offer them opportunities for creating meaningful brand connections.

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10. APPENDICES

10.1. Appendix 1: Research questionnaire

1. Age
 - a. 12-18
 - b. 19-24
 - c. 25-30
 - d. 31-40
 - e. 40-50
 - f. over 50
2. Profession
3. What social media do you use?
 - a. Facebook
 - b. MySpace
 - c. LinkedIn
 - d. Habbo
 - e. IRC-galleria
 - f. Flickr
 - g. YouTube
 - h. Blogit
 - i. Wikipedia
 - j. Something else, what?
 - k. Nothing
4. Do you have a Facebook account?
If no, you can move on to question number 18.
If yes;
5. How often do you use Facebook?
 - a. on a daily basis
 - b. on a weekly basis
 - c. on a monthly basis
 - d. less than once a month
6. At what time do you normally use Facebook? You may choose more than one option.
 - a. First in the morning
 - b. Before going to school/work
 - c. At lunch hour
 - d. At school / work
 - e. After school / work, in the evening
 - f. Late in the evening / night time (22.-04.00)
7. For how long do you stay at Facebook at once?
 - a. 0-10 min
 - b. 10-20 min
 - c. 20-30 min
 - d. 30-40 min
 - e. 40 min or more
8. What do you do in Facebook? You may choose more than one option.
 - a. follow up on events
 - b. keep contact with friends
 - c. generate content
 - d. use applications
 - e. share / look at photographs
 - f. share / look at videos
 - g. look for information about products/brands
 - h. Something else, what?
9. Choose the option which suites your opinions best.
(1=I disagree, 2=no opinion, 3=I agree)
 - a. I never get tired with Facebook
 - b. Facebook adds content and joy to my life
 - c. I am more aware of what is happening with my friends when I use Facebook
 - d. I am more aware of the latest events when I use Facebook

- e. Facebook is a good tool for self expression
 - f. Facebook is a good place to bring forward which brands I like
 - g. I use Facebook to tell my friends about myself
10. Is the application Feikkitteli familiar to you?
- a. yes
 - b. no

If you answered yes, please answer questions 11 and 12, if you answered no, please move on to question 13.

11. What made you interested in it?
- a. A friends recommendation
 - b. Appearance
 - c. Its functionality
 - d. Curiosity
 - e. Something else, what?
12. Did you pass the application forward?
- a. Yes, why?
 - b. no
13. Do you pay attention to and/or click the banners in Facebook?
- a. yes
 - b. no
14. Have you found a product or a brand that interests you through Facebook?
- a. yes
 - b. no
15. Do you belong to any group in Facebook?
- a. yes
 - b. no
16. Are you somethings 'fan' in Facebook?
- a. Yes, a band
 - b. Yes, a service/product/brand
 - c. Yes something else, what?
 - d. No
17. How do you see advertising in Facebook?
- a. as annoying
 - b. as unnoticeable
 - c. as useful
 - d. as interesting
 - e. something else, what?
18. If you have 15 minutes of spare time, what do you do?
- a. go to a social networking site, such as Facebook
 - b. call somebody
 - c. watch tv
 - d. play a game
 - e. chat
 - f. listen to music
 - g. something else, what?

10.2. Appendix 2: Facebook statistics

General Growth	<p>More than 175 million active users</p> <p>More than half of Facebook users are outside of college</p> <p>The fastest growing demographic is those 30 years old and older</p> <hr/>
User Engagement	<p>Average user has 120 friends on the site</p> <p>More than 3 billion minutes are spent on Facebook each day (worldwide)</p> <p>More than 18 million users update their statuses at least once each day</p> <p>More than 4 million users become fans of Pages each day</p> <hr/>
Applications	<p>More than 850 million photos uploaded to the site each month</p> <p>More than 7 million videos uploaded each month</p> <p>More than 28 million pieces of content (web links, news stories, blog posts, notes, photos, etc.) shared each month</p> <p>More than 2 million events created each month</p> <p>More than 25 million active user groups exist on the site</p> <hr/>
International Growth	<p>More than 35 translations available on the site, with more than 60 in development</p> <p>More than 70% of Facebook users are outside the United States</p> <hr/>
Platform	<p>More than 660,000 developers and entrepreneurs from more than 180 countries</p> <p>More than 52,000 applications currently available on Facebook Platform</p> <p>140 new applications added per day</p> <p>More than 95% of Facebook members have used at least one application built on Facebook Platform</p> <hr/>

Source: (Facebook 2009b)

10.3. Appendix 3: Facebook advert

The screenshot shows the Facebook profile of Taru Varjus. The profile picture is a person standing on a beach. The cover photo is a landscape with a blue sky and green hills. The post shows a person standing on a beach. The advertisement on the right is titled "Töitä tositarkoituksella" and features a robot icon. The text of the advertisement reads: "Robotilla on jälleen perheenlisäys mielessä! Kiinnostuksen kohteena ovat Web Developerit ja Graphic Designerit." Below the advertisement is another one titled "LED Suihku" with a picture of a shower head. A red circle highlights the first advertisement, and a red arrow points to it from the text "Facebook advert" in the top right corner of the page.

10.4. Appendix 4: Facebook home page

The image shows a screenshot of a Facebook home page. The top navigation bar includes 'facebook', 'Home', 'Profile', 'Friends', 'Inbox', and a search bar. The left sidebar contains navigation options: 'News Feed', 'Public Profiles', 'Photos', 'Links', 'Video', and 'More'. The main content area features a 'What's on your mind?' post creation box at the top. Below it is a post by Jarmo Juvonen with a comment by Kim Österberg. A red circle highlights a post by Taru Varjus, and a red arrow points from a text annotation to this post. The right sidebar shows 'TODAY' updates, 'HIGHLIGHTS' (including a Halloween party), and 'Connect with more friends'.

facebook Home Profile Friends Inbox Taru Varjus Settings Log out Search

News Feed Public Profiles Photos Links Video More

What's on your mind? Share

Jarmo Juvonen 12 tuntia sitten takana ja takki on aivan tyhjä. Onneksi loppuviikko onki sit kumpituntista päivää... => Posted about an hour ago · Comment · Like

Kim Österberg at 18:50 on 16 March Meri kausu, vois nääh joku päih-? palautan ton Lauri tähän lelyn, ei ollu mitää erikoinen... Show 14 more comments...

Jenni Salonen at 20:09 on 16 March voi elämä tein kanssa pojat *nauraa* Write a comment...

Taru Varjus Menee töistä kotiin -ja jatkaa töitä päättöyön parissa. Relaaaminen on yliarvostettua. Sata lasissa vaan koko ajan. Posted about an hour ago · Comment · Like

Mari Mäkinen at 19:38 on 16 March Sis todellakin, pieni verennaku suussa koko ajan!!!

Janne Tahvanainen at 19:44 on 16 March Stressi on hyvästä ja läre pitää kuoleman lotolla... Write a comment...

TODAY See More Ossi Pirkonen & Ville Salervo Now

HIGHLIGHTS HALLOWEEN PARTY 07 Hreiðar S. Marinósson is tagged. VANTAR ALLT JKÖT Á HREIÐAR????? #31

Connect with more friends Share the Facebook experience with more of your friends. Use our simple invitation tools to start connecting.

olen 24% suomalainen! by Noora Al-Ari

Yið viljum frían skólamat handa öllum börnum ... 2 friends joined. Join this Group

30 kappaletta (sijaistointaa) by Varpu Anttonen 9

Status updates are shown in your friends home page