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SOCIAL MEDIA AS A MARKETING CHANNEL FOR AN  
ENERGY COMPANY

Degree Programme in International Business and Marketing Lo-  
gistics

2014

# SOSIAALINEN MEDIA MARKKINOINTIKANAVANA ENERGIAYHTIÖSSÄ

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International Business and Marketing Logistics -koulutusohjelma

Toukokuu 2014

Ohjaaja: Lindström Taina

Sivumäärä: 59

Liitteitä: 0

Asiasanat: Sosiaalinen media, asiakaspalvelu, markkinointi, energiayhtiö

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Tämän opinnäytetyön tavoitteena oli sosiaalisen median potentiaalin tutkiminen markkinointikanavana erityisesti energiayhtiöissä. Tutkimuksen pääpaino oli ennalta päätetyissä sosiaalisen median kanavissa eli Facebookissa, Youtubessa ja Googlessa. Nämä kanavat olivat todettu olevan niin suosituimmat kuin energiayhtiölle toimivimmat ja hyödyllisimmät. Pääasiassa tutkimus toteutettiin markkinoinnin näkökulmasta, mutta kommunikaation näkökulmaa käytettiin myös, sillä sitä voidaan pitää tärkeänä osana markkinointia.

Asiakaspalvelua pidetään sosiaalisen median toimeenpanevana elimenä, koska kohdeyhtiöllä ei ole erillistä markkinointiosastoa. Asiakaspalvelun tärkeyttä käsitellään yleisellä tasolla, koska se on yrityksen suurin yksittäinen edustaja ja yrityksen lähin osasto asiakkaille.

Viitekehys kuvaili asiakaspalvelun, markkinoinnin ja sosiaalisen median yhdistelmää, jotta voitaisiin luoda verkosto Rauman Energian ja sen asiakkaiden välille.

Toimivan verkoston kehittämiseksi, teoria kerättiin ja tutkittiin ennen tutkimusta. Teoreettinen taustatutkimus antoi näin ollen tarvittavan perustan muiden yritysten tutkimiselle ja sosiaalisen median hyödyntämiselle.

Empiirinen tutkimus toteutettiin suorituskykyä mittaamalla ja pohjaamalla tutkimustulokset muiden energiayhtiöiden sosiaalisen median sisällön analyysiin. Lisäksi muut yritykset, riippumatta heidän toimialastaan, tarjosivat hyödyllistä tietoa mahdollisesta kiinnostavasta sisällöstä sekä toimeenpanevia keinoja, kun yritys haluaa laajentaa sosiaaliseen mediaan.

Tutkimuksen tulokset osoittivat hyviä esimerkkejä, miten yritykset parhaimmillaan hyödyntävät sosiaalista mediaa. Uusi markkinointikanava tuo mukanaan myös uusia tapoja markkinoida. Energiayhtiöt eivät ole tätä vielä täysin hyödyntäneet vaan turvautuvat tutuiksi todettuihin markkinointikeinoihin. Energiayhtiöiden sosiaalisen median kanavat eivät ole saavuttaneet suurta suosiota. Syitä tähän ovat esimerkiksi sähkön hinta, asiakkaiden näkemys energiayhtiöistä monopolina ja yleinen kiinnostumattomuus sähköön liittyvistä asioista. Mielenkiintoisella ja asiakasta hyödyttävällä sisällöllä tähän voisi olla mahdollista saada muutos.

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Degree Programme in International Business and Marketing Logistics

May 2014

Supervisor: Lindström Taina

Number of pages: 59

Appendices: 0

Keywords: Social media, customer service, marketing, energy company

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The purpose of this thesis was to study the potential of social media as a marketing channel especially for energy companies. The main focus was on predetermined social media channels Facebook, Youtube and Google, since it was proven that those are most popular channels as well as the most functional and beneficial for an energy company. The main weight in the study was from a marketing perspective, but issues from the communicational perspective are also dealt, since it can be considered as part of marketing.

Customer service is considered as the executive function in charge of the social media marketing efforts, since the case company does not have a separate marketing department. The importance of customer service is discussed in general, since it is the representative of the company and dealing with the customers on a daily basis.

The conceptual framework described the combination of customer service, marketing efforts and social media in order to create a network between the energy company Rauman Energia Oy and its stakeholders.

In order to create a functional network, theoretical information was gathered and studied before the actual research process. The theoretical background thus gave the necessary foundation for advance further into studying other companies and their utilization of social media.

The empirical research was conducted using benchmarking and relying on the information collected and analyzed from the social media channels of other energy companies. In addition, other companies regardless of their business field provided useful information about possible topics and the executional method of the whole process when embarking upon the social media- based marketing efforts.

The results of the study revealed great examples of how social media is utilized in some companies. A new marketing tool also provides and requires new marketing methods. Energy companies have not utilized or discovered this fact, but resort to familiar and traditional marketing methods. The social media channels of energy companies have not reached high popularity rates. The reasons behind this are for example the price of energy, customers' perception of energy companies as a monopoly, and the general lack of interest to energy-related issues. With interesting topics that are beneficial to the customers, the situation could be change.

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## 1 INTRODUCTION

Social media has become an integral part of one's everyday-life. The importance of media such as Internet, Facebook and Twitter is so great, that they are perceived as their own communities; primary sources of news, gossip plots and personal diaries that are open for public. For companies they are perceived as free marketing and informing channels.

According to K. Nordenstreng O.A Wiio Finnish people are highly active when it comes to social media. 89 % of the population uses internet and 75% browses the internet on a daily basis. The use of internet has also increased within the older population. The community services of social media e.g. Facebook have been used by Finnish people by 45% of the population. People are very curious by nature and inquisitive and that does not change by time. Only aspect that is changing is the method of satisfying the thirst for information. At the moment that method is the social media. Companies now than ever have the best possibility to provide that information and have an influence on customer's decision making and how they perceive things. The possibilities in social media are limitless. However the potential of those possibilities are not fully utilized in many companies. (Nordenstreng & Wiio 2012, 301.)

## 2 ENERGY COMPANY RAUMAN ENERGIA LTD.

Rauman Energia Ltd. from now on referred to as REO is an energy company owned completely by the city of Rauma with the purpose of producing quality energy services with competitive prices. In addition of energy services, the company provides district heating services to the people living within the region of Rauma. REO was founded in 1997, but the company's roots date back all the way to year 1900 when the first street lamps were first lit up. The commercial part of REO, in other words the one third of the energy invoice was transferred to a company called Lännen Omavoima Ltd. in 2009. The one third of the energy invoice is biddable, so a cus-

tomer has the possibility to buy that particular portion for example from Rovaniemi, but the other two thirds, energy transfer and the energy tax, is charged by REO as long as the customer is living within the region of REO's energy services. The cost of the two thirds, primarily include services such as maintaining the energy grid, maintenance and upgrading efforts and naturally producing and buying the energy itself. (Website of Rauman Energia)

At the moment REO employs 40 professionals from which approximately 10 are working in customer service taking care of several tasks and duties. REO does not have a separate marketing department, so the PR-woman, sometimes consulted by customer service, provides the content to any marketing operations. REO's operations are directed by so called "service-promises"; guidelines followed by each staff member to provide the best possible service to customers:

- Customer is able to reach REO and can rely on getting polite and competent service to whatever needs
- There is always time for the customer and their issues and problems will be strived to solve as quickly and efficiently as possible
- REO is always aware of the promises made to the customer and REO's end will be held up

(Website of Rauman Energia Oy)

The few last years have been a crucial time for REO forcing and also allowing it to adapt to modern technology ever since the Finnish government made online energy meters mandatory. The new kind of meters allows the customer to supervise their energy consumption on an hourly basis. The massive operation to change every single energy meter to a modern one has been completed successfully. The next natural step would be the modernization of other services as well so the transition from current to modern e.g. for marketing and customer services lies in social media. (Website of Rauman Energia Oy.)

Ipsso facto REO does not have any products or services to sell to its customers, since the providing of energy is dependable on the geographic location of the customer. Therefore the concept of marketing in its traditional sense, meaning for example ad-

vertising of tangible products, is out of the question so it is best to have focus on maintaining customer satisfaction through customer service and focus informative and value-adding aspects of marketing. (Website of Rauman Energia Oy)

### 3 PURPOSE OF THIS STUDY AND CONCEPTUAL FRAMEWORK

#### 3.1 Purpose of this study

The purpose of this study was to identify and justify the use of alternative marketing channels in addition to the current marketing channels in REO's use. Nowadays internet marketing is common and while this study was partly conducted from that viewpoint the main focus was on the social media aspects, channels that are not fully utilized in Reo's business and communication behaviour. The social media as a concept contains various different types of media that are either already wildly popular or on the rise. In this study the objective was to firstly identify those various media, secondly narrow those media aspects down to those which provide the most beneficial result in marketing and communication as a whole from REO's viewpoint and thirdly provide valid grounds on how to maximize the benefits using those particular channels of social media. The reason behind the above mentioned inlet is that the size and resources of the case company REO are relatively small; there is no need or sense to scatter the use of social media to every different channel. That would only damage the whole intention of getting more coverage and reaching even a wider audience. The reasonable action is to focus on two or three different channels where REO is able to provide interesting and quality content to satisfy the customers.

In order to do so the research method used was benchmarking. As the study wound up with the most useful social media channels the next step was to follow examples set by other energy companies, who have succeeded in executing their social media campaigns. As guidelines for collect together the study material the following questions were gathered:

- What can social media offer as a marketing tool, that traditional channels cannot?
- What kind of content should be displayed in social media?
- How to satisfy customers?
- What kind of confining should be considered?

Since REO does not sell energy, it merely distributes it the marketing viewpoint in this study is approach from customer service's viewpoint. Maintaining customer relations especially in rapidly changing energy industry is the best kind of marketing. REO's key attractions are viewed in this study as alternative heating methods and competitive prices compared to other energy distribution companies. Although the customers do not have the possibility to change their energy distributor, competitive prices eliminate possible outbursts from customers.

### 3.2 Conceptual framework



Figure 1. Conceptual framework (Hämäläinen 2014)



Figure 1 describes the communication process of the company Rauman Energia Ltd. Through training and motivation customer service retains interest in their work and constantly develops the communication and marketing process within the company finding new and innovating methods to deliver the company's messages to the customers. The communication and marketing process requires a medium to get the word out and in this case that medium is a combination and collaboration of both traditional channels and social media.

## 4 SOCIAL MEDIA

### 4.1 Definition and concept

According to Kaarle Nordenstreng and Osmo A. Wiio the concept of social media refers to the development phase of media and the internet, where the production of contents is dispersed and users produce the contents increasingly. One closely connected concept for social media is UGC, User-generated Content, which emphasizes the very core of social media. Usually this kind of content is not self-invented, but rather copied from somewhere else, commented the result of other researches or forwarded links or other content. This has led to the alteration of UGC to UDC; User Distributed Content. In addition to producing contents, pivotal aspects in social media are also communal procedures. (Nordenstreng & Wiio 2012, 297.)

Social media can also be considered as so called "umbrella-concept" which withholds various different perspectives and phenomena. On the other hand the "umbrella" can also be so broad that the contents and limitations are not clearly outlined. The problems in outlining content in social media are very typical. This scenario leads to preferably define the core content rather than defining the limits of social media. Katri Lietsala and Esa Sirkkunen have construed the concept of social media by dividing it into six categories:

1. Creating contents and publishing: blogs, wiki and podcasting
  2. Distributing contents: the distribution of bookmarks, pictures and video (Flickr, Youtube)
  3. Networking and community services: Facebook, LinkedIn MySpace
  4. Joint productions: Wikipedia
  5. Virtual worlds: Habbo, Second Life
  6. Add-ons: Services that can be utilized in other services: Google Maps
- (Nordenstreng & Wiio 2012, 298.)

In this thesis, the emphasis will be in the first three categories for multiple reasons. First of all resources in a relatively small local energy companies, the resources are very limited. Preferably the blogs will be incorporated within the company's own website and Facebook. With REO serving approximately 40 000 customers the most beneficial solution is to direct the customers into one place rather than diversify the services into multiple places. (City of Rauma website)

The second justification for narrowing the social media channels mainly to internet and Facebook is that the internet has established the status of a daily method of searching for information and is slowly overcoming the traditional publications in the form of paper. From the community viewpoint the most popular social media service is Facebook with almost 2,1 million users in Finland. Thirdly, Facebook offers broader way to serve customers from an energy company viewpoint with the possibilities of posting articles, pictures, arranging competitions and any other different ways to interact with customers with more coverage of the topic at hand, than for example Twitter. (Nordenstreng & Wiio 2012, 298.)

#### 4.2 Types of social media

The most known services of social media are Facebook, blogs, Youtube and Twitter. The company webpage and Google are also services and tools that will be taken under consideration later on. As a concept internet is so broad that the above mentioned channels that are the most likely to be used as a marketing channel, will be referred

to individually instead of internet, unless referring to internet from a wider perspective.

### *Facebook*

Facebook is without a doubt the most famous channel in social media. It has over one billion users worldwide and redefined the online communities from the day it was created. It offers its users to post about their everyday life, links, videos and pictures. It provides its users to add friends of their family members, newly acquired acquaintances or long lost friends and connect with them all over again. When a user posts something it can be seen in a news feed of that person's Facebook friends giving them the opportunity to like that post or comment it. It is by far the best method for keeping in touch with other people regardless of the geographic location for free, play online games and for companies it offers the perfect platform to gain exposure and adding advertisements. Those advertisements are shown next to the user's news feed and through a special algorithm Facebook finds the people with particular preferences about brands etc. and shows the advertisements related to those preferences. (Weinreich 2011, 13.)

### *Blogs*

A blog is sort of a manifesto or a diary of its administrator. They share a story, which sometimes is factual and other times merely the writer's own perception about current topics. It is an easy-to-use website that a person can update with news, commentary and even videos and photos. The posts can be any length. Although in order maintain reader's interest it would be better to keep the length in about 200-400 words. Most blogs have the possibility for the reader to post their opinions about the writing, which can be a key point in the whole conversation. . (Weinreich 2011, 13.)

### *Twitter*

Microblogging, also known as micro sharing, refers to providing short updates and links via a service. Twitter is the dominant service within this service field. Twitter offers its users 140 characters at a time to share their thoughts, indicate the things they are doing provide useful links and carry on conversations. A user can choose

whose “tweets” they want to follow and thus seeing the publications whenever that specific person is tweeting. When a company tweets about interesting topics and especially when it engages people in conversation it is more likely to gain more followers. Twitter has made the symbol of hashtag notorious. With the hashtag symbol people are able to use keyword in their tweets by adding the hashtag symbol in front of it and then follow the conversation about a specific topic with everyone who has used the same keyword. For companies for example Twitter offers a good advertisement channel, but due to limited content length might not be suitable for every company. With Twitter it is more about frequency than rich content. (Weinreich 2011, 222.)

### *Youtube*

Owned by Google, Youtube is an internet based video-service. It allows its users to post videos of everyday situations and gain publicity whoever the user might be. Youtube was activated on February 14<sup>th</sup> in the year 2005. The date can be considered as the birthday of video marketing. Nowadays, the popularity of Youtube is staggering. Up to 48 hours’ worth of video clips are uploaded to the service every minute, which means almost 8 years of video content every single day. Youtube is probably the best gateway for regular people to achieve the status of a celebrity in case they get lucky and a professional working in the entertainment field happens to notice them. One of the best examples is Justin Bieber who became one of the world’s biggest teenage singers after uploading videos of him singing. Basically every kind of moving image can be found in Youtube and artists, sports teams and entertainment companies have their own channel that people can subscribe to and watch the posted videos as soon as they are published. (Weinreich 2011, 13.)

For companies Youtube can be a good advertisement channel but more than that it is a great supportive function for Facebook, where a company can create their own channel and upload for example instructional and advertisement videos for their products. From the company’s perspective the figures justify the usefulness of utilizing Youtube as a marketing channel. Youtube receives more than 1 billion users every month and operates in 53 different countries. It is the second largest search engine after Google. Videos uploaded to Youtube serve as a multipurpose marketing meth-

od. They showcase the company's products or services, build brand awareness and guide customers in their buying decision-process. It can be linked with search engine marketing as well, since an uploaded video makes it 53 times more likely that a company gets a front page Google result. (Weinreich 2011, 13.)

### *Linkedin*

Linkedin is a platform especially for businessmen and connects professional of one field with other professionals working on the same field. It is the best possible way for professional networking and information and experience sharing. It has helped its users to gain knowledge on the field they are working based on different perceptions and experiences and get answers to bothering questions. In other words Linkedin offers companies to interact with other companies for business purposes only and thus is not probably the best marketing channel (Weinreich 2011, 13.)

### *Google*

Google is known as the most popular search engine operating in the internet. In fact it is achieve such a status, that whenever in everyday life someone is uncertain and needs to find an answer to a question a common comeback phrase is "Google it" which refers to finding an answer via Google. (Young 2010, 8.)

About ten years ago Google changed the shook the advertising world, by bringing in an advertising era based on math, reason and logic and partly replacing the traditional methods of creativity, art and emotional connections. Google helped the advertisers by providing the possibility to directly target potential customers who were looking for a product or service. Google's program AdWords has revolutionized the way companies nowadays advertise. Providing 95 % of Google's profits, which in 2009 was 6.5 billion USD, the way the program works is that whenever a person is searching for a potential purchase, the first so called sponsored results of the particular searched item pop up at the top of the page, redirecting the customer to the sponsor's website. (Young 2010, 8.)

It has been estimated that over 90 % of internet users use search engines to gain knowledge through the internet. It has also been estimated that about half of the total income from internet advertising are originated from search engine advertising.

Search engine advertising is divided into two categories: search engine optimization meaning the improvement in finding a company within the search results when specific search words are used and search word advertising meaning the text and visual advertising services provided by the search engine. The search word advertisement are placed on the search result page based on the relevance of the search word and the daily and monthly search word advertisement budget of the company. For example in Google these results are shown at the top of the search results and on the right side as “sponsored links”. For companies the most important reasons in taking part in search engine advertising are visibility at the right time, it is not considered as advertising but rather as a search result and the websites at the top of the search results get the majority of visitors. In Google, being at the top of the search results depends on over a hundred different aspects. The most important ones are content, availability, linking, and the popularity of the website or in other words so called “Page Rank”. (Karjaluoto 2010, 133.)

## 5 SOCIAL MEDIA AS A MARKETING CHANNEL

### 5.1 Evolution of marketing orientation

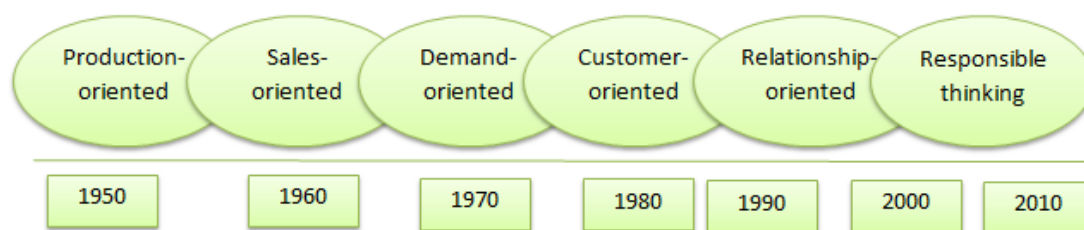


Figure 2. Development stages of marketing insights (Bergström & Leppänen 2013, 12)

As seen in Figure 2 the common insight for marketing has developed through time to be customer-oriented and to this day it still is. Already in the 1970's the shaping of demand-oriented thinking, hinted of what lies ahead in the future. The datum for demand-oriented thinking was the needs and hopes of potential customers, which were

studied through demand- and market surveys. Products and services were then developed based on the surveys and thus resulting in more new customers. In customer-oriented thinking a big company will strive to satisfy the needs of several target groups, whereas a smaller company may focus on one or two of the most important customer groups. The objective is thus to be the best in a market that particular company is specialized to. A significant benefit is to be up-to-date of the customer needs and values better than any rivalries. (Bergström & Leppänen 2013, 14.)

In addition to customer-orientation the stages have developed to responsible thinking, which can be considered as another approach from the customer's viewpoint. CSR (Corporate social responsibility) is one aspect that need to be taken into consideration in today's business world. This basically means that it is visibly acknowledged that a company voluntarily combines its businesses with social and ecological insights. The social responsibility of a company therefore covers the economic, environmental responsibilities in the way they conduct business as well as the social aspects, meaning the responsibilities of working conditions, employees and the local people within the region of the company's business. For energy companies the environmental aspect is emphasized with the conduct of business naturally which means the usage of natural resources and less pollution. (Bergström & Leppänen 2013, 16.)

Responsible marketing also means the ethics in the company's operations. This ethics includes rights, responsibilities and regulations. In ethical values it is defined, what is right and what produces value to every stakeholder. Ethical business respects the individual, creativity and encourages fairness and the responsibility of economy. In businesses ethical thinking may stand for moderateness, equality and truthfulness. The marketing staff should therefore operate honestly, so that the customers are provided with solutions with minimum costs. Given promises are also kept and the customers should be able to trust the company's marketing communications. (Bergström & Leppänen 2013, 16.)

## 5.2 Customer service as part of marketing

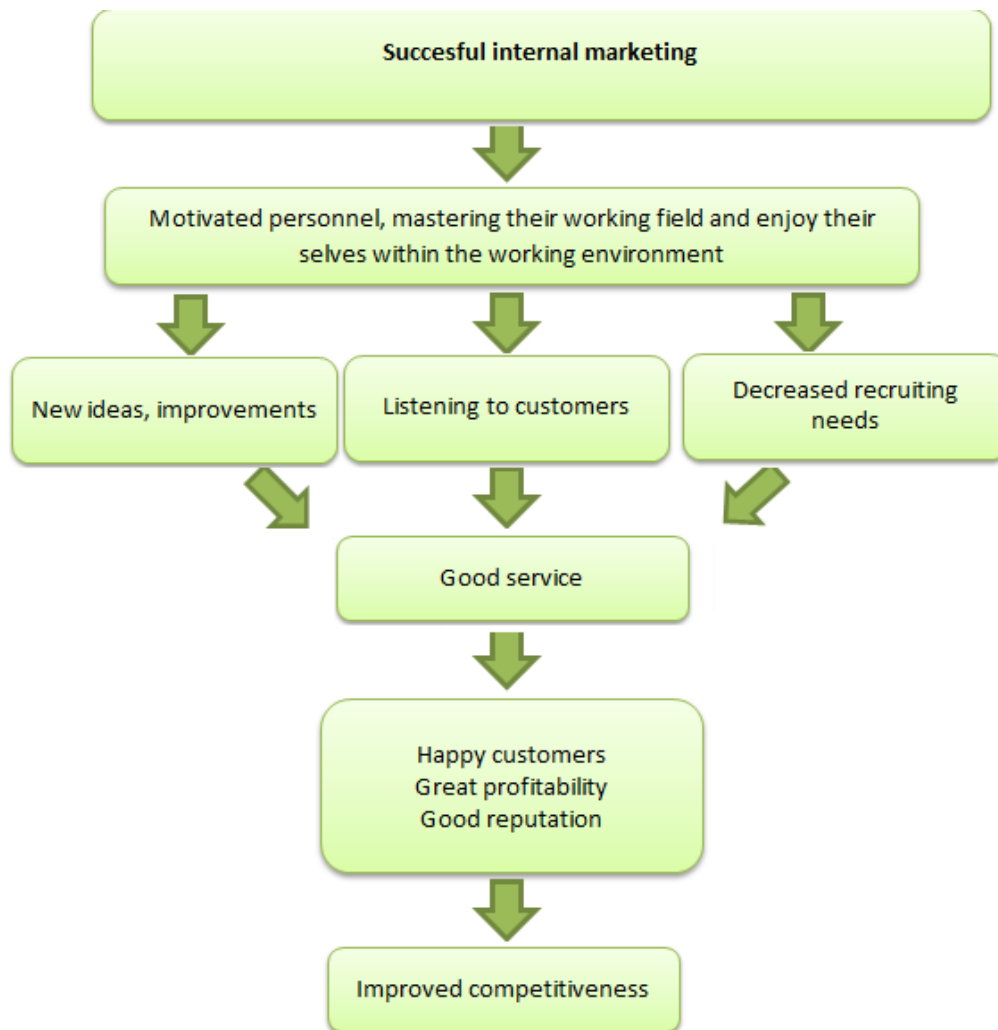


Figure 3. Company's personnel and service level as part of competitiveness (Bergström & Leppänen 2013, 172)

Success in customer marketing is based on the knowhow and motivation level of the staff members, which encourages companies to put effort in internal marketing. Traditionally personnel related subjects are handled in HR departments or on an executive level, but nowadays the skill levels and attitudes are a crucial part of marketing. Especially in companies marketing services, skillful staff members are a central competitive factor. Retaining the competitiveness compared to other companies, it is crucial that the company is able to hire the best possible staff members and constantly develop their knowhow in the field. Good employees should



be retained in the company's services by any means necessary. (Bergström & Leppänen 2013, 179.)

Enjoying one's work, the knowhow and the motivational level contribute to new ideas. People who enjoy their work, will come up with improvement ideas that concern their own work details and even the whole company's operations. They also know how to listen to the customer's opinions and improvement ideas. The turnover rate of the personnel decreases and the company is not forced to constantly search for new employees resulting in the good service provided to customers as well as partnerships. This also ensures the growth in sales and profitability. An employer with good reputation is also easy to recruit when necessary. When the profitability improves, the company has more resources to invest in personnel, products and services and maintaining customer relations thus resulting in kind of a positive cycle. Good personnel and customer service are thus the basis of companies' competitiveness. (Bergström & Leppänen 2013, 180.)

#### *Improving competitiveness through customer service*

Customer service which is better than the competitor's is a way to stand out in the markets and bring additional value to customers. The significance of customer service is especially emphasized in business fields where the products are very similar i.e. energy business. The service may be one of the main products of the company or an accessory part of a product. A customer purchasing products may need the services of a company before the purchase, during it or after it. Customer service is perceived as an operation with the main purpose of helping and guiding the customer. Customer service is influenced by companies' internal and external factors. The all-encompassing development of customer service requires thorough planning and testing of the service concept. In service concept a company defines who to serve, how much service is offered, how to serve and in what way the service provides value to the customers. When customer service is defined one must consider the target customer needs and the company's own resources. If customer service is needed to use as a method of competition, the company must be aware of the competitors' means of serving their customers and strive to differentiate from them in a positive manner. However this does not mean that the differentiation is applied to every single aspect of customer service, but the customers have to be given the

impression that they receive appropriate service according to the situation and that the service is more valuable than the competitors. The description of the purpose and importance of the customer service is very much linked within the energy business. The offered products are very similar if not the same, so the most important additional value is the offered services of energy companies'. After pricing the quality of customer service and other offered services are the most useful methods of marketing the energy company's products. (Bergström & Leppänen 2013, 180.)

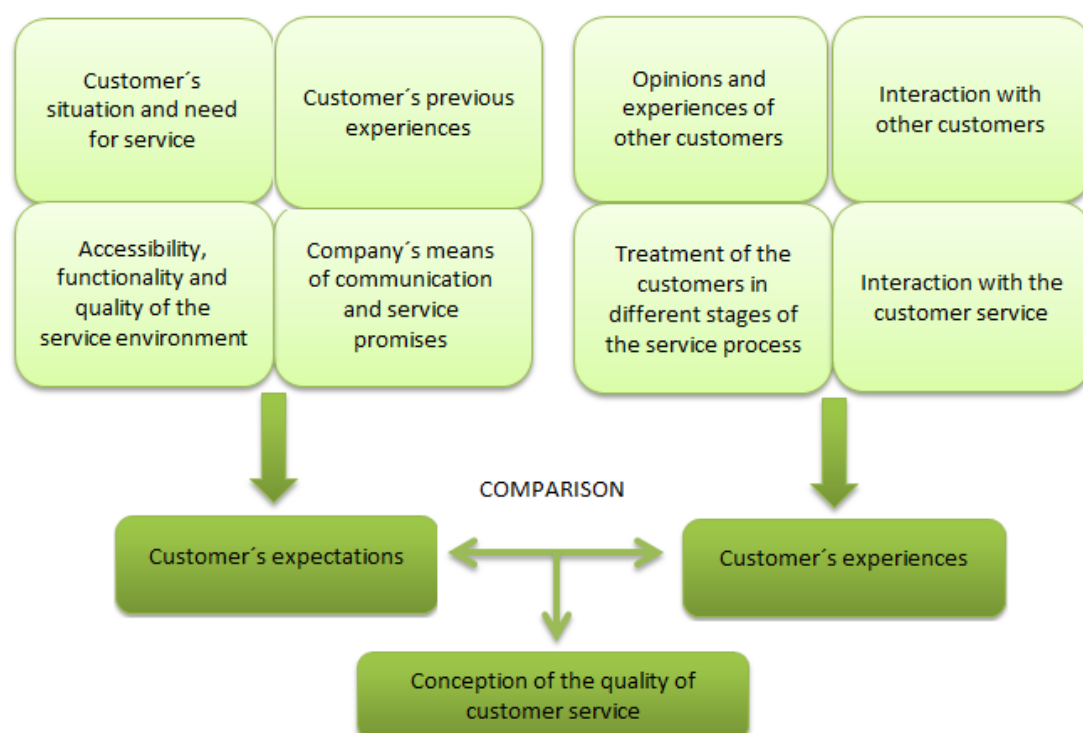


Figure 4. Development of the conception of quality. (Bergström & Leppänen 2013, 172)

#### *Quality of customer service*

The quality of the customer service should be supervised constantly. First and foremost the company needs to clarify the expectations of customers in order to serve different customer groups better. Expectations are influenced by previous experiences and the impression of the company left by advertising or other customers. The amount and method of the service must correspond with the needs and expectations of the customer. The traits customer hold high are for example friendliness, speed of the service, expertise and integrity. In best case scenario the equipment, operational

systems and other technical functions operate flawlessly, the service environment is pleasant and the interaction with the customer servant works fluently. Service needs to be improved especially in the fields that are of the utmost importance to the customer. In energy companies this means informing customers about power shortages in advance or if unexpected the duration or severity of the shortage must be informed through multiple channels and personnel in the company must be accessible throughout the whole duration of the shortage with minimum queuing times regardless of the time of day. (Bergström & Leppänen 2013, 190.)

Different customers react differently to the same type of service and on the other hand the same customer may perceive the same service level as different on other occasions. The quality and quantity of the service should be significant in every situation. A company should put effort in receiving constant feedback and development ideas about the service. Therefore the company should provide customers with multiple channels to do so made as easy as possible. Provided channels should include the traditional ways for example phone, face-to-face contacts and questionnaires and the slightly modern ways for example internet, e-mail and social media. The company should be able to receive and respond both to positive and negative feedback constructively. (Bergström & Leppänen 2013, 190.)

Probably the most important form of marketing is called recommendation marketing. In a customer- oriented service community the organization is in a sense turned upside down. The highest in the organization is those who interact with the customers. Their duties consist of interaction marketing and external marketing. The duties these people perform are best awarded with the satisfied customers tell further about the positive experiences they have had during the interaction between the customer and the customer servant. Recommendation marketing has two upsides to it:

1. The credibility is better than any other marketing form – People tend to have more faith in personal experiences of their close friends than in the promises made by an organization in their marketing efforts
2. The marketing effort made by recommenders is completely free – if somebody has positive things to say about an organization, they are not doing it for the money (Lahtinen & Isoviita 2001, 50.)

### 5.3 Social marketing mix

The common conception of a marketing mix the traditional one with its 7 p's: Product, price, place, promotion, process, physical evidence and people. Since the topic at hand covers the social media aspect, it is better to use the very core of the traditional model to an adaptation used in social marketing practices. The four original P's from the traditional model still remain. Below in figure 5 is the description of the social marketing mix:



Figure 5. Social marketing mix. (Weinreich 2011, 13)

Figure 5 illustrates the different aspects needed to consider when embarking upon a executing a social marketing campaign. The 4 traditional P's are commonly used, but

in order to run a successful marketing campaign all of the above mentioned aspects are crucial.

*Product* – The product company has to offer can range from a physical product to a service. The product basically satisfies the need of customer whether that need is conscious or unconscious. A company should be able to refine the product, after customer feedback. The product is a key representative of the company, so if customers are not happy with it, alterations should be made. (Weinreich 2011, 16.)

*Price* – Setting a price for a product or a service can be challenging. A low price may be hurtful for the company profit-wise and can be perceived as less valuable. Too high a price is naturally unattractive and the products are left on the shelves for customers to frown upon. (Weinreich 2011, 16.)

*Place* – In commercial marketing place often refers to the distribution channels. Place answers the questions of how and where are the customers able to get the product or service. The product or service naturally should be easily accessible and visible, so that the customers, who have not even thought of the need for the particular product or service, will have the possibility to choose whether they need or not. (Weinreich 2011, 16.)

*Promotion* – The word itself refers to marketing the most of the other P's. Promotion is the key aspect to make a product or service visible to the customer. The visibility is reached by advertising, public relations, social media, personal selling and special events to name a few. Different target groups are reached by different channels so there is no one correct method to reach customers. Companies need to consider the method used in order to gain maximum exposure. (Weinreich 2011, 16.)

*Publics* – A company has many different audiences throughout its operations. It is crucial to reach and satisfy all of them. Basically the target audiences can be categorized into two: External and internal ones; External refers most of all to company's customers. Other external audiences are for example legislative functions e.g. government and so called gatekeepers in other words the ones through which a message is delivered to the customer. Internal audiences refer to staff members and execu-

tives. For example company's customer service plays a key role as an intermediary between the company and the customer so it is highly recommendable that the customer service is kept both satisfied and educated because it all reflects to the level of service the end customer receives. (Weinreich 2011, 16.)

*Partnership* – By collaborating with other companies, it is possible to extend resources as well as access a wider range of target audiences. By figuring out which companies share similar audiences and goals, the collaboration is beneficial for all parties. (Weinreich 2011, 16.)

*Policy* – A company may have to readjust its policy if the customers do not relate to it. For example the usage of natural resources and ecological operations are currently of high value in customers' eyes. (Weinreich 2011, 16.)

*Purse strings* – In layman's terms refers to financial resources. Marketing can be executed free of charge to a certain point and that point meets the company very fast. If a company markets products or service with full intention financial resources must be available. Depending naturally on the scale of the marketing plan a company can either use its revenues or raise money through donations or other campaigns in order to execute a successful marketing campaign. (Weinreich 2011, 16.)

#### 5.4 Confining the types of social media

In a smaller company the benefits of concentrating the use of social media to two or three different channels outweigh the benefits of dispersing the operations to five or six different channels. The resources are not adequate and customers will be confused of what channels to follow. Thus if a company desires to use social media in its marketing efforts, it will be useful to confine the different channels to use. Firstly it is important to outline the confining of social media channels from a customer's viewpoint. It is useless to use social media as a marketing channel if no one is reached by it. Previously it has been mentioned that internet in general is used daily by majority of people. When the focus is clearly on social media sights it is highly

recommended to identify the preferences of the average person. (Qualman 2009, 126.)

### *Less is more*

Supporting the argument of confining the social media efforts to two or three different channels can be summarized in one phrase: “Be the best at something, not everything”. For companies trying to be too many things to too many people is both time consuming and costly. The marketers tend to begin with highlighting a one message to a short advertisement, but by the time of the end result is published that one message has faded to the background to due numerous other messages that have been brought along during the process of creating the advertisement. The content of marketing messages and the methods of visualizing them vary between for example Youtube and Twitter. The original purpose and message might therefore fade and get confused with the other social media site, confusing the also the customers about the company’s intentions. (Qualman 2009, 126.)

### *Justifications*

Figure 6 shows the usage of those online people over 18 years of age, who use social media sites. The survey was conducted in the US by the Pew Research Center’s Internet Tracking Surveys and was based on 1445 answers by 18+ adults. As seen in the figure 71 % uses Facebook and the rest fall under the category of 22 % or less. The percentage for all categories has increased between the years of 2012 and 2013, which indicates that the social media boom is still growing. The statistics seen in the figure 5 clearly indicates on which to focus on when dealing with marketing in social media. The coverage of potential customers is almost 50 percentage units more than the second highest coverage. (Website of Pew Research)

## Social media sites, 2012-2013

*% of online adults who use the following social media websites, by year*

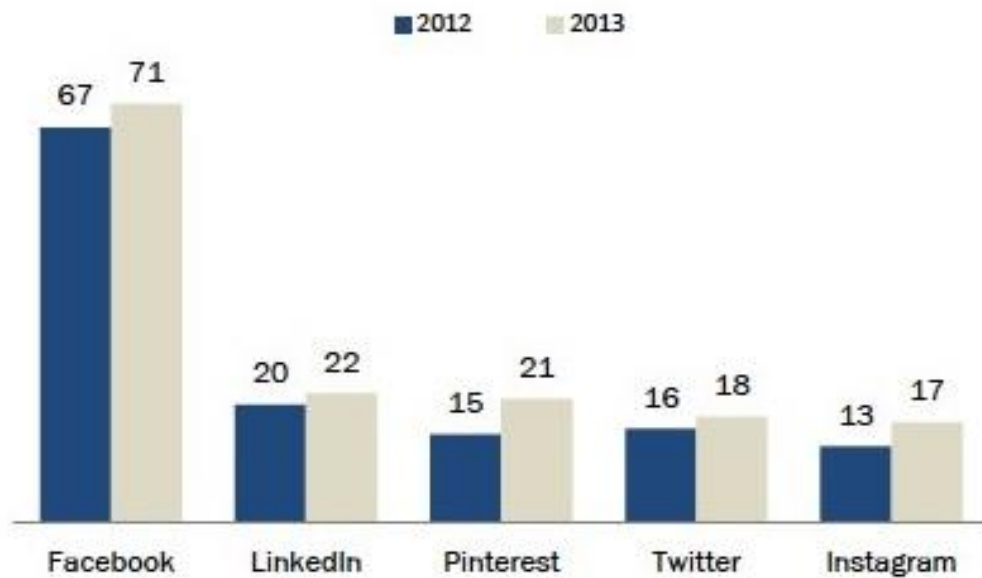


Figure 6. Adults using social media sites (Website of Pew Research)

While the basic use of Facebook is completely free for companies, while using status updates, posting pictures and videos and sharing articles, companies have an option to pay for advertising. According to an article in Ilta-Sanomat Facebook has increased its advertising profits during the first quarter of the year 2014. Facebook's advertising profit was increased by over 80%. The facts clearly indicate that companies' faith in improving their visibility among their customers is increasing rapidly. Companies' gap between them and the customers has shortened significantly because of the use of Facebook advertising and marketing and customers are more available than ever and vice versa; companies are also reached easier by customers. Facebook is used daily by over 800 million people and almost 1,3 billion on a monthly basis. (Website of Ilta-Sanomat)

The justifications for using Facebook as a primary social media marketing channel are also seen in the Figures 7 and 8. Figure 7 indicates the use of social media sites for marketing purposes stated by over 500 marketing professionals from 20 industries across 82 countries. According to the website a company without its social media presence is not up-to-date and will lose in visibility and customers. Nowadays



Facebook is the clear first choice for marketing professionals. Marketing in social media website such as Facebook and Youtube can make a business go viral. Figure 7 supports the use of Facebook for marketing purposes. A beneficial addition when considering another social media channel would be Youtube with its 35 % usefulness according to marketing professionals. Alongside Facebook, Youtube offers the possibility to utilize video material to support different articles and pictures published in Facebook. (Facebook page of 2Market)

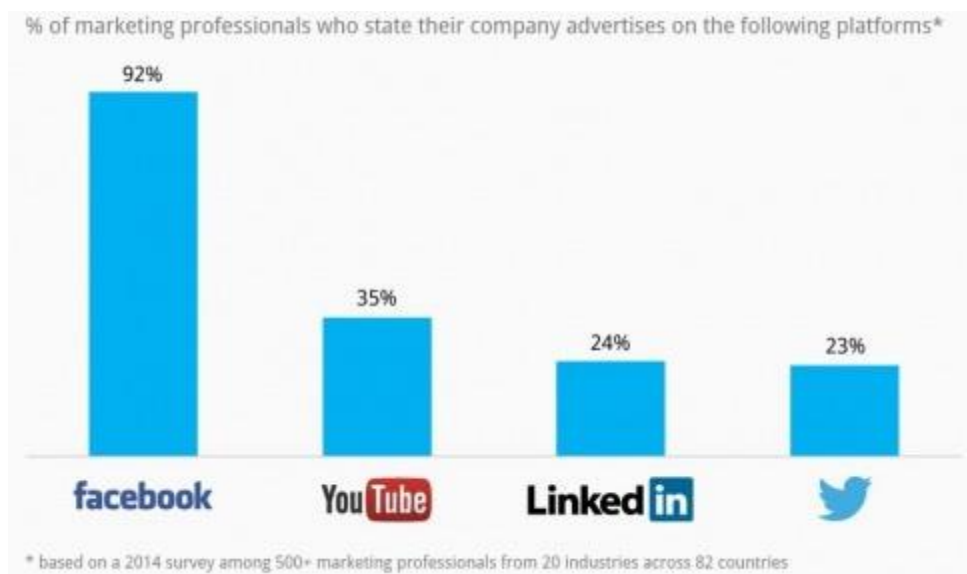


Figure 7. Marketing professionals and the use of social media in advertising.  
(Facebook page of 2Market)

A slightly controversial result compared to figure 7 is indicated in figure 8 and the statistics of focusing marketing efforts in 2014. Facebook once again is a high priority according to the companies asked by the study conducted Social Bakers. Twitter is second with over 43%, however 10% of the companies consider it as no priority. It can be derived from this that either Twitter is of much use or not at all useful without any middle ground. According to the marketing professional, Twitter is less useful and do not want to focus on it. That being stated, Twitter might be of better use for larger companies with bigger resources. The study in Figure 8 was conducted worldwide by Socialbakers. The study was based on interviews with marketers in 82 different countries and in 20 industries. (Website of Techsquash)

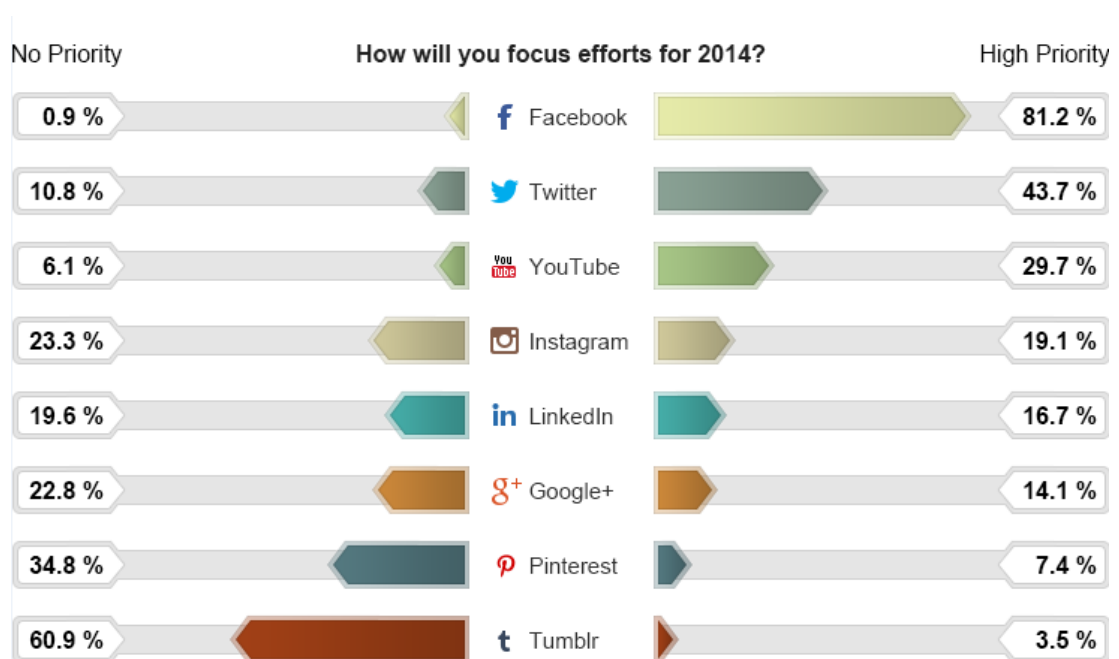


Figure 8. Companies' focus on social media platforms for marketing purposes in 2014 (Website of Techsquash)

By studying different studies, it can be stated that the most diversity, coverage and general benefit will be gained by using primarily Facebook and Youtube. Website still remains the most crucial part in informing purposes for now and is great to have as insurance if the visibility is not gained in the beginning through Facebook or Youtube.

### 5.5 Social media as a marketing channel

*"In the world of top-down, one-way communication, a company told you what it wanted you to hear, and you had the choice to take it or leave it. In the new digital world of transparency and ready access to amazing quantities of detailed information on just about everything, companies will be held much more to account"*

- Simon Clift, former global chief marketing officer, Unilever

Social media offers new channels and tools for marketing communications. Although it might be early at this stage to talk about new advertising channels, the different channels of social media are already an important tool in sales progression, building

a brand and especially in reaching out the younger audience and active adults. The first step in utilizing social media as a marketing channel is to actively follow various communities and discussions, thus comprehending the topics at that moment, who are the people actively taking part in the discussions and what kind of insights they have to offer. A marketer can thus receive valuable information on rising trends and new ideas to service development and naturally marketing itself. (Bergström & Leppänen 2013, 379.)

#### *Different marketing channels*

A marketer is able to buy advertising space from social media channels which is the easiest way to get started. Utilizing social media should be however sustained and visibility continuous, so it is important to operate in two or three different types of social media channels. Company can use for example the following aspects in social media:

1. Blogs: A blog is established for either a company or a brand, or an existing blog is participated in as a writer or a producer of information
2. Networking services: An own profile is created for the company, which allows the company to network with other users i.e. existing or potential customers. Messages and publications can be thus directed to these users and onward to the networks of those users
3. Discussions and recommendations: A company establishes its own forum or takes part in existing discussions and sends messages to the users of particular target groups
4. Sharing files: A company can provide users of certain communities with videos, advertisements, text files, pictures and other files (Bergström & Leppänen 2013, 379.)

Social media was not created for advertisers primarily. For example Facebook's mission is to "earn money in order to create better services, not to build services in order to earn money". The advertisements are deliberately kept on the background of Facebook's image. That being stated Facebook still needs advertisers and strives to ensure that the advertisers also need Facebook. Therefore Facebook has put the most

effort in tools meant for advertisements purposes than any other social media channel. (Juslén 2013, 23.)

The purpose of a Facebook page is to operate as sort of a homepage for a company. Marketers can thus be constantly present “in internet within the internet” as a commonly used phrase goes. The free aspects reaching out to customers both existing and potential by publishing messages, status updates and several types of marketing-related tools for example “Like-screen”. The carrot from a Facebook’s viewpoint is by providing these free services the companies are attracted in going the extra mile and eventually buy advertisement space for a reasonable price. To caricature Facebook is not willing to provide companies with such free marketing tools, that they are able to build a profitable marketing campaign based on them. (Juslén 2013, 24.)

In social media in general and especially in Facebook marketing the purpose is to gain as much as contacts and interaction as possible with minimum costs. The marketing includes both free of charge and chargeable marketing methods that in Facebook consist of the following ones:

1. Facebook page, which is free of charge and totally in the owner company’s control
2. Facebook advertising, which is a chargeable media
3. Earned media, meaning the publicity of marketing messages distributed by regular users through liking, sharing and commenting (Juslén 2013, 28.)

Social media marketing by nature is very persistent and the results will improve over time. Marketing is built on customer community in social media which creates a constantly improving marketing model. Campaigns, promotion and regular incentives are important in order to reach and maintain customers, but are only a part of the entity supporting the development of the overall picture. (Juslén 2013, 28)

#### *Principles of engaging in social media*

Whether a company is using Facebook, Twitter or a newly launched social media tool the principles in engaging in social media can be used in general. These principles are needed regardless of the type of social media; they can be adapted and must

be fit to the tools offered by a particular media type. Authenticity is an aspect that separates one company from another and especially a human from a computer. An example of authenticity can be derived from the entertainment world: In 2009 a show called Britain's got talent had yet another competitor coming on stage: A plain looking 48-year old woman and a committed cat lover who loved to sing. The impressions in the audience as well as in the judges were no doubt similar to those who were watching the show at their homes: amusement and skepticism. That was about to change the minute she opened her mouth and started singing. Within 9 days of her appearance the videos of her uploaded in Youtube got 100 million views, which prove both the power of social media and how one can achieve success by being authentic. Although there are many good singers out there Ms. Boyle was someone the audience could relate to; she was not yet another celebrity with polished outlooks and the whole package. She was a real person, like the wider audience. Her authenticity in her manners, how she looked and acted was the key factor in winning the audience to her side. People connect with real people- that is what powers social media. People do not want to interact with a computer or a faceless organization; they want a genuine person on the other side of the communicative experience. When people are aware of the fact that a customer servant is just like them without pre-determined methods of answering their questions they tend to react kinder. Personality is the key factor in separating people from computers so companies should not shy away from hiring and training people with true identities and personalities who do not necessarily talk like they are about give out a press release. (Weinreich 2011, 13.)

### *Company guidelines*

Related to the topic of personality and authenticity, the social media is the most commonly used in companies for image development purposes. According to a survey conducted by the Finnish statistics center, social media is most used in businesses operating in the field of communication and information. An important aspect for companies was also the development of the company's services through receiving opinions, evaluations and questions from the customers. Within the Finnish companies community services such as Facebook was used in 34 % of the companies, while Twitter was only used in 8 % of the companies. Regarding social media guidelines 30 % of the companies stated that they had official guidelines, which were used

mandatorily. The survey was conducted by questionnaires in spring 2013, and was sent to companies employing over 10 people. (Website of Kauppalehti.fi)

According to study published in 2012 companies such as Yle, Fazer and Nokia have had the most effective utilization of social media in their communication efforts. One of the executives at Yle, Atte Jääskeläinen states that “being successful in social media is a question of attitude above all”. Employees at Yle are constantly activated and advised when it comes to social media. (mediaviikko.fi) Yle has set up guidelines to support the motivation of their staff members. These guidelines are five-fold and they are as follows:

1. The core of the operations in social media is provided by the company’s values. The primary purpose is to encourage staff members to be involved in interacting in social media. The core will be supported by general professional guidelines in the business field
2. Social media is beneficial in reaching out to the audience. Operating in the social media field eases the reachability of the company and lowers the threshold for contacts as well as binds the audience to the company. Network communication skills are beneficial to the staff members. In numerous tasks social media comes as part of the job description, but is not mandatory for everyone. A staff member of Yle may interact in social media as a staff member of Yle or as an individual, but one should keep in mind that to some people a staff member of Yle is considered as one regardless of the original intentions.
3. Commenting issues involving the employer or the work community of Yle is possible, but doing so with consideration is necessary.
4. Social media enables the openness of work processes to the public. Publications about incomplete projects should be planned beforehand with a supervisor. Publications about complete projects are done after a supervisor’s decision.
5. Social media may bring one’s opinions visible to others. Therefore liking, clicking, joining and sharing, should be done with consideration of the credibility of one’s work role and the impartiality of it. (Website of Yle.fi)

### *Interaction*

One of the key definers that separates social media from other marketing channels is sharing, especially in the context of sharing information and sharing control. The companies who are able to create and share the most useful and interesting information are the ones who build a strong following. In social media, the emphasis is not on the money, but information and helpfulness. The more generous a company is with its knowledge, energy and time the more online followers it is able to gain and thus the more people it is able to influence. Sharing control is an aspect that often is an obstacle for a company in engaging in social media. Companies are used to one-way communication and having total control over their presentations of messages. However social media has brought along the possibility to respond to those messages. This is sadly too often seen as a downside, but for a company to see in real-time, how the customer react and perceive those messages is actually an upside. (Weinreich 2011, 13.)

A company needs to think itself as an enabler, providing a place and tools to have both enquiries as well as deep-into-the-subject conversations. When a company is able to get people having discussions with each other simultaneously providing the support in problem situations, it can play sort of a facilitating role making the focus about the people rather than the company. The center of the discussion topics does not necessarily have to be about the company itself, but when the discussion, whatever it may be, happens on the company social media sites the company retains its exposure. The most effective way to enable the vivid discussions is naturally first by finding the followers- people who are the most passionate about the issue at hand. The most passionate people naturally would be the company's own staff members. The members in the customer service are as individuals as any one of the customers. They have their own social media contacts, so they are a perfect gateway to reach the actual end customers. By giving them tools and turning them as so called evangelists of the company and the relevant topics, they can help their own company to gain exposure and making the company interesting through their passion. Customer servants interact with the customers on a daily basis, so they are aware of the so called hot topics that interest other people. By having more and more people spreading the message of the company also increases its credibility. (Weinreich 2011, 13.)

### 5.5.1 Possibilities

The benefits of Facebook are conceived to be staying current and the technical functionality. (Nordenstreng & Wiio 2012, 301.)

Compared to traditional media, the benefit of social media is its bipolarity in communication and the opportunity to have open conversations with the customers. Feedback is received with fast pace from larger audiences and data collection is effective. In viral marketing the word spreads like wildfire so it should not be ignored. A company can consciously start a rumor in a positive sense, which will spread rapidly in one network and spread to other networks as well. This will result in developing discussions and buzz in general. In social media the recommendations of services can spread through word-of-mouth without encouraging from any direction. Word-of-mouth can be either voluntary-based or incentives can also be created e.g. gifts or gift certificates. Word-of-mouth is also included in the recommendation marketing mentioned in chapter 6.3, except word-of-mouth can work in a negative sense also. (Bergström & Leppänen 2013, 379.)

According to a survey conducted by Social Media Examiner in 2013 the top benefits of marketing in social media are increased marketing exposure and increased traffic as seen in figure 7 below. The survey was conducted in the US and it included more than 3000 marketers operating in several different business fields and the purpose was to find out about their experiences in marketing via social media. As seen in figure 7, the benefit in increasing sales is on the bottom of the diagram. For an energy company not selling the energy, but only distributing it is highly unlikely to increase the company's sales. However the most useful benefits lie increased exposure, developed loyal fans, grown business partnerships, and reduced marketing expenses. As the customers do not have choice of choosing their energy distributor and the energy company has little leeway in providing financial incentives to their customers, the most important focus should be on keeping the existing customers happy. When the customers do not have complaints about their energy distributor, the pressure towards the pricing reduces, staff members are able to continuously focus on their duties without interruptions resulting in even smoother operations. When the company is exposed more to the public, the customers know about its existence, are able to



self-learn more when reading the company's publications and consider the company as easily accessible thus resulting in increased loyalty as well. (Website of e-strategy trends)

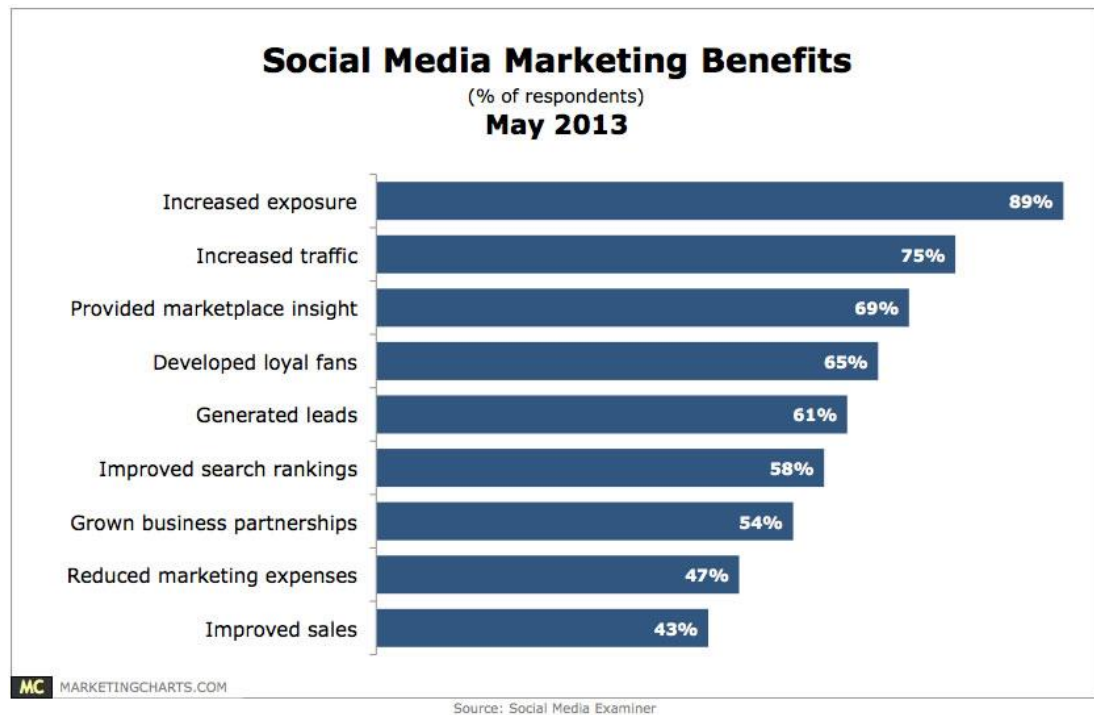


Figure 7. Social media marketing benefits (Website of e-strategy trends)

A concrete example of the possibility of social media usage took place in the beginning of the year 2014. A struggling clothing store situated in Helsinki. The Paloni store, mainly focused on domestic designers and ecological fashion, was on the verge of bankruptcy. A whopping 23 978 euros was needed in order to save store, which is a lot of money for a humble, limited-resource clothing source. The owner did not want to give up on her dream, since the store was the only retailer for some of its clients. Thus the owner decided to plead to its customers with one final desperate attempt and posted an open message on Facebook, where she wrote about selling her home in order to save the store. She asked the customers to shop as much as they can within the remaining 31 days of the store's operational time. The writing quickly started to spread across the social media through sharing and commenting. Eventually the needed sales figures were reached within 4 days from the posting. Minna Autio, a lecturer from Helsinki University discussed the phenomenon with the following

statement: “Many companies are perceived as faceless and sleeked, but the Paloni-case proved this myth wrong. The written message was highly personal and pleaded the audience the right way”. The owner of the store also revealed receiving aid from numerous other companies as well. For example the company received offers of marketing services free of charge and gift certificates from other companies. (hs.fi) The above mentioned case is a prime example of a limited-resource company utilizing the free marketing channels. The owner of the store was able to identify the channel providing the most publicity and was able to create a pleading and personal case story, which exceeded all expectations. When choosing and using the social media channels correctly and standing out from the crowd, the company can gain a lot of exposure. (Website of Helsingin Sanomat)

### 5.5.2 Threats and challenges

The downsides of Facebook are perceived to be with privacy. This does not directly affect the company’s page except for the elimination of anonymous commenting, but that works actually as an upside for the company, but downside for the customer. Other downsides include for example excessive openness and publicity as well as the fact that it can be very time-consuming. The inability to control the media is definitely one of the threats. Posted messages can begin living their own lives and distort along the way to completely different than the original intention of the message was. (Nordenstreng & Wiio 2012, 302.)

#### *Threats*

Whenever a negative phenomenon regarding the company or its operations occurs, it might take time for the company to discover it and react to it. This especially becomes a problem when the marketing and communication efforts are scattered to multiple channels. The problem lies in the time and efforts used to find that comment if it is found at all. This key problem within is the cost of labor. The easiness of commenting has increased significantly due to social media. As positive as this may sound, it also enables the customers to express their frustrations easily. For bigger companies with great resources the reaction time may be short, but for smaller com-

panies like REO the time spent on finding the origin of the frustration increases, which may lead to the impossibility of damage control. (Qualman 2009, 39.)

As an example of lack of company's reaction skills can be mentioned the case of Ellivuori. The mentioned negative publicity was achieved via a family which was accommodated in one Ellivuori-ski resort's hotel rooms. The family was extremely disappointed in the quality of their room, took video material of the flaws including a refrigerator full of mold, and posted the video on YouTube, where it got over 200 000 views. That video was later dealt and discussed in the national evening news; a good example of the effects of social media and how big a part it plays in the modern day snowball-effect. (Website of Aamulehti)

An example of great reaction skills is the case of Coca-Cola. It started with a Youtube video posted by two scientists which illustrated the effects of dropping five Mentos pastilles into a two liter Diet Coke bottle. The result of this was an exploding effect with Diet Coke showering out of the bottle with enormous pressure. This led to the public wondering about the toxic and hazardous effect Coke would have on their children's stomachs. The video became wildly popular and a popular news topic. Instead of settling the matter in court, Coke decided to hire those two scientists as spokesmen. They created a much more elaborated video, which resulted in 9 million views on Youtube, many marketing awards so instead of attacking and increasing the negative exposure even further they embraced the transparency and exposure of social media. (Qualman 2009, 39.)

### *Challenges*

One of the greatest challenges for marketers is visibility: How to direct possibly interested people to the company's blog, virtual community or other forums? The best way would be to utilize other media channels such as search word advertisements, informing regular customers, press releases and the company's own web pages. Especially during the first steps of embarking into new fields of social media it is crucial to utilize as many type of channels as possible to inform about the participation in social media. A marketer should follow the user development of social media and already reached contacts regularly. (Bergström & Leppänen 2013, 380.)

Another challenge is the uncertainty of the viral effect. It is impossible to forecast what kind of video or post will be the ground-breaker in receiving attention. Free media is earned not given and in order to achieve the status in active distributing, the company must first reach the attention of internet users and then earn their interest. Most of the published marketing messages are unable to do this. Therefore promises of creating viral phenomena are dud. The enchantment of viral marketing will fall off when the everyday life kicks in. The marketers are able to control the content of the effort in going viral, but they are unable to control the effects of it. If a published content goes viral, a message can reach large audiences in a very short period of time. However this does not guarantee that the message will create the desired consequences. People are individuals in every sense of the word so one single message can be perceived in a million different ways. (Juslén 2013, 24.)

Social media will not be able to replace the more traditional marketing methods. It's is a useful channel as a supporting marketing factor to existing marketing methods, but the thought of a company relying solely on status updates, pinned items, tweets and the free exposure gained by them is preposterous and more likely disastrous. A well-functioning marketing effort is something that can be repeated over and over again. One cannot duplicate viral marketing, but a well-built marketing process can be harnessed again to further the demand of new products and services. Social media can be a part of that, but not the only origin. (Juslén 2013, 25.)

### 5.5.3 The future of social media in Finland

According to the interviews of five experts on social media, conducted by the national broadcasting company Yle, there are several different trends emerging in the year 2014 and the future. The survey was conducted by interviewing the CEO of a social media office, a network communication researcher from Helsinki University, Community communications professor from Jyväskylä University and other social media experts. (Website of Yle.fi)

Facebook will become the media of the whole nation. The use of social media started out with youngsters, but from that point on and especially in the future, the rising

trend has been the involvement of older age groups as well. For most people the embodiment of social media is Facebook. While the older people are getting familiar with social media, youngsters will want to find more alternative channels in order to separate themselves from their parents. Thus the popularity of instant messaging services is increasing. According to the experts younger people are joining such instant message services as Snapchat, WhatsApp and Ok Hello, which allows them to interact with their friends without the supervision of adults. This has also been acknowledged by Facebook, which purchased the instant messaging service WhatsApp for over 11 billion euros. (Website of Yle.fi)

Social media will also turn to mobile devices, when more and more people and especially youngsters use social media with their mobile devices. The use of social media in mobile devices will also increase location services. The method of communicating will change from words to moving images. Video services such as Youtube will grow bigger. Especially in communication within companies, both internal and external, videos will become more of an everyday alternative. For example CEO's speeches and announcements can be recorded and uploaded to the company's intranet. Regular citizens will also become more sensitive about recording the injustice caused by companies and authorities. Social media is also being proven to be irreplaceable for companies in customer service. For example Finnair strives to inform and reply to their customers about instructions within a couple of hours even in crisis situations. Customer service in social media requires humility and constant presence. Companies should keep in mind that all content published in social media remains visible for customer all the time in some form. Social media will become a so called "calling card". People are prone to share content of a company which listen to its customers. Companies may receive a lot of publicity through sharing of content. The network dialogue will change the method of product development. By exploiting social media a company is able to stay up-to-date of what the customers' perception of the company is. (Website of Yle.fi)

The definition younger people have of themselves has changes because of social media. While the people, who now are at their thirty's and forty's, competed for the popularity in schools' hallways, the current youngster do so in social media. It does not require much effort and can happen almost accidentally, to rise to fame through

music videos uploaded to Youtube. In the year 2014, a growing number of celebrities will be jumpstarted in social media. The magnitude of sharing will also increase. What is known as viral content will become everyday life, even if the viral phenomenon will always not be so great. On the other hand people will become cautious of what to share, since they are aware of the consequences viral effect might have. More people will think their own reputation in social media and how it is shaped by sharing an image or an article. In Finland the spreading of content will be limited by the Finnish language. Therefore most of the content developed for viral purposes will be produced in English. (Website of Yle.fi)

## 6 RESEARCH METHODOLOGY

### 6.1 Research methods

The research for this thesis was conducted with qualitative methods. The typical characteristic for qualitative method is the all-encompassing gathering of information. The research material is gathered in natural and real-life situations. The research is conducted by favoring people as an instrument for data collection and it is based on the researcher's personal observations rather than pen-paper tests. In a qualitative research inductive analysis is conducted. This means that the researcher strives to expose unexpected aspects and thus the basis for study is not the testing of theory and hypothesis, but the multifaceted and detailed monitoring of the gathered information. (Hirsjärvi, Remes & Sajavaara 2007, 160.)

Based on the experiences gathered during the 3 years of working for REO, the background information of operational methods, customer needs and frequently asked questions and the general overall knowledge of customer service have provided the foundation for necessity of this thesis. The theory part is based on book and internet sources with the support of previously gained knowledge about the topic. In addition benchmarking is used in the research part of this thesis. By studying the social media channels the other national energy companies are using it is easy to analyze based on the background information, which of the aspects can also be utilized in REO. The

research part will also include the studying of other successful examples of companies utilizing social media regardless of their business fields. The purpose of customer service is pivotal in every field of business so it is possible to pick up bits and pieces of useful information from other companies as well.

## 6.2 Validity and reliability

Studies in general strive to avoid mistakes, but yet the reliability and validity may vary. The reliability of a study means the repeatability of the measurement, in other words the ability of a study to provide non-random results. Reliability can be measured in multiple methods, for example if two different individuals end up with the same results, the study is reliable. Validity means the ability of a study to measure exactly what should be measured. For example when questionnaires are answered, but the people who took the questionnaires did not understand the questions the way the researcher had planned, the study is non-valid. (Hirsjärvi, Remes & Sajavaara 2007, 226.)

The reliability and validity have numerous different interpretations in qualitative studies. The term validity is unclear, but yet in every type of study these both validity and reliability should somehow be measured. The researchers of qualitative studies are especially struggling with the accurate delivery of the achieved results. The core aspects are the descriptions of people, places and events. Validity means the compatibility of the description and explanations and interpretations. The reliability of a quantitative study is improved by the accurate description of the execution of the study. For example in observations studies, accurate description of circumstances and places should be explained. In qualitative studies, the analysis of the material, readers should be aware of the classifications. The researcher should also deliver the justifications for the interpretations. (Hirsjärvi, Remes & Sajavaara 2007, 227.)

In this study the results are only based on one person's analysis of the benchmarking results. However the study can be considered as valid to an extent, since the three years of working in the field provides the basis for what should be studied and ana-

lyzed and what kind of results are needed. In order to get a wider perspective to the matter at hand, preliminary meetings with the staff members have been held, providing opinions also from the company's representatives. Reliability is based on the study of other energy companies and their usage of social media. Yet again the results are based on one person's analysis of the benchmarking method. The reliability of this study may suffer due to the possible lack of some observational aspects. Suggestions made for the target company regarding the resource pinpointing, might not be based on reliable facts, since it was not known what kind of resources the companies that were studied, had. The information regarding the resources those companies had are based on assumptions, not facts.

## 7 UTILIZING SOCIAL MEDIA IN AN ENERGY COMPANY

### 7.1 Expectations

To caricature, the utilization of social media for marketing purposes is in its infancy. The reasons behind this fact are in limited resources which thus lead to failed marketing campaigns. For bigger companies the decentralization into different types of media is possible, because there are enough interesting topics for different target groups. The threshold for signing in Facebook for marketing purposes for example has become so low that companies create their own pages, based on the justification that they are able to use the common phrase "now you can find us on Facebook." The fact is however, that the so called Facebook hype is over. What was in the beginning new and intriguing has now become a dime a dozen phenomenon. Page layouts are all the same, countless advertisements prevent the personal users from enjoying the browsing experience making the public more considerate and conscious about their needs and wants. Users now interpret the companies' updates as a waste of space in their news feed, unless the companies do more than just churn obligatory status updates as a way to adduce their existence. Companies therefore have to stand out in a variety of ways.



### *Marketing in Facebook*

Marketing in Facebook is basically as any other type of marketing. One has to have an incentive in order to maximize interest and boost awareness. Once the link between the company and the customer has been created, the true challenge is to maintain that link, so that instead of a glance of their newsfeed, customers actually read thoroughly what the company is stating and perhaps even act accordingly. This can be achieved by pleading to customers emotions, whether it is done by pictures, videos or some interesting news or facts. This is the gateway to customers' memory.

The keywords are contact and participation. Clear demarcations have to be made between futile news and those which are worth publishing. People are not interested in recurring topics, which are already mentioned in the company's website or other publications. Excessive self-centeredness is also unattractive. No one cares about topics centered on company's own businesses or the lack of interest in people or in their opinions. One has to be humble. On the other hand too frequent updates may result in the lack of interest towards the company. Therefore it is recommended that possible topics which will be disclosed are defined beforehand. When these definitions are done, the company is no longer unconfident which will result in a Facebook page which represents professionalism, consistency and more importantly, the company itself.

In order to get a broad perspective on what kind of issues should be taken under consideration when embarking upon the social media marketing efforts, the company's own experiences are not enough; while they provide the backbone for the contents, the efforts of other companies should also be examined. This is dealt by examining the social media sites of major national companies. The upcoming suggestion and ideas for the target companies will be based on the Facebook and Youtube accounts of Vattenfall and Fortum. The study will determine interesting topics, dividing them into categories of energy-related and non-energy-related. By examining the social media channels from earlier mentioned companies and the interest rate of different types of postings, it is relatively easy to find topics for REO, which would be interesting to its customers as well. In addition, some of the Finnish companies with similar values, which have succeeded in social media marketing, will be studied in order to gain valuable information from customer service in social media. The analyzed

information will be scaled to fit the values and executional abilities of a smaller energy company.

## 7.2 Image

One needs to remember when dealing with social media, that marketing is not just about a monologue, where company tells about its operations, objectives, competitions etc. and the customer just pays attention quietly on the background. Marketing is more like interaction, in which every update is prone to a reaction. Generalized, for example newspapers' public sections are filled with negative comments basically about everything. People rarely have comments about what's good about certain aspects but when there is room for improvement, one is unhappy about some current state or just for the sake of complaining, people tend to open up their negative opinions to the rest of the public. Therefore the company has to be prepared for a quick reaction, by either giving a counter argument or understanding the customer and improve on the negative section. Either way the reaction has to be satisfying for the customer. As a relieving factor, contrary to the newspapers, any deliberate harmful comments are somewhat eliminated since commenting in Facebook, without exposing ones identity is not possible.

One of the vitalities for a small company is delegating the responsibility of updating and supervising the channels of social media in use, for a carefully selected personnel member, who can be considered as an expert in all the company's fields and who can be identified as an representative for the company and answer all questions and comments clearly. This can be made possible by creating an own profile titled for example 'customer servant x' or such, who follows the channels on a daily basis. By creating an image that the customer is paid attention to and understood also in social media gives a customer-oriented impression and guaranteed customer satisfaction.

The image in social media is indicated also by the nature of status updates. The updates should respect REO's values. Updating sites by copying for example existing trends, could lead to a complete misdirection in the image the company is striving to

represent. The content and spelling of the updates and videos should be carefully planned through and possibly even run through the other personnel members.

### 7.2.1 Target groups

REO's target group can be generally identified as those who are living within the region of the company's energy distribution. When thinking of age groups, younger people are perceived as the majority of social media users. However, nowadays older age groups are more and more showing interest towards interactivity, which enlarges the age distribution within potential target groups. Hence it is important to take everyone into consideration regardless of their age with versatile supply. For younger people it would be useful to raise awareness of the basics such as the energy price and what it consists of, the average consumption rate in different apartment types depending on the heating method and possible benefits and perks for a customer in an energy company. A so called 'energy information starter pack' would certainly be of assist for example for a student moving out of their parents' house for the first time. An easily accessible and often mentioned section for frequently asked questions would be very useful for older customers to gain knowledge of more detailed energy aspects such as the composition of an energy invoice etc. This would also reduce the overload in phone calls energy companies face every now and then. Useful topics for older age groups would also be the frequently updated development of the energy price, potential methods to reduce energy consumption in a detached house, ecological conducts and an info section on the new type of meter which can be operated from a distant workstation.

### 7.2.2 Message

Without the clear definition of what kind of message should be delivered, the social media channel would appear inconsistent and plain boring. The message should be thus first defined. From an energy company's perspective message should naturally be tied to energy. The message should be something that is clear and simple. It should be reflected in every single update or video and something that the customers

know what the company is trying to say. Thus using plain language and reducing the technical phrases to minimum, in other words keeping it short and simple helps the customers understand the message.

When examining the Facebook pages of Fortum and Vattenfall, the message could be summarized to be positivity. During the last half a year, the updates consist of happy staff members, good news regarding energy price (i.e. low energy prices) and doing their bit in national celebrations. International achievements are also emphasized in the form of sharing articles. Propping up their ecological operations is another form of positivity that is much displayed on both companies' Facebook pages.

Another factor that need considering may sound as an irrelevant factor, but might still dictate the perception of the company by customers. When comparing the Facebook pages of both Vattenfall and Fortum there is a clear distinction between the usage of so called "smiley faces". Fortum uses them while Vattenfall does not. The use of smiley faces in company's official announcements should at least kept to a minimum. There are two kinds of school of thought for the use of smiley faces. One might perceive them as a sign of unprofessionalism, others want to see the playful side of the company and that the updates are compiled by regular people as the rest of us. Basically it all comes down to the company's values. For REO showing the playful side, could be a nice change of pace, since the reputation of energy company's locally are perceived to be rather serious. Naturally they should be used with caution and using consideration as well as with a close eye to reaction within the customers.

### 7.3 Content

The main objective of social media for an energy company is creating an additional channel for customer service. Customer orientation is crucial, especially in a fast changing energy market. If reasons for changes can be perceived to customers in a desired matter before they take into effect and before a possible third party consider and evaluate the changes in public, the customers might be able to adapt to the changes without so-called interruptions or influence from others into their thought

processing. By doing the above mentioned, the changes are already accepted by customers which will reduce the contacts to customer service.

By giving the impression that customers are considered as important and are listened to; lowers the bar for interaction from customers' viewpoint. Waiting for the customer to grasp a subject and comment on his own is not the only way to achieve this. It would be useful encourage the customer to take part in the conversation. This could be achieved by compiling various types of questionnaires as a way to uncover desired improvements to the company's operations and the interaction between it and the customer. A question mark every once in a while in different updates creates the image that the customer's opinion is crucial and should stand out and the reaction to the customers comment is equally important as an acknowledgement that the customer has been noticed.

#### *Comparing the Facebook pages of Vattenfall and Fortum*

When examining the Facebook pages of Fortum and Vattenfall, it is shown that there can be many differences between two companies operating in the same field. Fortum's Facebook page is executed in a more traditional sense allowing the company to have more option for the contents. Fortum has discovered though that general updates regarding other than energy are a useful addition in promoting the company. Wishes for Valentine's Day and Mother's Day bring the social aspects of the company to the public and is an easy way to get likes. This is done however by the majority of companies operating in the social media so every company should have something to separate it from others. The most common updates of Fortum include energy issues and more importantly the events happening within the company itself. Fortum uses pictures in every update without exception, which are of good quality and often involves happy staff members. It seems a bit that the pictures are a bit staged, with staff members performing in spotless working gear while working in the field. This has been discovered by customers as well. A better approach would be to take pictures in real-life situations, which would bring the company even closer to the public. The company also has posted energy saving tips gradually which have raised interest within the customers. The examination of the Facebook page of Fortum indicates that the company has discovered that technical phrases do not attract people, facts in the simplest form does. The marketing has also been executed not through self-

promoting, but through sociality. The general wishes not on for example Mother's Day not only receive attention, but also encourages positivity.

Vattenfall on the other hand has a slightly different approach in social media. The company has created a Facebook page called 'Vattenfall energy society'. The purpose of the page is quite clear. Vattenfall strives to interact with the customer by using publications in the form of questions. The contents are mostly about useful tips for everyday issues regarding energy, for example energy saving, things to consider when moving from one place to another and energy efficiency. This is not only useful for the customers, but it also is beneficial for the company, when the customer servants do not have to guide the customers through the process, but the customers can learn for themselves. The content in the form of questions is a nice way to include the customer in the company's operations in social media.

The detailed contents for the social media will be clarified as operating in the field, but beforehand it would be useful to grossly define the most important topics. Basically everything related to energy industry, especially the news somehow linked to the energy price or the effects to the final consumer would be useful to bring to everyone's attention. Company's own customer news-magazines should be at least linked to the social media page. Nowadays the traditional mail is slowly becoming extinct since the majority of major newspapers have already an alternative tablet and online-versions. The old fashioned customer news delivered to one's mailbox might thus be lost in the advertisements and other "junkmail" if the customer won't look especially for it; This is highly unlikely since the press of the customer news and thus delivering it to the customer is irregular compared to a newspaper for example. The internet also provides an easy way to archive previous' customer news.

### *Utilizing Youtube*

Fortum has done a brilliant job with its Youtube account. They have successfully mixed the launching of new energy products and non-marketing videos to a functioning combination. Fortum news is a video segment where the company announces latest news and interviews of the personnel. This is done on a monthly basis. TV advertisements are also shown on the company's account and latest innovations e.g. new kind of smart energy product which optimizes the household's heating system during

the night, so that no excess energy is consumed. The most views are achieved through instructional videos. The marketing and news segment are great, when the account is not flooded with them, but the instructional videos are the most interesting, because it is best method to educate people who do not necessarily understand the instructional sheets and do not have the time to visit the company's place of business. For example the instructional video for Fortum "home screen", which helps to save the energy and calculates the energy consumption in real-time. The instructional video is extremely clear and simple. It guides the customer detailed from start to finish and does not leave any questions even for the most technically challenged person. Fortum has also covered the social responsibility aspect, which is crucial especially for an energy company. Environmentally important events are displayed on their account and taking part in Earth Hour tells the story of the company caring about the globe. New environmental products are also advertised in a good manner.

The staff of Fortum is also involved in the Youtube account. Bringing cameras along to work sites and interviewing personnel and recording the staff members at work, brings the company to the customers' level. They have also attracted celebrities such as Teemu Pukki to upload some football skills videos. This has little to do with energy, but such non-related videos are great, when a company wants to bring out the entertaining factor of it. As long as these kind of videos are done with good taste and still include the name Fortum, it is good advertisement for the company. Fortum has also uploaded some technically complicated videos, telling about different processes, which have not been viewed so many times, because for customers it might not be as attractive and interesting as the other video content. The upload rate is monthly, which could be more often, but is still better than forced videos, where videos are uploaded just for the sake of it.

A Youtube-account with its regular monthly news casting of current local events regarding energy related topics might be interesting as seen in the Fortum example above. Interviewing staff members regarding for example new technology e.g. new kind of energy meters with ability to monitor the energy consumption by the hour not only brings the staff members close to the customer it also provides valuable information to the customers, who might not even realize to ask the question the Youtube account provides answers to. Also an instructional video about the use and technical

functions of the new kind of meter would surely be welcomed within the customers, since the new technology has aroused questions and strained customer service. Realizing the aspects which might generate a lot of questions would be useful to consider beforehand, so that the flood of phone calls is reduced. The purpose of social media to whatever company is not only to answer questions; it is to eliminate even the possibility to raise any questions in other words providing information to customers before it is current which is a challenge in itself.

Energy companies have access to specific and detailed forecasting services for their operating areas. Linking possible alarming weather information from an energy viewpoint to a Facebook page and even to a Youtube account beforehand provide customers with important information and also reminders on how to cope while an energy blackout enables the customers precautions for an unfortunate event and improves their readiness state. Social media is also a great method to bring the everyday life in a energy company to a “grass root-level”. This helps people to understand the effort put in to tasks that might seem easy for an outsider. For example in cases of blackouts the call amount from customers at least quadruples with phone calls about the duration of the particular blackout or most usually calling in to see what is taking so long or what to do now? Prevention from this kind of situation not only reduces the phone calls, but improves customer satisfaction as well. Customers tend to take energy for granted and thus start to panic when they don’t have any. Roughly said the common assumption is that when a blackout occurs it can be fixed with just a push of a button when in reality it requires intensive work regardless of the weather or the time of day to first to pinpoint the damage, which usually is a tree fallen on top of power line, and then to fix the damage. Bringing a camcorder or a regular camera to the worksites in order to record what kind of work it actually requires to bring the electricity back to customers eliminates or at least reduces the amount of phone calls and the customer would appreciate the electricity and not take it for granted when they witness themselves in what kind of environment and how efficiently and with what kind of commitment the staff members react to the situations. It would be small investment to purchase the equipment and giving it to the staff members working in the field.



When discussing attractiveness of social media companies need to think from the customer's perspective. Naturally customers want to gain something from joining a company's field of social media. Customers tend to think more and more about not "selling" their interest for a particular company for free. The demand for return on their investment of interest should be at least a possibility to win something. Competitions with attractive prizes are an excellent way for create some buzz when launching a social media platform, especially when talking about Facebook. The way Facebook works is usually like a grapevine. The news feed shows activities of other users. For example when a user likes a page it shows on the news feed of that particular user's Facebook friends. This way a Facebook page and the announcement for a competition is able to spread like wildfire when the company page gets publicity as a snowball effect. Youtube account also serves as a possible medium for announcing competitions. Allowing the customers with the opportunity to interact with a video is not only interesting but it also creates interaction between the customer and the company and other customers. This can be achieved by for example uploading a video, where for example one of the staff members gives expert statements regarding energy knowledge and then asking video related questions and in the case of correct answers the customer has the opportunity to win a prize. This would serve as a teaching method with an incentive.

#### *Competitions as an incentive*

Winning a prize is an incentive in itself, but it is not attractive to the public if the prizes are not worth participating. The gain for interest increases significantly when announcing competitions more seldom with slightly bigger prizes than to having competitions more often with smaller prizes. An umbrella for example is not as worth of an effort than tickets to a local ice hockey teams games. Utilizing REO's partnerships to get attractive prizes is certainly worth it.

The different types of competitions play also a part on Fortum's Facebook page. A competition posted in May has created interest within the customers also. It is picture riddle, which is simple and involves the customers to a guessing game. The competition is simple, the bar for taking part in it is low, since it can be done by only commenting by a couple of words and the prize is compelling. Fortum's competition

shows that they should be kept to a simple form and allowing customers to take part in one easily.

#### 7.4 Marketing and informative messaging

As mentioned in several occasions, marketing should be executed delicately and sophisticatedly, because customers are very sensitive to excessive marketing and lose interest if the company's social media account is created merely for marketing purposes. Therefore the informative messaging plays an important role, since when customers are provided with useful information and instructions; they perceive the company's usefulness rate high. For example when a briefing is compiled in a company by a few people in the executive departments and send it to tens of thousands of customers by letter they are easily misinterpreted especially when the company's message is compiled in a complicated manner. When people dealing with energy related issues on a daily basis put together a public announcement, the content and the method of displaying it might be for granted to the executives, but the so called layman's terms are forgotten resulting in contacts from thousands of customers. This has occasionally been the case for REO as well and has resulted in bad publicity, negative feedback and unnecessary contacts.

##### *Marketing in social media*

As mentioned in the theory part Facebook also provides an advertising possibility for companies. In practice this means a monthly payment of a certain amount depending on the frequency and visibility of the ad. The payment allows the company to design a few sentence advertising slogan with a picture of their choice to be shown next to the users news feed. While this may work as a financial benefit to some companies for REO it merely might affect the amount of likes for their Facebook page. This would be useful way to raise awareness of the company, even though the financial benefit would be zero. Another service providing advertisement services is Google. For a monthly payment a company achieves a higher status in the search results and even a sponsored ad on top of the search results. Since REO is not looking for financial benefit, topping the search results would not affect REO's financial flow and the

publicity of that would go to waste. Facebook advertising is a possibility that should be considered, since the whole purpose of social media for REO would be getting the audience to know about REO and possibly educating them about energy-related issues.

### *Avoiding the confusion*

There are a couple of ways to avert this scenario. First of all when compiling the briefing, the people who deal with customers on a daily basis, should be involved or at least the briefing should be checked by them before sending it. This is an excellent way to confirm that the briefing is as clear as possible and does not create confusions. Before even mentioning the subject of the briefing on a meeting, the customer service should be able to read the briefing and afterwards give comments on how the message is perceived by them. In case of unclarity, the customer servants then provide alternative structure for the briefing which then is approved by the executives. The time consumption for the compilation of the briefing is slightly longer, but can be managed within a day's time, because usually the need for briefings is created by a sudden incident that require fast reaction. The effects of the above mentioned inlet for briefings will be great in the long run. The majority of customers will understand the message with one reading and do not have the need to contact the customer service, which eliminates extra disturbances allowing the customer servants to complete their tasks on time. Bad publicity is also reduced significantly. Those who ultimately decide to contact REO nevertheless, the waiting lines are also shorter and thus the frustration caused by waiting one's turn, just to get the same answer as thousands of other customers, is reduced. After a short period of time, it should be known what the majority of the enquiries concern. Once the most common questions are in the offing, REO should establish a FAQ section in their web page and link it to the Facebook pages, regarding the briefing where the company answers every questions as clear as possible. Usually unclear briefings result in weeks of unnecessary contacts by customers, so the FAQ section should reduce the amount significantly.

One of the most common complaints to an energy company's customer service is the price of energy. In a sense, customers are short-sighted since they are not aware of the factors affecting the price; they just see the price in their energy invoice. Factors such as the tsunami in Japan and Germany's decision to shut down nuclear plants,

has had an effect on the world's market price of energy. These kind of global events usually do not occur to customers mind, that they actually might affect price of the energy in Finland. Generally energy price is a fragile concept dependent on the events mentioned above and for example the hydro-resources in the Nordic. By informing the customers of current events that might have the effect on their energy price surely will aid the energy company in keeping the customer happy or at least help them to accept the increase in the energy price.

Energy distribution companies are also perceived as local monopolies, to which the customers are not able to influence on. Customers tend to think that energy companies can increase the price of energy whenever they feel greedy. The fact is however, that the price of the energy is also explained with the obligatory costs energy companies have to cope with due to maintaining the energy grid. Repairing broken energy lines, improving the stability of the grid and producing the energy is not free at all, and the costs have to be covered somehow in order to provide constant energy flow to the customers.

The popularity of status updates are generally in relations with the amount of likes it has. This kind of thinking should be eliminated to a certain manner since from a viewpoint of informative messaging; probably the most crucial update is informing the customers about an energy blackout. While these kinds of updates do not get many likes, the company's quick reaction when a blackout occurs is of utmost importance. Customers get easily agitated, when the electricity is out, so using multiple channels and informing customers about the duration, magnitude and the reason of the blackout as soon as possible not only calms the customers, but also frees the phone lines for emergency situations.

One tool for informative messaging is blogs. In Facebook the company should be represented by an official member of the staff under a company title. However blog is a more personal approach to social media. One purpose of social media among others is bringing the company closer to the customer. Possibly the best way to achieve this is by performing under a real name. One possibility would be an executive blog. The CEO or someone of a higher status of a company would update the blog weekly telling about the company's operations and event with a twinkle in the

eye. At this point, the statistics and other operational metrics should be forgotten and the blog should be about energy-related issues that affect the everyday life. Personal experiences about one's own energy solutions learned during working in the company would certainly interest people. This flavored with current news and possibly some non-energy-related topics would be on solutions. Another possibility would be an itinerant blog. In other words the writer of the blog changes weekly from one staff member to another. This would provide a versatile insight of the company, when the writer of the blog would be from a different department each week. Customers would get the big picture of what it requires for an energy companies to operate from a day to another. The topics would naturally vary from week to week, and the writers could discuss their daily tasks and unexpected events and how they cope with them. It would also provide the customers the perception of professionalism of the company, when they could read for themselves, how challenging it is, how fast the staff members react and which staff members does it affect if for example a storm cuts the power out from thousands of customers. It would also describe the teamwork skills required in an energy company and how important it is to rely on the other staff members.

#### 7.4.1 Role of customer service

An important aspect that needs to be considered when setting up a medium through social media is the availability of customer service. A customer service is sort of a sector for public relations and is a crucial part of marketing as well. One suggestion is that the customer service would be available through for example Facebook throughout the working day. This however may distract the work flow of the person in charge of the whole Facebook. REO also has a chat service, where customers are able to reach personnel throughout the opening hours of customer service. A certain amount of staff members are obliged to be online all the time and the chat service is a priority number one. Having stated the previous' facts, the most rational alternative would be that whoever is in charge of the social media accounts, would operate in so called offline-mode, when contacts in real time would not be possible, but that particular person in charge could have twice-a-day checkups and thus be able to concentrate on the daily routines. This all however is strongly dependent on the actual en-

quiries through social media and might be forced to adjust as the visitor and enquiry rate develops.

One of the benefits of social media is the easiness of its utilization, excluding internet. Updating and serving through social media for example Facebook or Youtube, does not require an educated coder. From a viewpoint of practicality, it would be useful to narrow the people in charge to two or three staff members. This eliminates the possibility to any confusion in situations that require immediate attention. This way it is possible to have the people in charge constantly up-to-date with possible complaints etc. Everyone has the possibility though, to publish interesting news articles or own energy tips under their own name, which of course requires a personal account in the particular social medium. This however cannot be confused or overlapped with the actual official statements which represent REO's course of conduct. These kinds of statements require Facebook profile under the name "customer representative of Rauman Energia". This provides the customers with no reason of doubt when they are aware that an expert has acknowledged their worries or inquiries. Time wise the social media account does not require any extra efforts, since the person or people in charge are able to keep the account constantly in the background while working on a computer and reply to customers with a lapse of no more than one working day in order to keep the customers updated. It must be emphasized that beforehand that the reply rate is not as quick as through phone, face-to-face contacts or chats service but rather as quick as via e-mail.

#### 7.4.2 Availability

When examining the Facebook pages of Vattenfall and Fortum, it can be generally stated that the people behind them are either professionals within the company clearly assigned for social media purposes or outsourced. The resources the companies have make this possible and by the looks of the content, update rate and execution in general, they indicate that social media is its own separate function within the company.

The availability is one of the most important aspects to consider, because in an ideal situation the company should be reachable 24 hours in a day. Social media creates challenges, because the company in theory is available at all times. People can comment and post on the company's Facebook page regardless of the time of day, while the working hours within a company are only eight hours.

Fortum's has made the availability easy for customers. The page shows comments on customer's enquiries done at even during the evenings. In general Fortum seems to answer customer through social media within 24 hours. Even if customers comments are not in the form of questions, any possible bad publicity caused by customers negative comments and accusations are commented in a positive manner very quickly and corrected if customers seem to be wrong. The company's Facebook page has a lot of discussions regarding the energy prices, even though the original postings might be about totally different subject. While Fortum has striven to correct their customers and provide them with answers quickly it does not seem to have a great deal of effect on the customers' mood. The answers are rather perceived as excuses than useful information and the customers do not admit that they are wrong at least not in public, which is a challenge in itself.

The above mentioned description is shows the negative sides of social media as a communication and marketing tool for the company. This highlights the availability even more. The company must be aware of all times, what is happening in their social media channels and must control the discussion by trying to comment in an orderly fashion whenever necessary. It would useful for the company, that whoever has the duty and the right for the company's social media page, should supervise the channel even off-duty.

#### 7.4.3 Update rate

Fortum has not developed any certain update rate for their operations. Basically the company posts news and information whenever it is necessary: Sometimes on a daily basis and other times it might even take a week between postings. Vattenfall follows a slightly more regular timetable. Within the month of May for example the company

has over ten postings, and the same frequency is followed in other months also. This might indicate that the company has some sort of guidelines for the update rate because they are quite regular. The updates for both companies follow seasonality to some extent. The topics are always related to the time of year. It seems however that during the winter time the postings of Vattenfall are done more seldom, which is kind of controversial, because the general expectations is that people tend to spend more time online during winter.

The update rate should be done according to the interesting topics. If a company has nothing important to say from their viewpoint, it should not be done. However, a general update rate should be decided beforehand, since if the company's Facebook page is left without updates, the company quickly fades in the background.

## 8 CONCLUSION

The purpose of this thesis was to indicate the importance of social media to companies as a marketing method and means of communication. In a modern day, even if the image and the message remain the same, companies must be able to adapt to the new methods of communication and learn how to use them. This thesis was done with that in mind and emphasize the use of other channels especially in the energy industry, where even if the marketing has not got a major role, but the communication does, especially when energy prices are considered as rip-offs and something that the companies raise just for the spite of it even though the companies are forced to do so.

Social media, as fragile as it may be when used incorrectly, is a great way for companies to boost the awareness of their existence. When exploited correctly, the company is able to increase their sales, gain publicity and increase the growth of their business partnerships. However if used incorrectly, the company receives bad publicity spread like wildfire, boycotts from the customers and in the worst case scenario bankruptcy caused by the negative reactions by customers, when a company has either operated questionably or not operated at all as shown in a few examples. There-



fore it is of utmost importance to research about the company's own business field, examining other companies, both bad and good examples and learn from them before setting up a social media channel.

The study part of this thesis was widely based on theory and the examination of other companies. The suggestions made for REO are mostly based on experiences gathered during the three years of working of REO and getting to know both the company and the company's customers and the issues they are concerned about. The backbone was then enhanced by the theory-part of important elements of the benefits of social media, what kind of tools to use and the study part, where the Facebook and Youtube accounts of other companies provided useful information about possible topics and operational guidelines in social media.

This thesis demonstrated the importance of social media to not only individuals, but to companies as well. This thesis justified and analyzed the actual use of social media channels and confined the useful social media channels into three, especially from an energy company's perspective with limited resources.

## 9 RECOMMENDATIONS

In the research, some energy companies with similar resources and amount of customers were also studied and result was clear without exceptions. The "like" amounts of each company's Facebook page ranged between 1-3 % of the companies' overall customers in energy transfer. The same actually applies to Fortum. From its energy transfer customers 3 % liked the company's Facebook page. Thus a conclusion can be made that energy in general is not so called "media-sexy" topic. In this case it would be useful to think outside the box and offer something that others are not. If the outside-the-box way of thinking is not possible inside the company, the social media service could be outsourced, if the company is ready to invest in it. Possible topics range from general greetings to useful tips in energy savings. When financial benefits are tied to status updates and news the content becomes attractive.

During the research it was discovered that the other energy companies suffer from the same phenomenon as REO. Only at REO the complaints of high prices are done by direct contacts with the customer. REO should take this under consideration and try to prevent such a phenomenon, by first collecting some preventative subject to be displayed both on their web page and their Facebook page. For example a information pack of what the energy prices consist of and the key background elements and justifications whenever REO is forced to raise their prices.

As mentioned the possible topics for REO in social media are molded in the long run even more. Attracting the customers is the key, so basically the customers' reactions will dictate the future topics. The general purpose of the social media channels should be marketing the company through communication and interaction. REO should be able to emphasize the importance of customers through encouraging to take part in the conversation, providing money-saving tips for customers and prevent and explain any uncertainties.

Regarding the differentiating the company from other energy companies, a suggestion is that REO would create so called "story-line" in Facebook. This basically means that there are no separate updates, but every update is linked to another. Creating a story of the earlier mentioned topics would be a different approach to communicating with customers. Firstly the company should gather interesting topics and then they would be tied to an entity, which then would be revealed an update at a time. Topics from history could also be used, for example firstly re-broadcasting about events that have affected the energy price a bit by bit without first revealing what the events have to do with energy and leave the customer guessing. Titling them *part 1* and so on, would retain interest all the way to the very last update where the revelation would be announced that how much the earlier mentioned event have actually affected the energy price. Another way to utilize the "story-line" would be the energy-saving tips. Instead of comparing all heating solutions for example, but again titling them *part 1* and so on, where each part would cover one solution, not only keeps the updates short and interesting, but also leaves the customer waiting for another update. Just by using the numbering system, leaves the customer thinking that there still is more to it, than just one update.

Facebook also provides the tools for creating simple questionnaires open to the public. This can be utilized not only to ask about topics about interesting subjects to the customers, but also creating a slightly more challenging quizzes, where a prize would be raffled involving the ones that answered correctly. The possible topics could be for example “which of these heating solutions is the cheapest”, “how much energy is required in a house with following electricity equipment” and “from which of the following the price of energy is actually generated”. This not only intrigues people, but also gives them a learning-experience. People like to challenge themselves and let others know about their wisdom, so a quiz would provide an opportunity for that.

The responsibility of taking care of the social media channels should be pinpointed to one or two members of the staff. Social media requires constant supervision, since the fragility in negative publicity exists at all times. The people responsible of social media should also constantly follow the latest news and energy price development. One of the greatest negative publicity for energy companies is the price. Therefore it is crucial to be able to justify possible price increases. The price is affected by multiple different factors, which the customers might not even know about. By providing them with the reasons for fluctuation, will help the customers understand and accept the higher price in their energy invoice.

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