Marketing through Social Media

Case: Comparison of Social Media Marketing Approaches of B2C Companies for Company X

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ABSTRACT


The objective of this thesis is to provide insights on how Company X can use Social Media as a marketing and branding tool in consumer marketing in the Swedish market. More specifically, this study attempts to define what kinds of social media are used in Sweden and which opportunities and challenges the use of them in marketing creates for Company X. Moreover this study aims to illustrate the role social media has on customers purchase decisions, and to describe how the Company X can influence on the buying behavior through Social Media. In addition, this study describes the objectives, strategies and tactics that can be used for social media marketing activities. Finally, the goal of the study is to specify which key performance indicators Company X can use in measuring the impact of marketing and branding activities through social media.

The theoretical framework rests on literature of social media marketing and as well as previous studies on social media marketing. The research method is a case study with exploratory approach. The empirical data was gathered by conducting five semi-structured interviews mostly at corporate top management level in October and November 2010.

As a result of the thesis, suggestions for social media marketing actions were introduced to the company. As a conclusion, the case company is recommended to move forward with the suggestions for next steps in social media marketing.

Chapters 4 Empirical Findings, 5 Analysis and Discussion, and 6 Main Findings and Conclusions are no published in their full length in the Library version because they are confidential.

Keywords: Marketing, Social Media, Social Media Marketing, Branding, Engagement, Metrics, Strategy
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1 INTRODUCTION

This chapter is dedicated to an introduction of the background and purpose of this research. The introduction is followed by the research questions. Furthermore the limitations and the structure of this study will be introduced.

1.1 Motivation

The Internet has revolutionized the way individuals, organizations and the whole society communicate. During its existence, the characteristics of the Internet have changed and it has become a more interactive platform than it was previously. People are increasingly discovering the new communicative possibilities that the Internet can offer. They are no longer connecting to the Internet only in order to find information on different web pages but also contributing to discussions with their opinions, experiences or other types of content. Platforms, where people can share information, knowledge, and opinions, are called social media. (Drury 2008.)

According to Vollmer and Precourt (2008), consumers are turning away from the traditional sources of advertising, such as radio and television, and that they consistently demand more control over their media consumption. Consumers require on-demand and immediate access to information at their own convenience, and that consumer are turning more frequently to various types of social media to conduct their information searches and to make their purchasing decisions. (Vollmer and Precourt 2008, 30-35.) Also Mangold and Faulds (2009) explicate that people are witnessing an explosion of internet-based messages transmitted through these media. These have become a major factor in influencing different aspects of consumer behaviour including awareness, information acquisition, purchase behaviour, opinions and post-purchase communication. (Mangold and Faulds 2009, 358.) Recent studies have shown of the estimated 3.5 billion word-of-mouth conversations that occur around the world each day, about 2.3 billion of them - roughly two out of three - make a reference to a brand, product, or service. Word of mouth is increasingly manifesting
itself through digital social media, where it spreads both farther and faster. This use of the social Web is increasingly important to marketers. (Evans 2008, 41.) Consumers perceive social media as a more trustworthy source of information regarding products and services than corporate-sponsored communications transmitted via the traditional elements of the promotion mix (Foux, 2006).

Company A (pseudonym) has been using social media to some extend in marketing and branding them as a Software X (pseudonym) provider among their customers. The first communication efforts in social media were done through the company blog targeting mainly business-to-business customers covering the latest company and technology news. During spring 2010 the company took their first bigger step in business-to-consumer social media marketing launching their own consumer oriented blog which main purpose is to communicate and discuss with individual users Software X related issues in easy way. On the basis of my own experiences, Company A’s few social media marketing efforts have been quite positive and it has increase the brand awareness slightly, but there is still the final boost missing from using the social media as a branding and marketing tool, especially at the country office level.

This study is a qualitative research made for Company X (pseudonym), one of the country offices of Company A. In Sweden, Company X has twenty employees mainly in the sales and technical position. Company X has not actively used social media in marketing and branding, although the company has had their own Facebook page for a couple of years already. To boost the marketing through social media in the Swedish market, it is necessary to learn from the experiences of the social media marketing activities performed by Company A, and to use these learning’s in defining the local strategy for social media marketing for Company X. In order to learn how social media can be used to full extend in interacting and engaging consumers, and to be even more competitive in the Swedish market, it is also necessary to gain information outside the company from professionals and organizations, which have more extensive knowledge and experience from marketing and branding through social media. In addition, there is need to find out what opportunities and risks the social media marketing offers for the company, and how the customer’s decision making process is influenced by social media. There is also need to define the tactics and
tools, and identify the right measurement tools for establishing a solid ground for the planning process.

1.2 Research Objectives and Questions

1.2.1 Research objectives

The general topic of this Master Thesis is Social Media Marketing. The objective of this thesis is to provide insights into how Company X can use Social Media as a marketing and branding tool in consumer marketing in Sweden. The outcome of this research will provide a comprehensive picture of how the Company X can utilize social media in its marketing. Taking a closer look at how the social media landscape looks like and what opportunities and challenges lies there, and defining tactics, tools and measurements, this study aims at offering a guideline for Company X for planning marketing activities through social media in Sweden.

1.2.2 Research questions

The Thesis work will address the following main research question:

- How can Company X utilize social media as a marketing and branding tool in consumer marketing in Sweden?

In order to answer the main research question, this research will answer the sub-questions below:

- What kinds of social media are consumers using in Sweden and which opportunities and challenges could Company X meet when utilizing them in marketing?
To specify, consumers in Sweden are using different kinds of social media. Together these different types of social media will define the social media landscape which Company X can utilize in marketing. This landscape will include various opportunities and challenges for Company X. The literature analysis is the used to describe social media, different categories of social media and how these are used among consumers in Sweden. In addition the literature analysis serves as a base for identifying opportunities and challenges of utilizing social media in marketing. Furthermore the interviews both with internal and external marketing professionals are conducted with particular focus on their experience on social media marketing, and the opportunities and challenges of it.

How does Social Media affect on consumers’ purchasing decision, and how can Company X take advantage of it in marketing through Social Media? The role of social media as an influencer for customers’ purchasing decision is important to know when planning social media marketing activities. The knowledge of that will help the company in optimizing the planned activities. The results from the interviews with internal and external marketing professional are reflected against the theoretical knowledge from the literature.

- What objectives, strategies and tactics can Company X use in marketing and branding through social media?

To specify, the aspect of defining objectives, strategies and tactics are vital in able to manage the social media marketing activities. Literature analysis is used to give insights on what specific objectives, strategies and tactics can be used in social media marketing. The theoretical knowledge from the literature is reflected against the outcomes on interviews with internal and external marketing professionals.

- What key performance indicators can Company X use in measuring the impact of marketing and branding activities through social media?

Establishing the impact of marketing and branding activities through social media require determined measurements. The literature analysis is used to identify what kind of measurements is utilized in social media marketing. The results from literature analysis are
compared with the outcomes from interviews with internal and external marketing professionals.

1.3 Structure of the Study

First, the theoretical framework provides insights into social media and the different kinds of social media, and illustrates social media utilized in marketing giving insights on opportunities and challenges it offers to a company. The theoretical framework also explains the role of social media in a purchase process and its influence on purchase decision. The framework also describes different strategies, tools, and measurements of social media marketing. The objective is thereby to establish theoretical foundation for social media marketing, its importance for lay a foundation of theory for better understanding the social media marketing, its importance for the case company, and existing conditions for planning competitive marketing activities.

Second, the methodology section presents the research methods and reasons for the choices of the methods. The interviewees of the study will be introduced, as well as the general structure of the interviews. The collection of data has been divided into primary and secondary data, which both will be explained.

Third, the empirical part presents both the background information of Company A and the empirical findings from the interviews. In addition, the empirical part explores also the background information and the empirical findings of three other case companies.

Finally, the discussion and analysis summarizes the findings and finishes the discussion with concrete next steps.

The content of the chapters 4 Empirical Findings, 5 Analysis and Discussion, and 6 Main Findings and Conclusions are written out in Appendix 2 and Appendix 3 and Appendix 4, which are respectively considered to be confidential, and are no published in their full length in the Library version.
2 THEORETICAL FRAMEWORK

In this chapter the theoretical framework for the study is presented. The chapter introduces social media and the different types of social media. How social media can be used as a marketing and branding tool, what opportunities and challenges social media marketing provides for a company, and how the social media affects on the purchase decision. The numerous goals, strategies and tools that can be used in social media marketing, and different measurements of social media marketing will also be discussed in this chapter.

2.1 Social Media

The term Social Media has tended to be used alternatively with the term Web 2.0. The interchangeable usage of the terms is acknowledged by many observers like Constantinides and Fountain (2008, 231-232), Safko and Brake (2009, 6), and Kaplan and Haenlein (2009, 60). However, Constantinides and Fountain (2008, 232) consciously choose to use the two terms Social Media and Web 2.0 identically. Safko and Brake (2009, 6) in turn state that the terms are closely related but not exactly synonymous, and differentiate between their usage. Kaplan and Haenlein (2009, 60) support this view, and describe also that there seem to be confusion among managers and academic researchers alike what exactly should be included under term Social Media, and how it differs from the related concepts of Web 2.0 and User Generated content (UGC). For the purpose of this study paper, and to be able to avoid confusion, each of the terms will be defined and used separately, despite the fact that this study focuses only on Social Media.

According to Kaplan and Haenlein (2009, 61), Web 2.0 is a term that is used to illustrate a new way in which software developers and end-users started to exploit the World Wide Web as platform whereby content and applications are no longer created and published by individuals, but are instead continuously modified by all users in participatory and collaborative fashion. Further Kaplan and Haenlein (2009, 62) argues that as Web 2.0 represents the ideological and technological foundation, User Generated Content can be seen as the sum of all ways in which people make use of Social Media.
Social Media, which is a central concept in this study, is defined various ways in previous research. As yet there is no generally accepted definition of the term Social Media which might also explain some of the extant confusion among managers that Smith, Getoor, Barash and Lauw (2008), Kaplan and Haenlein (2009) and Safko and Brake (2009) refer to. Smith et al. (2008, 2) perceive Social Media from a sociological perspective as collective goods produced through computer mediated collective action. Kaplan and Haenlein (2009, 61) define the Social Media as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation of exchange of User Generated Content". This study adopts the definition presented by Safko and Brake (2009), who also share the previous definition suggested by Kaplan and Haenlein (2009). Safko and Brake (2009) explicate that Social Media refers to activities, practices, and behaviors among communities of people, who gather online to share information, knowledge, and opinions using conversational media. Conversational media covers the web-based applications that make it possible to create and easily transmit content in the form of words, pictures, videos, and audios. Drury (2008, 274) places emphasis on the word “share”, as the most important part of social media.

2.2 Different categories of Social Media

In the discussion on the different categories of social media, and particularly the social media landscape in Sweden. I will use the categorization of Social Media introduced by Constantinides and Fountain (2008). They have identified five categories of Social Media as follows: 1) Blogs are online journals where people of firm can post images, ideas and links to other web pages; 2) Social networks are places where people with a common interest or concerns come together to meet people with similar interests and where they can build their personal websites; 3) Content communities are web sites where particular types of content can be organised and shared with others; 4) Forums/bulletin boards are sites for exchanging ideas or information usually around particular interests, and 5) Content aggregators or applications which allow users to fully customize the web content they wish to access. Examples of social media applications that people use include Facebook, MySpace, Flickr and Wikipedia (Drury 2008).
Furthermore, for the purpose of this study it is important to discuss how the various social media is used among consumers in Sweden. In 2009, 26% of people between ages 9-79 years used social media like social networking, communities, discussion forums and chat groups, daily in Sweden. Young people between 15-24 years are relatively frequent users of the Internet services that allow communication between multiple users, and social networks have an obvious place in their lives. More than 65% of young people engaged in social media on an average day, 66% of them communicate via instant messenger and nearly 60% take part of any social network, such as Facebook. Among youths, the differences between boys and girls very clear in terms of Internet use. 56% of girls have participated in any social network, 44 percent read blogs and 35% watching video clips. Among boys the same age group used messenger by 41% and 31% see no video. 18% of the aged 35 to 44 years is participating in a social network, such as Facebook. (Internetbarometern 2009, 2-45.)

Facebook is the most popular social media in Sweden. According to the estimations from Facebraker, Facebook has approximately 3 867 460 users, of which 48% is male and 52% is female users. Facebook is most popular in the age group of 24-34 years covering 23.5% of all users. Age groups of 18-24 years and 35-44 years are the second and third highest groups in Sweden with 23.3% and 17%. (Facebraker 2010) According to a research conducted by Carath Insight, Twitter usage in Sweden is low. In 2010, only 1% of the Swedish population used Twitter a few times a week. It was surprisingly mostly used among 15-25 years old, of which 2% are using Twitter several times each day. But also in the same age group 84% have never used it, and 12% has tried it once and stopped using. (Edenhall 2010)

Participation in the blogosphere has risen from 7% in 2008 to 12% in 2009 in Sweden. The proportion of blog readers is the highest in the group of girls of 9-17 years, 35%. In the same group, 10% posted in the blog on an average day. In the age group of 15-24 years it is the third, 32%, who visit a blog on an average day. In the group of 25-44 years, 12% reads a blog on a normal day. Among the oldest, between 65-79 years, the figure is only 2%. On an average day, only 3% of the population between 7-79 years writes in their own blog. Among the 9-24 years old the percentage is higher, 7%. (Internetbarometer 2009, 2-45.)
2.3 Social Media as a Marketing and Branding channel

After the brief discussion on the different categories of social media, and how these are used in Sweden, this chapter focuses on examining the social media as a marketing and branding channel. Furthermore the opportunities and challenges social media offers for the case company will be discussed in detail.

Social Media turning into an influential marketing channel is news to many companies and organizations. (Drury 2008, 274.) The social media marketing is as a process that empowers individuals and companies to promote their websites, products or services through online social channels and to communicate with and tap into a much larger community that may not have been available via traditional advertising channels. It connects service providers, companies and corporations with a broad audience of influencers and consumers. (Weinberg 2009, 2-3.) Weber (2009) argues that social media marketing is not only for the largest multinational corporations. It might be even easier and more effective for a small and medium-size company to take maximum advantage of it.

In the context of social media as a marketing and branding channel, is important to discuss the opportunities as well as the challenges it offers for the case company. On the one hand, social media provides numerous opportunities for strengthening and expanding relationships to customers. These opportunities include targeted brand building with activities like podcasts, executive blogs or microsites, developed with particular focus for a specific target audience. Social media offers a quicker and more cost-effective way to reach highly targeted markets than marketing through traditional media, such as websites, newspapers and television. Additionally, social media is a tool for staying connected with other stakeholders of the company such as technology vendors, and distributors. Social media can be seen as opportunity for the research and development department to get immediate feedback on the product and make corrections, and to move to next challenge. Including customers in the product development companies can forge bonds that foster long-term product or brand loyalty. The social media presents also numerous opportunities to strengthen and expand employee communications. (Weber 2009, 25-26.)
On the other hand, marketing through social media challenges a company to adapt different techniques than marketing through traditional channels. Weber (2009) explicates that marketing to the social media requires adopting a completely new way of communication with an audience in a digital environment. Drury (2008) clarifies that marketing with traditional media was much about delivering the marketing message to the target audience. With the increase of social media networking, building a relationship and conversation has become a major and focal part of marketing adopting the pull marketing strategy. Drury (2008) emphasizes that marketing with social media is about building a relationship and conversation with target audience. Marketing is no longer one dimensional; it has become a two-way process engaging a brand and an audience. Marketing within social media is not just about telling and giving a message, it is more about receiving and exchanging perceptions and ideas. (Drury 2008.) Also the way of segmentation changes radically with the event of the social web. Demographics like gender, age, education and income, together with lifestyle factors have become less relevant compared to what people do, think, like and dislike. Further the communication in social media is less about creating contained and controlled messages and more about creating compelling environments to which people are attracted. The best web sites will combine both professional and user-generated content. (Weber 2009, 35-38.)

Mangold and Faulds (2009) explicate that the in the era of social media, marketing managers’ control over the content, timing, and frequency of information is being severely eroded. In the new era of social media, information about products and services also originates in the marketplace. This information is based on the experiences of individual consumers and is expressed through the traditional promotion mix. Figure 1 below illustrates the new communication paradigm presented by Mangold and Faulds (2009).
Singh, Veron-Jackson and Cullinance (2008) point out that the proliferation of new media has proven to be a double-edged sword for marketers. It has offered marketers with the tools to better target their most lucrative customers, while at the same time it has made customers more and more powerful by providing them with tools that help them take control of how they are targeted. According to Constantinides and Fountain (2009), the power structure has changed due to consumers have access to information which previously was not available for them. As a result, the consumer attitudes changes leading to new consumer needs, values and buying behavior, the writers explain further. Also Hearn, Foth and Grey (2009) acknowledge that the participatory culture, enabled by recent technological innovations, shifts the communication flows away from a central business-to-consumer model. The development is towards consumer-to-consumer or even prosumer-to-prosumer flows of communication as consumers start to create content on their own by using new media applications and services. (Hearn, Foth and Grey 2009, 49.)

In order to stay competitive it is important for the case company to understand what it can both gain and risk when using social media as a marketing and branding tool. When planning social media marketing programs, it is also vital to know the differences between marketing done through social media compared with marketing through traditional channels.
2.4 The influence of Social Media on purchasing decision

The foregoing chapter emphasized the social media as a marketing channel and a new source of information about products and services for a customer. Now the following chapter will discuss the influence of social media particularly on a purchase situation. The chapter first discusses how the customers are influenced by social media, and how the company’s marketing efforts are affected by that. After that the discussion turns to examining the role of social media and in particular the user generated affecting a purchase decision of a customer. For the purpose of this study, it is important to understand how the existing and potential customers of the case company are affected by social media when they are deciding which products or services they want to acquire.

Constantinides and Fountain (2008) present Kotler’s (1994) Stimuli and Response model and suggest that the original model has changed due the usage of Social media. According to Constantinides and Fountain (2008), the consumers are not only influenced by the traditional marketing (A) but also the uncontrollable personal influencer (B). In today’s digital-focused marketing environment, the Internet as a communication and transaction channel adds two more inputs and influencers of buying behaviour to the model. The first one is the online marketing mix (C), which basically represents the controllable online experiences provided by the corporate. The second one is the social media experiences (D), which are by and large beyond the marketer’s control. (Constantinides and Fountain 2008, 239-240.)

Figure 2 below illustrates the factors influencing the decision-making process in an information based marketplace as suggested by Constantinides and Fountain (2008, adapted from Kotler 1994). It underlines the complexity in the decision-making process in the new social media environment. When the web user and the technology mature, marketers discover that influencing the consumer behaviour by traditional marketing media and practices becomes less effective.
Figure 2. Factors influencing decision-making process in information-based marketplace

Constantinides and Fountain (2008) point out that the customer preferences and experiences about the products and services offered either in traditional or electronic outlets is not based any more exclusively on information made available through traditional mass media or corporate websites. The customer preferences and decisions are increasingly based on inputs provided by parties beyond the control of online marketers: peer reviews, referrals, blogs, tagging, social networks, online forums and other forms of user-generated content, which is uncontrollable by the marketer. Vollmer and Precourt (2008) argue for consumers turning more frequently to various types of social media to conduct their information searches and to make their purchasing decisions.

Evans (2008) emphasizes the role of social feedback cycle as a purchase validation tool. In the social feedback cycle, depicted in Figure 3, the purchase funnel is expanded to include the post-purchase experiences of the overall marketing process. Social media connects these experiences back to the purchase process in the social feedback cycle. The purchase process consists of awareness, consideration, and purchase. The consideration links the buying-process activities, connecting awareness and purchase. Consideration is the point where consumer thinks through all the factors surrounding a potential purchase. (Evans 2008, 82-83.) The social feedback cycle is put in motion by a post-purchase opinion that
forms based on the expectations set and the actual performance of the product. The established opinion of the product drives word-of-mouth (WOM), and word-of-mouth ultimately feeds back into the purchase funnel in the consideration phase. (Evans 2008, 43.)

![Figure 3. Social feedback cycle](image)

Word of mouth is informal advice passed between consumers. It is usually interactive, swift, and lacking in commercial bias. East, Hammond and Lomax (2008) have examined the impact of positive word of mouth, PWOM, and negative word of mouth, NWOM, on reported brand purchase probability. They found that in general, PWOM had more impact on brand purchase probability than NWOM. (East et al 2008, 221.)

2.5 Objectives, strategies and tactics for Social Media Marketing

After discussing the influence of social media on a purchase decision, the discussion to follow will focus on the objectives, strategies, and tactics that are used for social media marketing activities. Before embarking a social media programme, it is crucial to map out the specific business goals of a company. There are only three true business goals which are increasing the revenue, lowering the costs, or improving the customer satisfaction. These goals steer the marketing programmes on the high level. Sterne (2010, 5-6.) Prior to starting a social media marketing activity, it is important to define what the company wants to achieve with the activity. Social media marketing can achieve various objectives including
increased traffic, increased brand awareness, improved search engine ranking, increased sales and established thought leadership. The social media goals should be defined with the help of SMART principle being specific, measurable, attainable, realistic, and timely. (Weinberg 2009, 25-28.)

Mangold and Faulds (2009) point out that the popular business press and academic literature offers marketing managers very little guidance for incorporating social media into their marketing communication strategies. Social media should be included in the promotion mix when developing and executing their integrated marketing communications strategies. It is a hybrid element of the promotion mix because it combines characteristics of the traditional integrated marketing communications tools with a highly magnified form of word-of-mouth whereby marketing managers cannot control the content and frequency of such information. Social media is also a hybrid due to it springs from mixed technology and media origins that enable instantaneous, real-time communication. It also utilizes multi-media formats and numerous delivery platforms, with global reach capabilities. (Mangold and Faulds 2009, 359.)

With the right strategy, Social Media can be utilized to corporate advantage. It can be used as tools to influence the conversations that are of concern to the company (Safko and Brake 2009, 4-5). A company cannot have direct control and to tell customers what to think. However, they can listen to what customers say, measure it, and monitor progress over time. Thus, the information can be used to modify and improve what is offered and the way it is offered in. (Evans, 2008, 36-37.)

The main purpose of social media in business context is to engage people. (Safko and Brake 2009, 25) Engagement is the level of involvement, interaction, intimacy, and influence customers have with a brand over time. (Haven and Vittal 2009) Engagement leads towards a desired action or outcome. For a customer, the desired outcome may be an additional purchase of a product or a service or a strong recommendation to a friend. There are four primary ways to engage people including communication, collaboration, education and entertainment (Safko and Brake 2009, 25.)
Also Mangold and Faulds (2009) support the view that customers engaged with a product, service or idea are more likely to communicate through social media. This engagement may come naturally for supporters of causes, political candidates, and trendy new technological products. The engagement can also be creatively stimulated for products and services which generate less psychological involvement of customers. Both traditional and Internet based tools can be used in engaging customers. Customer can be engaged by using online customer loyalty programs or arranging contests were the participants are asked to do different things. Online voting used as a tool gives a user a sense of ownership and increased engagement. Allowing consumers to see others using the product can entertain and engage customers while communicating product benefits. Also online games provide a natural and obvious venue for engaging and entertaining. (Mangold and Faulds 2009, 362-363.)

Consumers are more likely to talk about companies and products when they feel they know a lot about them. One another tactic is to provide exclusivity for some customers because they like to feel special. Feelings of being special can be produced by offering products, information and special deals that are available exclusively to a few customers. Consumers are more likely to talk to others about products when those products support their desired self-image, or the way they want others to see them. Both product design and promotion efforts should be undertaken with the desired self-image in mind. Consumers tell others about products and services to which they are emotionally connected. Organizations can leverage emotional connections by embracing one or more causes that are important to their customers. (Mangold and Faulds 2009, 363-364.)

2.6 Measuring Social Media Marketing Activities

The foregoing discussion on objectives, strategies and tactics has helped to establish a case company understanding on what different elements should be taken into consideration when planning the different elements in social media marketing programs. In the following chapter, the focus shifts from planning the marketing activities to establishing the right measures for the activities. Measuring the social media activities will help the case
company in steering the activities to the right direction getting the highest value possible from the marketing investments.

Weber (2009) points out that there are still problems in what to measure, how to measure and what the measurements mean in social media. Sterne (2010) argues that measurements without context or specific business goals are meaningless. Social media Key Performance Indicators (KPIs), metrics that are central to the well-being of the organization, should all be dependent on the individual organization and its goals. (Sterne 2010, 4)

Measuring the success of social media marketing efforts can be started with analyzing the audience it reaches. Reach refers to the percent of population a company wants to get hold on. It defines how many people have the opportunity to see a company’s brand in general and the campaign message in particular. (Sterne 2010, 4.) Reach describes how far the campaign message is travelling. It can be defined by the number of links the story has garnered, the number of people tweeting about it, or the number of connections is accumulated since company listed their fan page on Facebook. (Weinberg 2009, 304.)

Weber (2009) presents various metrics for media influence, influence on target audience and business impact. According to him, the easiest and cheapest to obtain is the media influences which include visits and page views, unique visitors, volume of reviews and comments, navigation paths, links history and files embedded. These metrics can be monitored for example by using free tools like Google Analytics, Site Meter, Technorati and Yahoo! Search Management. The influence on the company’s target audience can be monitored by analysing metrics like sentiment of reviews and comments, brand affinity, commenter authority and influence, time spent on the site, viral forwards, number of downloads, opinions expressed and number of memberships. The business impact of social media activities can be measured by monitoring the number of leads and new sales figures. Also the customer satisfaction and loyalty measured with the help of surveys give information about the business impact of marketing to the social web. (Weber 2009, 113-121.)
Evans (2008) suggests three types of metrics for measuring the impact of conversations in a social media feedback funnel. The content of the social conversations and artifacts themselves is the first type of metrics. The relevance of the conversations defining the degree to which what is being said matters to a company is the second type of metrics. The impact of the conversations explaining the net benefit, the direct measure of the change in desired outcomes following exposure to a socially created and delivered message are is the third type of metrics. (Evans 2008, 295.)

**Figure 4.** The metrics and Social Media Feedback

Content measures aim at qualifying the audience of a company, who is talking and what. The metrics including amount of blog posts for a brand, amount of recommendations and tweets indicate how everything a company does is perceived. The metrics associated with relevance, link or relate the interests of potential customers with what company has to offer. Unlike the content metrics, many of the relevance metrics are associated with company’s own social media efforts like company webpage. The relevance metrics aim at qualifying the influence, engagement and loyalty of the customers. The influence can be measured with the time spent on the site and the level of bounce rates. These summarize the value of the opinion and conversations to those who are interested in purchase. The engagement reveals to the interest levels in messages, if customers are willing to pass referral along given a potential gain or loss of personal social capital. The engagement of a customer can be measured with amount of pass alongs, comments and bookmarks. Loyalty can be
measured by analyzing the context and intensity of blog posts, and if the customers recommends and tweets. The impact metrics aim at qualifying the audience, loyalty and action level of the customers. By analyzing the demographics of the audience of a company can define to whom the campaign is appealing. The impact of conversations can also be measured by looking into how involved the audience is with the company’s brand or product.

Haven and Vittal (2008) argue that marketing’s new key metrics is engagement which they define as the level of involvement, interaction, intimacy, and influence an individual has with a brand over time. Haven and Vittal (2008) suggest in Figure 5 how these four I’s of engagement align with different stages (discovery, evaluation, use, and affinity) on people’s buying processes.

Figure 5. Engagement’s Four I’s Align with People’s Buying Processes

Haven and Vittal (2008) explicate that involvement metrics are helpful in measuring activities following discovery. A person can notice a brand in three primary ways by
observing others with the brand, by initiating the discovery on his own, or being encouraged by others. Involvement measures a person’s presence and what a person does after discovering a product or service. In order to engage with a brand, a person needs to know about it first. Involvement metrics contain unique site visitors, Web site page views, time spent per page, and in-store visits (Haven and Vittal 2008, 4.), which help the company to understand how and when a person discovers a product or service.

After discovering brand, a person enters to the next phase in a buying process which is evaluation. Haven and Vittal (2008) say that interaction metrics can be used for tracking actions following evaluation. Customers use three primary criteria when evaluating a brand which are determining credibility, assessing viability, and determining relevance. Interaction metrics measure the specific actions people take when deciding whether a product is right for them. First-time purchases online or offline, loyalty card registrations, requests for free samples, comments on blogs, user-generated content, and click-throughs on banner ads are all interaction metrics. By analyzing these metrics the company gain more understanding on how and when prospects evaluate products, supporting their transition into customers. (Haven and Vittal 2008, 4.)

What a person thinks about at product during and after using it can be monitored with intimacy metrics which are usefulness of its features and functions to accomplish a goal, usability of those features and functions when in operation, and the desirability based on repeated activity with the product or service. Intimacy tracking measures people’s attraction or distaste toward the brand after a person acquires the product or service and uses it. Intimacy metrics include satisfaction rates, sentiment in customer service calls, brand affinity, and sentiment in online forums and review sites like TripAdvisor.com. These metrics will help the company to understand the opinions people will develop during and after their use of a product. (Haven and Vittal 2008, 4.)

The last phase in a buying process, when a person develops affinity, can be monitored with influence metrics. Haven and Vittal (2008) suggest a person’s feelings manifest themselves in three main ways which are passion level for the brand such as favorable or not, expression of passion through sentiment such as verbal conversation, written text, or
produced content, and advocating for, or against, the brand. Influence is an opportunity for marketers to measure the impact individuals have on others, feeding into their discovery process. Metrics for influence include Net Promoter Scores, friend connections in online communities, fan Web sites, content forwarded to friends, word-of-mouth, viral user-generated content, and loyalty. Understanding those metrics will help the company to understand the affinity and passion of brand engenders, and gives insights how these can be turned to favor of the company. (Haven and Vittal 2008, 4.)

The previous discussion on different kinds of measures and what information they prove will help the case company in analyzing the social media marketing investments and steering the investments to right direction. These measures give also valuable insights on the whole customer journey a customer of the case company does, starting from discovering the brand throughout all the other steps in the purchasing process to the final stage reaching the affinity. By measuring this whole customer journey will help the case company not only in getting best value for invested money in the short term but also the possibility to improve the total customer experience in the longer term.
3 METHODOLOGY

In this chapter, the research methods and reasons for the choice of methods will be discussed. The first chapter discusses the chosen research methods and provides the motivation for this. Both the interviewees of the study as well as the general structure of the interviews will be presented. The collection of data has been divided into primary and secondary data, which both will be explained.

3.1 Research Method

The aim of this study is to do a research for Company X. The used methodology in this study is qualitative, with a focus on four case companies, Company A, Company B (pseudonym), Company C (pseudonym), and Company D (pseudonym). The approach in this study is exploratory. The reason for choosing case study as a study method in this study is the desire to examine complex and special subject in detail. Case studies are particular useful where one needs to understand one particular problem or situation in great depth, and where one can identify cases rich in information. (Noor, 2008) As a method it is applicable to real business situations and it focus on investigating a contemporary phenomenon within its real-life context (Soy 1997).

The real-life context is distinct from laboratory experiments, which isolate the phenomena from their context (Eisenhardt and Grabner 2007, 25). According to Naumes (2006) case study provides the basis for analysis of the decision-making process under variety of conditions and then opportunity to practise the findings. (Naumes 2006, 4-5). Multiple cases enable comparisons that clarify whether an emergent finding is simply distinctive to a single case or consistently. Multiple cases also create more robust theory because the propositions are more deeply grounded in varied empirical evidence. They also enable broader exploration of research questions and theoretical elaboration. Adding three cases to a single-case study is modest in terms of numbers, but presents four times the analytic power. (Eisenhardt and Grabner 2007, 27). The purpose with this multiple case study is to provide a holistic picture and an insight in concrete about the subject.
Although both quantitative and qualitative data collection methods are used in case studies, this study uses qualitative methods. The use of qualitative methods in management research has increased in response to the failure of quantitative techniques to address new theory development (Fillis 2006, 200). According to Cassell (2006) qualitative methods have a long history and tradition within business and management research, and have a well-established pedigree. Qualitative methods have been used in various types of management research field ranging from organizational analysis to traditionally more quantitative areas of accounting. Cassell (2006) refers to various authors like Boje (2001), Crompton and Jones (1988), and Prasad and Prasad (2002), who have highlighted the considerable contribution that qualitative research can make to the field, suggesting that utilizing qualitative techniques can provide rich insights into the issues that interest both management practitioners and researchers. (Cassell 2006, 290-291.) This type of content analysis tends to be more subjective and less explicit about the processes by which interpretation of the target material occurs. The emphasis is on meaning rather than on quantification. (Brewerton and Millward 2001, 151.)

3.2 Data Collection Method

Yin (1994) argues for the accuracy of case studies that use several sources. For that reason this study is based on different sources of data. The current work experience and personal involvement of the researcher in the marketing position at the case company offers also a source of information. This data is further complemented with interviews of company representatives who are involved with social media marketing campaign at the corporate level. Moreover, this data is complemented with interviews with external company representatives, who have experience on social media marketing in consumer marketing.

Eisenhart (2009, 28) argues for that case studies can accommodate a rich variety of data sources, including interviews, archival data, survey data, ethnographies, and observations. In this research e-mail interviews will be used as the main mechanism for collecting the primary data. Face-to-face interviews were considered as a data collection method but due to the requests from the interviewees and limited time resources that method was
disqualified. The-email interview is able to yield a good quality data, providing often rich material which is quite specific. Moreover the e-mail interview requires considerably less investment of time in setting up and conducting the interview. A considerable advantage is also that the interview does not have to be conducted in real time. The interviewer needs only to send the questions and the interviewee can choose the most suitable time for the interview. A potential problem related to e-mail interview is that it carries a risk of misinterpretation. The emotional tone of an e-mail can be hard to read. People responding to e-mailed question have also tendency to use abbreviations, or list the information rather than describe it fully. With their agreement such responses can be expanded in order to make them more readable. Despite the various drawback associated the e-mail interview, this method had two over-riding advantages, the speed and the flexibility of the form. (Gillham, 2005, 107-111.)

The interviews were semi-structured. This type of interview type incorporates elements of both quantifiable, fixed-choice responding and the facility to explore, and probe in more depth certain areas of interest. Semi-structured interviews are generally easy to analyze, qualify and compare, but allowing interviews to explain their responses and to provide more in depth information where necessary. The temptation to spend too long on peripheral subjects, the danger of losing control to interviewee, and the reduction in the reliability when using non-standardized approaches to interview each respondent are some of the disadvantages of semi-structured interview. (Brewerton and Millward 2001, 70.)

The five email interviews were conducted during October and November 2010. The interviewees included people from different marketing and PR functions from the case companies. The interviewees from Company A are the Social Media Consultant, Interviewee A (pseudonym), and the Corporate Communication Manager, Interviewee E (pseudonym). The three other interviewees were the eCommerce Director of Company B, Interviewee B (pseudonym), the Digital Communications Manager of Company C, Interviewee C (pseudonym), and the PR Manager of Company D, Interviewee D (pseudonym). Common for all the interviewees was the experience from social media, and business-to-consumer social media marketing.
Secondary data, in other words secondary analysis, is best known as a methodology for doing research using pre-existing statistical data (Heaton 2004, 13). It is a research strategy using pre-existing quantitative or qualitative research data for the reasons of investigating new questions or verifying previous studies (Heaton 2004, 16). In order to widen the understanding of the case company context, both inside and outside documentation was investigated to complement the interview material. The secondary data was collected from marketing reports and promotional materials from previous social media marketing programs. All marketing related material was gathered with the help of marketing organization of the company. Furthermore, secondary data was collected from different scientific articles, journals, books, and Internet sites. This data will assist in clarifying what actions the company has already been done in social media marketing.

3.3 Data Analysis Method

The analysis of qualitative data is particularly different from statistical analysis, as the data as such does not exist in a quantitative form. When analyzing the interviews, it most likely not to be possible to give numerical descriptions to answers. Analysis of the data gathered from interviews, marketing reports, Internet pages, and other sources will be based on systematic combining. Systematic combining means that the researcher is constantly going back and forth between theory and empirical observations. This activity expands researcher’s understanding of both theory and empirical phenomena. As the theory is compared with data from interviews and internet pages form the four case companies, the theory is being investigated through the empirical observation and vice versa. (Dubois & Gadde 2002, 555.) The systematic combining is described in Figure 5 (Dubois & Gadde 2002, 555.).
Figure 5. Systematic combining
4 EMPIRICAL FINDINGS

This chapter presents both the background information of Company X and the other three case companies, and the empirical findings from interviews of this multiple case study. The information is received both from the interviews of the representatives of the case companies and other sources like the case companies web pages. Each case company is introduced separately.

In compliance with the case company’s instructions, the empirical findings are regarded as confidential information. Deriving from this requirement, the empirical findings are written in Appendix 2, which is not published through the Library databases of Kemi-Tornio University of Applied Sciences.
5 ANALYSIS AND DISCUSSION

In this chapter the empirical findings are analyzed and connected to the theoretical framework.

In compliance with the case company’s instructions, the analysis and discussion are regarded as confidential information. Deriving from this requirement, the analysis and discussion are written in Appendix 3, which is not published through the Library databases of Kemi-Tornio University of Applied Sciences.
6 MAIN FINDINGS AND CONCLUSIONS

After presenting a documented and detailed case descriptions on the use social of social media in four case companies, and after discussing the results of this empirical research connected to the theoretical framework, this final chapter will elaborate on the conclusions that can be drawn from this research. I will first discuss the key findings in light of the research questions. In the last part of the conclusions, limitations of this study and some possibilities for further research will be introduced.

In compliance with the case company’s instructions, the main findings and conclusions are regarded as confidential information. Deriving from this requirement, the main findings and conclusions are written in Appendix 4, which is not published through the Library databases of Kemi-Tornio University of Applied Sciences.

6.1 Limitations

One limitation to the research is that the primary information was collected from the case companies with interview questions written in English which was not the mother tongue for three of five interviewees. A potential problem related to interviews done with a secondary language is that it carries a risk of misinterpretation. When interviews are done with a secondary language the interviewee might misinterpret the content or tone of the interview question. Thus the English was not the mother tongue for all the interviewees the answers gained from interviews show interviewees level of English skills being excellent.

Another limitation associated to the empirical part of this research is the format of the interview. In this study, the interview method used was an email interview, which also carries risk of misinterpretation. Also the emotional tone of an email can be hard to read for the interviewee. The answers from the interviews did not reflect that this kind of problem would have existed for the current study.
Another limitation must be mentioned in regard to the generalization of research findings. Due to the low number of interviews, the results of this study are not statistically generalisable and only apply in this particular case study. The findings gathered from this study though give insights specifically into how Company X can use social media in marketing and branding their company. The approaches proposed for Company X might not be relevant for other companies.

Finally, due the social media marketing is quite new as a study object there are a limited amount of research available.

6.2 Implications for future research

This Master’s thesis studied social media utilized in business-to-consumer marketing. It would be also interesting to study how social media can be used in business-to-business marketing, and if there are any similarities of differences in comparison with business-to-consumer marketing.

One of the key words that emerged in the discussions in this study was engagement. Therefore, how deeply customers feel engaged in the product of the company or brand, and what triggers the engagement could be an area for further studies. In addition, investigating more thoroughly the customer journey of a company and defining all the touch points where customers engagement and interaction can be improved would also be a possible topic for further research. Finally, further research could find answers to the question if there are cultural differences that should be taken into consideration when engaging or interacting with customers through social media.
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Printed


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Company A 2010. Downloaded in October 2010.
Company B 2010. Downloaded in October 2010.
Company C 2010. Downloaded in October 2010.
Company D 2010. Downloaded in October 2010.


Interviewee A 2010. Email interview of Social Media Consultant of Company A. X.10.2010


Interviewee E 2010. Email interview of Corporate Communications Manager of Company A. 6.11.2010


 Appendix 1

1(3)

INTERVIEW FORM

Background information

- What are the title and the current role of the respondent?
- How long has the respondent been active within the company?
- What is the name of the company?
- In which industry is the company active?
- What is the size of the company?

Social Media and Social Media Marketing

1. How would you describe Social Media and Social Media Marketing?

2. What kinds of Social Media does your company use in marketing today?
   a. If several kinds of Social Media are used, which is the most important one?
   b. What is the main reason behind selecting these kinds of Social Media for marketing and branding purposes?

Social Media as a branding and marketing channel

3. For how long has your company done marketing and branding through Social Media?

4. What is the main reason for your use of Social Media in your marketing and branding?

5. Has the increase in the use of Social Media changed the way in which your company does marketing?
   a. If yes, how?

6. Does marketing through Social Media differ from marketing through traditional media in your company?
   a. If yes, how?

7. What opportunities do you see in the marketing and branding of your company via Social Media?

8. What challenges do you see in the marketing and branding of your company via Social Media?

9. Has the increase in the use of Social Media impacted on the way your customers perceive information about products and services?
   a. If yes, how?
Social Media’s influence on purchase decision

10. What role does Social Media play on a purchase decision in generally?

11. Has the increase in the use of Social Media changed the way in which your customers decide what products they want to buy?
   a. If yes, how?

Objectives, tools and strategies for Social Media

12. For what purpose the company does your company use Social Media in marketing?
   a. Social Media is used to create brand awareness
   b. Social Media is used to increase sales
   c. Social Media is used to find new customers
   d. Social Media is used to improve communications with customers
   e. Social Media is used in product development
   f. Is there any other purpose for using Social Media?

13. How do you think your company will be using Social Media within a 12-month period?

14. Do you set goals for your Social Media marketing activities?
   a. If yes, how?

15. What strategies do you use in your Social Media Marketing?

16. What strategies have been successful in your Social Media Marketing?

17. Do you use Social Media to get feedback from the customers?
   a. If yes, how?
   b. What benefits do you see in that?

18. Do you use Social Media in brand engagement?
   a. If yes, how?
   b. What benefits do you see in that?

19. Do you react on false comments in Social Media?
   a. If yes, how?
   b. If no, why?

20. Do you react to positive comments in Social Media?
   a. If yes, how?
   b. If no, why?
Appendix 1

3(3)

21. Do you find Social Media as a cost effective way to market?
   a. If yes, how?
   b. If no, why?

22. Do you addressed to a specific audience when you market your products on different Social Media?
   a. If yes, which audience and where?
   b. If no, why?

Measuring Social Media activities

23. How does your company measure marketing activities carried out via Social Media?

24. What measures/KPI’s do you follow in your activities?
   a. The number of visits?
   b. Number of comments?
   c. Number of fans, subscribers etc?
   d. Other sites and blogs that make links to the company?
   e. Sales/Turnover?
   f. Engagement?
   g. Are there any other measures the company uses for Social Media marketing activities? If yes, what measures?

25. If several kinds of measures are used, which is the most important one and why?

26. What are the advantages you see in measuring the activities?

27. What are the challenges you see in measuring the activities?