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SOCIAL MEDIA AS A TOOL OF MARKETING AND CREATING BRAND AWARENESS

Case Study Research

Business Economics and Tourism

2012

ABSTRACT

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Title	Social Media as a Tool of Marketing and Creating Brand Awareness
Year	2012
Language	English
Pages	77 + 2 Appendices
Name of Supervisor	Rosmeriany Nahan-Suomela

Social media is a phenomenon that has become an important aspect in marketing mix and revolutionizing the way companies interact with customers. It is a new research field and a quick literature scan reveals that not many studies exist. Nevertheless, these few existing studies without scientific evidence with industry data, have rushed to conclude that the emergence of social media has led to the demise of the traditional advertising mainstream media.

Therefore, using a scientific research methodology of case study research, this study was designed to explore whether social media is more effective than the traditional media on a brand management perspective and find the implementation challenges that make it a two face phenomenon.

The findings presented in this study conclude that even though social media is more effective than some of the traditional advertising channels, it cannot be implemented in isolation without augmenting it with other forms of traditional advertising channels. The implications are that social media alone cannot single handedly create brand awareness or even develop business.

Keywords Social Media, Brand Awareness, Brand Management,
Marketing Mix, Traditional Advertising channels

TIIVISTELMÄ

Tekijä	Christine Adhiambo Odhiambo
Opinnäytetyön nimi	Sosiaalinen Media Myynnin ja Luomisen Työkaluna
Vuosi	2012
Kieli	Englanti
Sivumäärä	77 + 2 liitettä
Ohjaaja	Rosmeriany Nahan-Suomela

Sosiaalinen media on ilmiö, joka on mullistanut sen, kuinka yhtiöt kommunikoivat asiakkaidensa kanssa. Se on uusi tutkimus alue ja pikainen kirjallisuus selaus paljastaa, että siitä ei löydy montaa tutkimusta. Kuitenkin nämä muutamat tutkimukset ilman tieteellistä todistusaineistoa teollisuuden tietojen kanssa, ovat tulleet johtopäätökseen että sosiaalisen median esille tuleminen on johtanut perinteisen valtavirtaa edustavan markkinoinnin 'kuolemaan ja hautaamiseen.

Tämä tutkimus on suunniteltu tutkimaan, onko sosiaalinen media tehokkaampi kuin perinteinen media tavaramerkin hallitsemisen näkökulmasta ja löytää toteutuksen haastet jotka tekevät siitä kaksipuolisen ilmiön, käyttäen tieteellistä tapaus tutkimuksen menetelmää.

Tulokset, jotka esitellään tässä tutkimuksessa tulevat siihen lopputulokseen, että vaikka sosiaalinen media on tehokkaampi kuin jotkut perinteiset mainostamisen kanavat sitä ei voida toteuttaa erillään ilman sen laajennusta muiden perinteisten mainostamisen kanavien kanssa. Päätelmä tästä on, että sosiaalinen media ei voi yksistään luoda tavaramerkki tietoisuutta tai edes kehittää yritystoimintaa.

Keywords Sosiaalinen media, Tuotemerkki tietoisuus, tuotemerkki hallinta
Markkinointi sekoitus, perinteisen mainostamisen kanavat

ACKNOWLEDGEMENTS

My gratitude goes to the Almighty God for giving me this privilege and grace to go through the entire process of writing this thesis.

My sincere thanks go to my family for the support, patience and words of encouragement they have given me during my entire learning period. It has not been an easy journey being apart, to quote by Jean de La Bruyere that, *'No road is too long for him who advances slowly and does not hurry, and no attainment is beyond his reach who equips himself with patience to achieve it'* (<http://www.meaningfullifequotes.com/quotes/character-quotes/patience-quotes/>) has seen our patience bear fruit. Our corporate patience has enabled me realize my dream of acquiring bachelors' degree in Business Administration.

I would also like to thank my supervisor Rosmeriany Nahan-Suomela for her guidance and support throughout the entire process of the research work. Not forgetting all my lecturers for their devoted time during my learning period.

Last but not the least; I want to appreciate all my friends for their support and words of encouragement.

PREFACE

I am privileged to be alive at such a time when social media landscape has practically transformed the way people communicate and do business. It's like living when the radio was first invented in the 18th Century I bet it was the moment and likewise to now with the birth of social media.

As a student of business and marketing, I have followed the debate about the impact of the social media phenomenon with much interest. My motivation is part driven by the desire to have an in-depth study about this prodigy and also to find out whether it's just a euphoric tide driving the debate or this phenomenon is actually a game changer in marketing.

The young and old alike have opened up an account with one or more social media networks. With such an outburst on the number of people using these networks, companies have also seized the opportunity to reach out to a larger assembly of people within limited time, but covering a larger mass audience.

Initially I had planned to do my research on the same subject (social media), but focusing my study on how social media is being adopted in Kenya. The intent was to make an analytical report whether the same way social media has gained popularity among companies in Europe can be replicated by Kenyan companies. Due to insufficiency of information on the topic it was not possible to proceed with it. Technologically, Kenya is developing rapidly in terms of social media adoption and mobile technology, but there is still is much to be done in the terms of the information availability on the internet. Twitter, face book, blogs and other media channels are very popular among the younger Kenyans.

Nonetheless internet is not easily accessible to a wider population most people use mobile phones to access such networking sites. A recent study shows Kenya being ranked the second after South Africa in the continent, with the highest number of twitter users.

Most recent and amazing incident of how a tweet helped save family from thugs is fascinating. This happened in a certain village in Kenya, 160 Km west of capital Nairobi. The Local chief officer received an urgent message through phone that thieves were invading a local schoolteacher's home; the chief immediately sent a message on twitter and within a short time, local residents gathered outside the home. This made the thieves to flee away. The chief is said to have 300 followers out of the estimated 28,000 residents in his region. Although it may seem like this number of followers is not effective enough to spread out message, the chief reiterates that his followers re-tweets to their own networks or even convert the tweets into text messages for those who are not on twitter. Crime rate in this region is said to have dropped immensely due to the chief's twitter initiative. In addition to that, Twitter has also helped chief save on time and money as he no longer has to write letters or print posters for distribution.(<http://news.yahoo.com/urgent-tweet-kenya-village-help-sheep-missing-125322427.html>; 2012)

Interestingly, in a recent research (2011) conducted in Kenya whether companies could use social media channels to market their brands, it turned out that majority of the citizens never wanted to associate with the brands online. However, it was noted that they would rather discuss the products among themselves and post comments. Consequently, the chief executive of East Africa remarked that using social media as a marketing channel might be a waste of time and resources. (<http://www.nation.co.ke/Tech/Kenyans+do+not+like+firms+in+social+sites+/-/1017288/1271164/-/17yua0z/-/index.html>) I disagree with this assessment, with time people will accept the marketing campaigns being conducted within their social platforms in Kenya because this is something that already happening in the western world.

We are aware of what took place in the parts of Arab world where revolution is said to have been instigated by the use of twitter, face book etc. Some Analysts have disputed this claim and suggested that social media only had a minor

significance in the revolution. Indeed social media played a big role in these revolutions movements. For instance, Tunisia, authority tried effortlessly to control the online interaction on twitter and face book (http://en.wikipedia.org/wiki/Tunisian_Revolution).

Last but not the least; investors are becoming stakeholders of these networking channels because of the foreseen brighter future of what they hold. Recently (2011) Saudi billionaire Prince Alwaleed Bin Talal bought stake for \$300 million into micro blogging site Twitter as it looks to entice more users and paying advertisers (reuters.com, 2011)

Indeed social networks have played a major role in one way or the other and therefore Social Media is the way to go!

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1. INTRODUCTION

This chapter introduces the subject of the study which is the social media and also outlines the motivation of the study including aims and objective of the study. This is also followed by definition of research problems and limitation of the research.

1.1 Background of the study

Social media is a phenomenon that has drawn a lot of attention both to companies and individuals interacting on the networking landscape. However, when it comes to giving a clear definition of what social media really is, the understanding of the term is very minimal. Managers and academic researchers seem to differ on how social media differ from interchangeable related concept web 2.0 and User Generated Content (Kaplan and Haenlein: 2009).

Looking way back into the history of the internet where social media might have evolved from, a clear understanding of related concepts can be derived. In 1979, Truscott and Ellis from Duke University created the Usenet, a worldwide discussion system that allowed users to post public messages. Usenet is a hybrid between email and web forums and the discussions therein are threaded with modern news reader software (<http://nzblord.com/usenet/>). User Generated Content entered usage in 2005; it covers a variety of media information available. It includes all digital media technologies such as, digital video, blogging, podcasting, forums, review-sites, social networking, mobile phone photography and wikis. Hence User Generated Content is a sum of all ways in which people make use of social media (Kaplan and Haenlein 2009).

Web 2.0 is a term that was coined by Tim O'Reilly in 2004, however since its inception; it has remained difficult to define. Nonetheless web 2.0 is all about information sharing and collaboration on the World Wide Web. Coherently, Alexander and Levine (2008) identified two essential features that are

instrumental in distinguishing web 2.0 projects from the rest of the web: micro content and social media. The micro content feature enables authors to create small pieces of content, with each piece conveying a primary idea or concept. The pieces are smaller than websites and are meant to be reused in multiple ways and places. Examples of such pieces can be found in YouTube comments, Picasa images, blog posts and wiki edits which are only few thousand bytes.

In addition to the above description of what web 2.0 is about, an assertion has been made that software developers and end-users started to utilize World Wide Web in order to continuously modify contents and applications in a participatory and collaborative fashion. As a matter of fact, web 2.0 is considered to be platform for the evolution of Social media. In view of this, Kaplan and Haenlein (2009) define 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 and exchange of User Generated Content.*

The intertwining of the descriptions of the concepts will continually create uproar as to who can best define the terms satisfactorily; consequently the subject on social media will therefore remain synonymous among many social network users and managers. It is fair to believe that this is a metamorphosis of the networking community that first evolved in late 1970s. Due to the rising technological advancements the changes seem to take different forms and names but the main features are quite similar. It is a perspective that is also supported by Marshall McLuhan, that *social media is the framework which changes with each new technology and not just the picture within the frame*". (http://thinkexist.com/quotation/it_is_the_framework_which_changes_with_each_new/152871.html). McLuhan was a philosopher, whose work is viewed as the cornerstones of the study of media theory, as well as advertising and television industries.

Over the years marketers have researched on how best customers/prospective customer relationship with the producer (company) can be enhanced. The debate was first initiated by Grönroos (1994) with the declaration of paradigm shift from marketing mix to relationship marketing concluding that marketing is a multi-

faceted social process and therefore the traditional 4Ps has become absolute and irrelevant because of the evolving trends in business, such as strategic partnerships, alliances and networks (Grönroos 1994). The interesting dimension in the debate was introduced by Morgan and Hunt (1994) who suggested that a successful relationship between business and its customers requires commitment and trust (Morgan and Hunt 1994). The interactions between the business and the customer ought to be an ongoing process, on continuous discrete basis with a view of seeing a customer as a relationship partner (Grönroos 2005: 21).

The rationale for this study was motivated by a personal interest in the social media and also the desire to investigate the impact and the relationship between social media and brand awareness from a business perspective. A quick review of the literature reveals that though social media and advertising (Palmer & Lewis: 2007, Tuten 2008, Webber 2007) has been researched, but not the impacts of social media on brand awareness from a business perspective. However, the work of Harris and Rae's (2011) titled, "*building a personal brand through social networking*" is the closest study that looked at the social media networks and branding. Nevertheless, Harris and Rae's work purely focused on building personal image (brand) using social networks. Dutta (2010) also looked at the impact of social media from a personal view in his Harvard business review article. And therefore, since there is little knowledge concerning the impact of social media on awareness from a business level, this study is to investigate the impacts of the social media phenomenon on brand awareness and its implementation challenges. Recently; we have seen the impact of Facebook and the rise of its market value in terms of brand equity. According to an analyst, the rise of Facebook's market value to \$3.71bn was a result of the social media popularity that has made the company users and advertising revenue increase (<http://www.bbc.co.uk/news/technology-16789785>).

During 2008 US Presidential elections, President Obama used social media effectively during campaigns and later became a brand name online. The study is therefore designed to explore the impact of the social media on branding as marketing activity and also determine whether the traditional

advertising media such as radio and print have died and are no longer effective as a result of the social media.

1.2 The aims and Objective of the study

The essence of this study is to research how a company can seize the moment of using social media networks to create brand awareness and also explore its challenges to draw the attention of those companies venturing into social media networks to increase brand visibility. On the other hand, listening to the analysts and some scholars, the census is that the traditional ways of advertising i.e. newspapers, television, radio, etc., are no longer effective due to the rise of social media. This is however a debatable position even though social media in terms of reachability could potentially reach many people. Therefore the study also explores the already existing theoretical body of work that emergence of social media has led to the demise of traditional advertising channels.

1.3 Research problem

From the above outlined objective the study research problem can be conceived as Can social networks be used by companies to create brand awareness and what are the challenges facing companies that still use the traditional advertising channels only? Social networks refer to the connection, relationship and interactions that happen within the social media platforms. On a marketing perspective, these are interactions between the marketers and those interacting within the constructs. To study the above research question, it is therefore broken down into the following research problem area;

1. The role of social media and its impacts on branding
2. The challenges facing companies using social media today and how they can be managed or minimized.
3. Outline the traditional advertising channels for branding and determine whether they are still relevant today in the era of social media

4. Determine whether social media networks are the best tools for creating brand awareness.

1.4 Study Limitations

The major limitation of this research is related to sample size. The case company is a micro entity business, meaning it has less than 10 employees in total. Therefore the findings cannot be generalized to include all the companies that use social media, therefore these findings in the study are only related to the case company because different companies use different social networks like LinkeIn, Youtube etc, and also some might have social media strategy with different objectives. However the findings might fit a micro entity business like the one used for the case.

2. LITERATURE REVIEW

The purpose of this chapter is to critically review literature related to the theoretical concept of the topic of social media, traditional marketing channels and brand awareness. The literature review is to develop a theoretical framework for the study. The main papers for the study are the work of Palmer and Lewis (2009) titled *an experiential, social network-based approach to direct marketing* and Ralf Beuker and Erik Roscam Abbing (2010) paper titled *Two Faces of Social Media: Brand Communication and Brand Research*.

2.1 Social media

Social media has gained a lot of popularity over the past few years and as a result of this popularity, other traditional Media have experienced decline in both business and popularity. Palmer and Lewis (2009) argued that the main stream media channels have faced many challenges in recent times that have led to closure with TV facing down turn in their profits levels. Palmer and Lewis are correlating the performance of these traditional channels to the rise of social media in marketing and brand management. As a result of completion and tough economic environment, companies have tightened their budgets especially advertising budgets which have shifted to online channels. According to Forrester research study (2011) by Ernst.J, David M. and Cooperstein, Dernoga M, found that companies (brands) are gradually shifting their advertising priorities to align better with today's buyers. Today's buyers are tech savvy and social media maniacs.

Therefore it is the proliferation of the social media network services in brand management and marketing that bring us to the attention of social media networks. First, the researcher will define social media and then outline those networks that are driving the debate.

In the last couple of years, different kind of social media networking services have emerged and currently there are innumerable social media channels that connect people to each other. The most popular social network sites that are widely used are; Face book, Twitter, YouTube, LinkedIn and Flickr. In fact, Facebook, twitter and YouTube are the most common channels companies use in their online marketing for creating brand awareness or just engaging with the customers.

Though LinkedIn is also widely used by companies, it mainly targets to establish relationship on a professional perspective and slowly becoming B2B channel compared to other three networking sites mentioned above. However for the purpose of this study, only five most popular social networking services are reviewed.

2.1.1 Facebook

Facebook was launched in 2004 and have over 800 million active users (active in September 2011), of which 350 million users access Facebook through mobile devices. An average Facebook user is estimated to have at least 130 friends and is connected to 80 community pages, groups and events. There are more than 70 languages available on the site. Its main use is to establish and maintain relationships in work related situations, in political affiliations or just among friends and families (<http://www.facebook.com/press/info.php?statistics>). Facebook has become the most powerful tool for marketing today. In April 2011, the company launched a new service for marketers and interested creative agencies which is a form of online platform (Portal) that allows marketers and creative design agencies to build brand promotions on Facebook. Facebook is now a direct competitor of Google in online advertising and this new service has made it possible for companies such as Financial Times and ABC News to create dynamic commercial graphics or advertisement.

(<http://en.wikipedia.org/wiki/Facebook>, 2012)

2.1.2 Twitter

Twitter was created in March 2006 by Jack Dorsey and launched that same year in July. Unlike Facebook where one can have friends to share different things, with twitter one has to get connected to the latest information on what they find interesting. One has to find the public stream that interests them and follow in the conversations. Each tweet is 140 characters in length. One can still follow the tweets regardless of whether they do not tweet at all, and also there is no limit as to how many tweets one can send within a given day. (<http://twitter.com/about>, 2011)

Through Twitter businesses now share their information or news faster to a large audience online following the company, and from a strategic stand point, this has helped companies that uses Twitter to position their brands and also gather business insight through feedback to boost their market intelligence in order to accurately target customers with relevant services and products or enhance business relationships. Twitter has helped lift brands, enhance customer relationship marketing and also improved direct sales by reaching out directly to the engaged audience on the platform (<http://twitter.com/about>, 2012).

2.1.3 YouTube

YouTube was created in February 2005 as a video sharing website on which users can upload, view and share videos as an informative and inspirational to others across the globe. The company uses Adobe Flash Video and HTML5 technology to display a wide variety of user-generated video content. YouTube acts as a platform for distributing contents by creators and advertisers as well. Over 3 billion videos are viewed every day and there are more than 400 million views per day on mobile devices (2011). It is estimated that more than 800 million people visit YouTube every month to watch and share contents. (youtube.com, 2011)

Just as the adage goes a picture is worth a thousand words, pictures have an impact in creating an image in the mind of a person. This has given YouTube a competitive advantage in online marketing; all in all more businesses are now using YouTube for their marketing advertising campaigns. Various companies

with outstanding video campaigns have had their breakthroughs in this form of brand marketing, especially when the videos have gone viral. Most of these viral successes can be attributed to expertise and creativity of the brand marketer to entertain the audience hence making the public share the videos with others.

2.1.4 LinkedIn

LinkedIn started in 2002, but was officially launched on May 5, 2003. Many professionals have joined LinkedIn in recent years to share knowledge and insight in more than one million LinkedIn groups. The company operates the world's largest professional network on the internet with more than 135 million members in over 200 countries and territories. It is estimated that more than 2 million companies have LinkedIn Company Pages (as of November, 2011). There are 14 languages currently available: French, German, Italian, Japanese, Korean, Portuguese, Romanian, Russian, Spanish, Swedish, English and Turkish. (linkedin.com, 2011)

In LinkedIn, companies have access to a wealth of information that are mostly user provided through their profile data i.e. company name, job title, size of the company and LinkedIn uses this information for advertising targeted to towards members. Companies pay some fees to advertise their products and services to particular LinkedIn members or affiliation groups on LinkedIn. The classic example is the success of Cathay Pacific Airway through their LinkedIn company page sends messages to the people who are following their company on LinkedIn asking them to recommend the company. Through this, the company has been able to increase its brand awareness among target market segment (marketing.linkedin.com, 2012).

2.1.5 Flickr

This is a photo sharing and video hosting website that was created by Ludicorp in 2004 and acquired by Yahoo! in 2005. It is available in ten languages and has a total of 51 million registered members and 80 million unique visitors (June 2011). Unlike the above mentioned networking sites that offer only one type of account,

Flickr offers two types of accounts, Free and Pro. Free and pro account differ in the number of photo upload allowance: With Free account, one is allowed to upload 300 MB of images and two videos per month, where as Pro account users can upload an unlimited number of images and videos every month and receive unlimited bandwidth and storage. This networking system is compounded by different groups. Any member of Flickr is permitted to start a group which he can monitor and set restrictions for. (<http://en.wikipedia.org/wiki/Flickr>).

It is against terms of service for businesses to use Flickr for the purpose of advertising, yet still businesses can get indirect marketing exposure via Flickr. A company can use its website address as their flickr screen name, the screen name will then be attached to every photo upload and every message (this is an opportunity to mention business name and website address) posted to the group discussion. It is also possible to upload quality photos related the business and writing appropriate text describing each photo but avoiding hard sell that is prohibited (<http://www.smallbusinesssem.com/articles/marketing-on-flickr/2012>).

2.2 The role of social media Networks

Social media network are applications that allow users to build personal web sites accessible to other users for exchange of personal content and communication (Palmer and Lewis 2009). Social media according to Palmer and Lewis can be characterized as: online applications, platforms and media which aim to facilitate interactions, collaborations and the sharing of content.

Fauser et al. (2011) argue that though communication is the core dimension of social media networks, not all platform categories are equally suitable for all marketing objectives because most of the platforms are not equally well suited for information, collaboration, and even for cultivating relationships (Fauser et al. 2011). The purpose of social networks is primarily for communication and exchange of ideas of interest among peer groups or communities. According to Gummesson (2002) however, it is through frequent communication initiated by the marketer on the interactive social networks that a long term friendship can be

developed and maintained between the business and the customer (Gummesson 2002: 10). Janal (1998) on the other hand, insinuates that the information provider (marketer) are the ones creating their own communities with their social network constructs, hence staffers and vocal members of these constructs lead discussion. Furthermore the vocal members become the opinion leaders (Janal 1998: 214-215). In this way a collaboration between the marketer and the online consumer/or prospect is developed. This means that without information flow within the communities and the brand which in this case is the business, they would be no serious engagement amongst the online communities. The figure below for example gives a picture of the kind of interaction that takes place within the confines of the Social sphere.

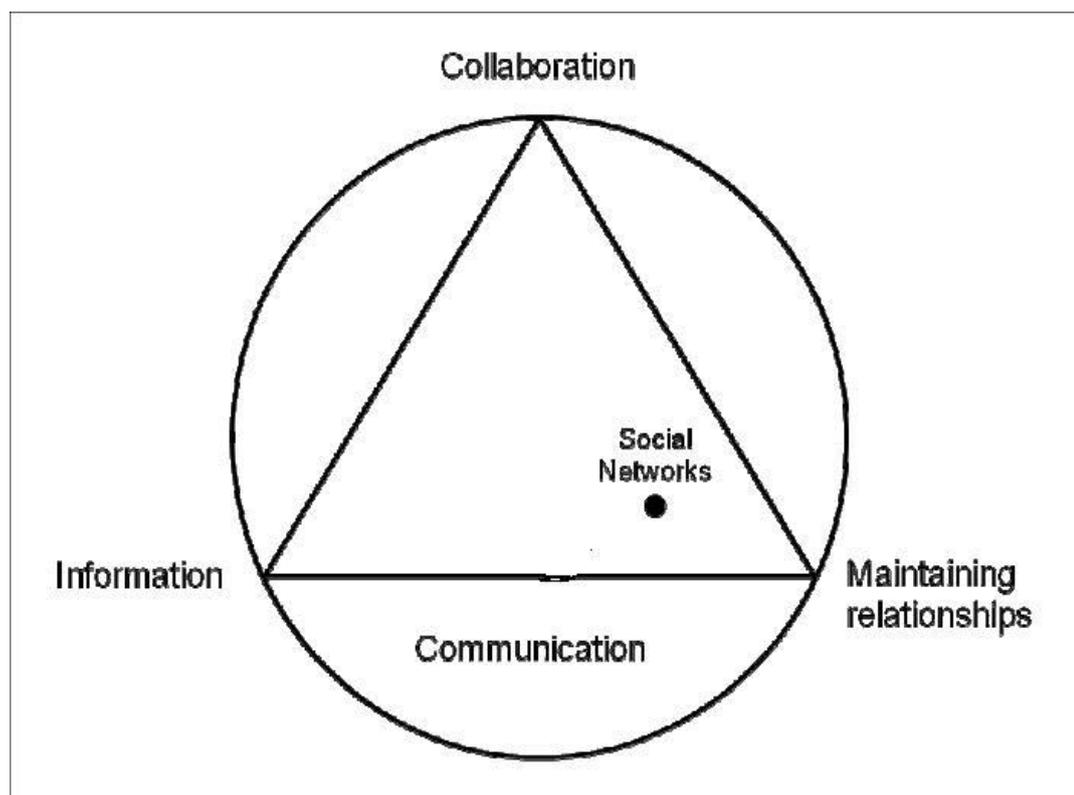


Figure1: The dynamics of social in the social network sphere: (Adapted from Fauser et al 2011)

However, the dilemma facing companies planning to interact with social networks is how to control communication environment within the network, in an effort to make sure that their brand image is protected. Palmer and Lewis (2009) therefore conclude that a true social network should give members a feeling, a sense of ownership of the community and if that is not perceived there is potential for network members to be resentful. Therefore for companies to be successful in using social technologies, the first step would be to prepare and align internal roles, processes, policies with the business objectives.

2.2.1 Marketing through Social Media

In broader terms the topic of the study is *social media as a tool of marketing and creating brand awareness*, but it is first important to define the terminology “marketing” referred to in the title. Therefore according to the American Marketing Association, *Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.*

(Marketingpower.com 2012).

In the definition above, the key words are “organizational function, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers”. From an organization perspective, the aspects of these *processes* referred in the definition above are brand awareness, advertising, public relations etc. Therefore for the sake of this study, we focus only on one branch of marketing which is brand awareness or brand management as a process of communicating or delivering value to customers as already shown in the definition of marketing by the American Marketing Association.

Chaffey et al. (2003) thus describe internet marketing as *the application of the Internet and related digital technologies to achieve marketing objectives* (Chaffey et al. 2003, 1). These marketing objectives can be realized by use of social media

networks which is a subset of internet application. Social media networking platforms serve as a tool for marketers (Qualman 2010: 28). This implies that Facebook, twitter etc. are means of accomplishing marketing strategies through the internet. It is therefore imperative for marketers to find suitable platforms to suite their marketing objectives. A good marketing objective enables marketers to acquire new customers, while retaining the already existing ones through customer satisfaction.

Chaffey et al. (2004) further outline 3 points on how the internet can be used to achieve the 'processes'

- Identifying how the internet can be used for marketing research to find out customers' needs and wants
- Anticipating the online revenue contribution
- Customer satisfaction through electronic channel; satisfaction here refers to the site easy usability, adequate performance, and identifying what the standard associated customer service is.

(Chaffey et al. 2004, 318)

Online marketing has a plethora of strengths; the speed of accessing the information is very first and extremely cost effective, besides that internet has no geographical boundaries. In addition to cost effectiveness, the marketer likewise has the opportunity to research new suppliers at a fraction of previous search costs. In other words all the marketing research conducted through internet is very cost effective (Gay et al. 2007, 129). On the other hand Gay et al. (2007) are quick to point out some major weakness that online marketing face. The first problem is that cultural and language differences may present difficulties in information gathering across national boundaries. Secondly, it can be difficult to guarantee that the person responding is the person the marketer thinks they are (Gay et al. 2007, 129).

2.2.2 Social Media Sales Funnel adoption

Social media networks relationships between the brand (marketer) and the online networking community can be developed so as to bring value to the business. There is great need for company to know when and where to network efficiently in order to attract quality prospects and maintain relationship with the right customer. To achieve this from a business perspective, streaming can be done by focusing on the right groups online with the right social networking services. The process of doing this can be equated to sales funnel.

The funnel is used as a metaphor, wide at the top and narrow at the bottom to monitor the sales process. At the top of the funnel are the many people that a company perceives might need products/services and hence draws them to their social networking constructs. Further down at the bottom are sales a company makes by delivering the products/services to those who find them to be of value. The figure 2 below demonstrates the sales funnel; how people within the “Internet jungle” are streamlined from different forms of social networking sites of their preferences into the marketer’s domain.

Many marketers today are advertising using different types of social networking sites that are authentic to their present and prospective clients. Kotler et al. (2006) insinuate that marketing function vary significantly from company to company. In their view they see small businesses as not establishing formal marketing groups at all; however such companies get their marketing ideas from managers, the sales force or an advertising agency (Kotler et al. 2006).

The networking sites used by marketers are all trying to win people into their own sales funnel. Once the right group of people have been won the target is now to solidify the relationship to keep the customer and also to satisfy the customer in such a way that they become unpaid marketers by spreading good word of mouth (good word of mouth in online community refers to written comments about marketers products/service, alternatively the customer can also speak about marketers offerings offline.) to friend, relatives, colleagues etc. Therefore from

one single customer network the chain can grow vastly to a very complex network.



Figure 2: Social media sales funnel:(<http://socialmediatoday.com/SMC/176665>)

2.3 The power and value of social networks

Networks are *a set of relationships which can grow into enormously complex patterns* (Gummesson 2002: 4). Therefore, for this kind of relationship to be established on a B2C level, an interaction between the online marketer and the customer must be built on the social media platforms which are suitable. There are various reasons why a company may decide to go online; it can either be to build or establish a brand, grow contacts, build sales or to save money by implementing other processes that cut existing costs the company is currently incurring. Whatever the reason for company going online, the role and value of the network is fundamentally important to apprehend.

Below are three value-governance laws that apply to social networks and communities. These laws draw the importance of having enormous complex

patterns on a relationship. Even though the Sarnoff's law and Metcalfe's law were not coined by the inventors specifically for the social media networks, they have equally been embraced because of the semblance they bear with the social media networking structure.

2.3.1 Sarnoff's Law

This law is credited to David Sarnoff, who was an American businessman and pioneer of American commercial radio and television networks. He was the founder of National Broadcasting Company (NBC). Sarnoff law was coined to relate to the value of a radio station to the number of listeners. In its view the value of network increases in direct proportion to the number on listeners on that network. Therefore a network with 100 members is considered to be 10 times more valuable in terms of reachability contrary to a network with only 10 members (Evans 2008:51). In social network perspective this theory equally implies that the more people are connected to a brand through social network, the more the effect.

The figure below is an evidence of how this law applies to networking of individuals.

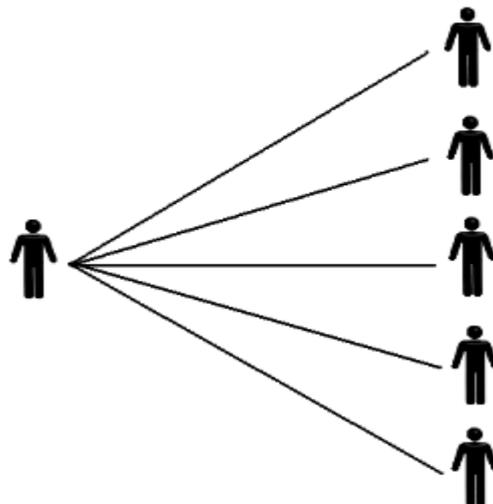


Figure 3: A network representative of Sarnoff's Law; socialmediaonline.com

2.3.2 Metcalfe's Law

This law is attributed to Robert Metcalfe, a Massachusetts Institute of Technology (MIT) graduate; one of the inventors of the Ethernet and founders of the networking firm 3com. The network characterizes many of the networks effects of communication technologies and networks such as the social network, internet and the World Wide Web. The law stipulates that, the greater number of users with the service, the more valuable the service becomes to the community. Therefore, this law taken on a social network context, may denote that every new accepted or added member on the networking site makes the user's profile more valuable in terms of the law. (Evans 2008: 51).

Most people associate with the things they love and get value from; they also tend to talk about the cherished things to friends and relatives. It is through the sharing, which in this case can be done on the social networking site that the chain of connectivity is expanded further to others. This can imply to marketer that the increase is as a result of the satisfaction derived from their products and services. The figure 3 below supports the theory; the increase on network chain has an impact on how far the message can reach.

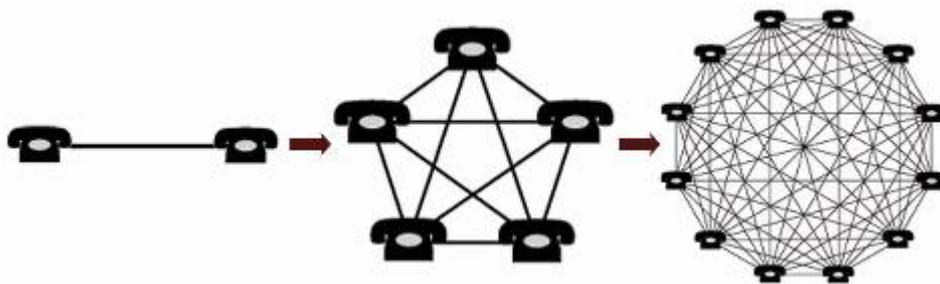


Figure 4: Metcalfe's Law; Source: mshare.net (2012)

2.3.3 Reed's Law

According to Reed's law, the function of large network can increase highly with the size of the network. Reed's law was formed by David P. Reed, a computer scientist at Massachusetts Institute of technology (MIT), working in the area of computer networking. This law applies to the social networks in use. The law emphasizes on the impact on network value by recognizing and supporting groups of members. A well connected network encourages the formation of strong subgroups and flow of communication that put more emphasis on relevant and important information within the networks (Evans 2008: 52).

The supporting group of the members can be built by creating opportunity to each person added to the network to also be in a position to connect with each other. To every addition of a new person, the number of new connection is also expanded and hence the formation of more subgroup. Below is figure 5 showing the connectivity within networks.

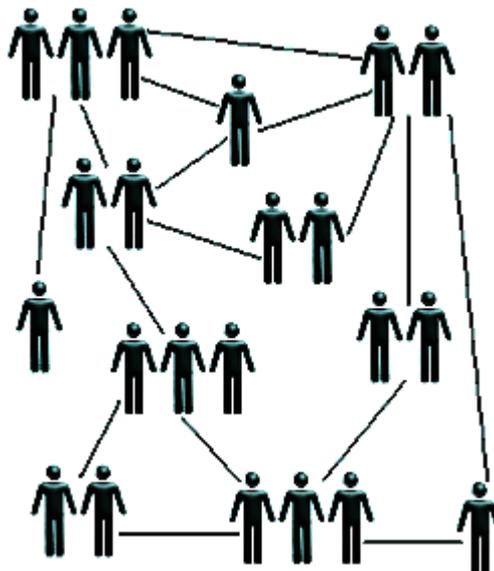


Figure 5: Reeds Law: Source; socialmediaonline.com

2.4 Factors to determine whether Social media impact brand awareness

There is a need to determine the kind of impact social media has made on a marketer's brand. The consumer should be able to recognize the marketer's brand and confirm their previous knowledge of brand. The consumer's knowledge of the brand cannot be established presumptuously but a proper analytical measure should be outlined. Below is a table illustrated by Dave Evans (2008, 145) that will analyze the metric for social media brand awareness.

Table 1: Social media metric: Evans.D, Social Media and Marketing
(2008, 145)

Target Knowledge	Interpreted Information	Underlying Metric
Audience	Who's reading	aggregate profile
Unique visitors	Page views, visitors info, blog mentions, click analysis, traffic patterns, source of traffic via Referrer measure	Web Analytics: Unique visitors
Influence	Memos(thoughts, ideas etc) and intensity overtime	Time on site, blog context, review polarity
Engagement	Clicked on length of stay conversation	Time on site, pass-alongs, comment-to-post ratio, blog mentions, reviews, bounce rates
Action	Conversions	Pass-alongs, conversions, reviews
Loyalty	Trends: subscribers, repeat visitors, referrals	Pass-alongs, blog mentions, time on site, bounce rate

Audience and Unique visitors: The most important factor to be considered is how well the brand is recognizable to the audience. It takes the effort of a marketer to communicate the brand frequently in order to create brand awareness. A well recognizable brand online will attract a wider mass of visitors. The marketer is able to know the kind of exposure their products/services have in the social media platform. This is important as it would give a lead to sales. The marketer should keep monthly track of those who visit their sites. With time he should be able to determine how campaigns like promotions influence the new followers. It is also possible to track whether the visitor is a friend to your already existing audience or not.

Influence: A marketer should check whether the kind of influence they have on their audience is negative, positive or neutral. This can be assessed by the kind of comments people post. The information acquired will enable marketer make readjustments wherever necessary. Negative influence might be as a result of dissatisfaction of customers to the brand. On the contrary, there might be a state of dominance if the marketer is not actively interacting with the audience as needed. To measure influence a marketer should be able to track the comments posted by audience.

Engagement: The level of engagement can be determined by the number of people who actually respond to the brand message. Strong customer engagement can only be built by consumption process. Consumption in this context means, downloading, reading, watching or listening to digital content. One cannot share without consuming first, what they consume (Evans with McKee 2010: 16). It is important to establish how many times the comment a marketer posted was re-tweeted, or the number of those who clicked on their like button. How much a customer is engaged is a clear indicator that they have interest in what the marketer is offering.

Action and Loyalty: This can be substantiated by how often the audience keeps commenting on the marketer's messages. The kind of messages the audience post can help determine whether they are loyal or not. Customer loyalty can be determined with the kind of testimonials they give pertaining to the

product/service. A loyal customer always makes repurchase of the marketer's products/services and is in most cases retained by the company. These loyal parties are likely to act as unpaid marketers, who eventually spread word of mouth on the benefit of the marketers' products/services.

2.5 Offline versus Online network

Social networking community can be grouped into two; offline and online network. Offline networks are mostly created through face-to-face meeting encounters for example, in committees, organizations or even social gathering events. On the other hand online networks are created on the social media platform. Both these two networks are influenced by the effect of Word of mouth communication. Individuals who have met on an offline network can transfer their relationship to web-based networks such as Facebook, twitter etc. It is worth noting that Social networking sites are not necessarily platforms for looking for new connections with people; considerably, they are primarily for communicating with people who might be already part of their extended social network (Boyd & Ellison: 2007).

Sometimes big percentages of online users are already well acquainted with the marketers' product/services in real world. For example, Coca Cola Company which has been a leading brand in soft drink worldwide has over 40 million ascribing to their Facebook webpage. The table 2 below is table of comparison showing how offline and online constructs differ from each other.

Table 2: Comparison between Offline and Online Social networks: Source: *Word of mouth communication within online communities: conceptualizing the social network* (Brown et al; 2007).

	OFFLINE	ONLINE
Tie Strength		
Definition	The intensity of a social relation between pairs of individuals	The intensity of interactive and personalized relationship between an individual and web site
Dimension	<ul style="list-style-type: none"> • Importance attached to social relation • Frequency of social contact • Type of social relation 	<ul style="list-style-type: none"> • Online website reciprocity • Emotional web site closeness
Homophily		
Definition	The degree to which pairs of individuals are similar in terms of certain attributes	The congruence between a user's psychological attributes and web site content
Dimension	<ul style="list-style-type: none"> • Matched demographic/lifestyle attributes 	<ul style="list-style-type: none"> • Shared group interest • Shared mindset
Source credibility		
Definition	Perceived competence of the individual source providing information	perceived competence of the web site and its membership
Dimension	<ul style="list-style-type: none"> • Source bias(trustworthiness) • Source expertise 	<ul style="list-style-type: none"> • Site trustworthiness • Actors' expertise

Tie strength: Relationships are measured in terms of the strength of affiliation; ties formed through loose acquaintances are referred as weak ties, whereas relationships with trusted friends and family are strong ties. Word of mouth would have huge effect on strong ties compared to the weak one, due to the high level of trust that the individuals have among themselves. In regard to this, marketers are likely to have well established relationships with the referrals gained from the consumer, which eventually might lead to purchase of their goods/services.

Homophily: Unlike tie strength that focuses on relationship bonding, homophily characteristically identifies the similarities in certain attributes such as, age, social status, education and gender among members. Individuals who share the same

attributes tend to affiliate with each other than those who do not. The above attributes are assessed in an offline environment, in an online environment these attributes may be, filtered out by, reducing, camouflaging, omitting or even being falsified.(Brown et al: 2007) Brands for certain needs would only interest specific groups of people for that which it is intended for. For example, online advertisement for diapers would only interest parents with little children who use diapers.

Source credibility: Source credibility refers to the competence of the source providing information. Offline network in this situation might be bias if it's a consumer giving information pertaining to certain product or services. The consumer might lack accurate presentation of the message on product or service provider, and hence fail in an effort to communicate the brand to another person of same interest. An unsatisfied customer might also give distorted information on product/service if the perceived quality did not meet the service/product delivery, with an aim of destroying the reputation of the company or the brand. On the other hand, online networks can be very competent if the information from web sites is given by experts. Those engaged in information exchange are also perceived to have high knowledge on the product/service.

The credibility of information offered by marketing expert plays a huge role in online branding. The marketer should create an image of high outstanding competence in offering solution that will meet the needs and wants of the customer/prospect. This is because a well defined brand is a “winning” brand that lives in the mind of its audience if it is well conveyed to the intended recipient.

2.6 Importance of Social Media monitoring and management tools

The challenge facing brands is how to monitor what is going on (Palmer & Lewis 2009), seeking to control the communication environment within the network, in an effort to make sure that their brand message and image are not violated.

In recognition of this management challenge, there are already a wide range of social media monitoring tools in the market designed to help in safeguarding online reputation. For example the popular web based monitoring tool called Crowd ControlHQ. This piece of technology is able to keep the company safe by monitoring activities of the social network sphere and it also gives vital statistics in real time (<http://crowdcontrolhq.com/>). Therefore using such social network tools, the company believes that the social media inevitably takes place in a transparent and open way and that the brand is also protected from any risks. (<http://crowdcontrolhq.com/>).

Even as these online monitoring tools become popular with the companies who want to have control, there is a danger of being seen by online communities as a sign of corporate intrusion into what is perceived to be their own community space. A social network group or community that is dominated by its individual members may be difficult to control by a company (brands) and lead to resentment which then may eventual harm the reputation of the business (Palmer & Lewis 2009).

2.7 Online Branding

Before delving into what branding is all about, it is important to first get to understand the term brand. The American Marketing Association offers definition of a brand as, a name, term, sign, symbol or any other feature that identifies one seller's product or service as distinct from those of other sellers (http://www.marketingpower.com/_layouts/Dictionary.aspx?dLetter=B). Though branding is about managing the brands, nonetheless, according to Healey, branding is the process of continuous struggle between producers and customers to define that promise and meaning. (Healey 2008: 6) Healey further states that branding as it is generally practiced today involves five components; customer relationship, storytelling, positioning, design and price. Today in the era of social media, branding is experiencing a new popularity resulting from new innovative applications and as a result there have been cases where branding has been less

than successful. And therefore marketers are beginning to find new appropriate channels (Rooney 1995).

Grönroos (2005), the guru of service marketing, pointed out two elements that define branding from a service perspective. In the first element, he pointed out the characteristics of service as a perceived process in which a customer participates, which is also in line with Healey's (2008) arguments of components of branding (Healey 2008: 6). And in the second element according to Grönroos, is the image that corresponds to the intended brand (Grönroos 2005: 286).

Considering the intensity of competition for customers, and the desire to build sustainable brand equity, customers therefore become the main focus for any marketing brand strategy. Marketers should hence thrive to capture the attention of customer and create an image in the mind of customer that would make them want to share the marketers brand with their friends. In most cases people are always eager to share something that is fantastic and of value to them. Even though the main purpose why Facebook, Twitter and other social media platforms were created was to link people together in collective conversation, in contrast, marketers found these platforms appealing to market their products/services despite the fact that their brands are not always welcome in social media. In fact some online users view them as being intrusive and out of place. (Fournier & Avery 2011) Companies have found social media as a place where they can gain rich, unmediated customer insights much faster than before. This has given Social media an ability to boost brand awareness; encourage people to try products/services which might eventually lead to more sales returns especially when the campaign happens to go viral (Barwise & Meehan 2010). Typically a good brand is not about being chosen over a competitor in the market segment, but rather, it should offer a solution to the prospects problem.

Therefore online branding is not only about a new brand finding its way in the social media arena, but in reality, it is a brand that is already well established which can be replicated online. It is for this reason that a good branding strategy for both online and offline branding should be in place to support all channels to create mutual synergetic effect (Martensen et al. 2004). Some companies have been

able to have identical brands and values that are expected from experience of their offline brands for example, Ford motors online initiative. Ford company gave out 100 cars (Fiesta) to their online communities that included bloggers, filmmakers and social networks who were documenting and sharing their lives online. In this way Ford did not lead the discussions but rather the audience did. (<http://www.fastcodesign.com/1663494/ideo-five-companies-that-mastered-social-medias-branding-potential>) this is how Ford managed to be one of the top five companies to gain brand potential in social media.

Barwise and Meehan's, cite four fundamental qualities that companies suggest that great brands share;

- **The consumer promise:** -The contents on the web site and social media sites should convey the same message, and the brand promise should also be relevant and understood.
- **Build trust by delivering on that promise:** - It is important to create a brand with a message that users will trust overtime. Honesty is very important.
- **Continual improvement:** -The biggest social media opportunity lies in gathering insights to drive continual incremental improvements. These improvements can be realized through getting response from the online community on the shortcomings of a company/brand.
- **Innovating beyond the familiar:** -Fresh insight from the social media by way of interacting with the online community.

(Barwise& Meehan 2010)

Bearing these four points in mind, any company deciding to use social media as a way of marketing should therefore be very keen on the kind of choices they make. Many social media networks have emerged; a marketer should hence choose the right medium depending on the intended target group. First and foremost, knowing the target group is vital as it leads to picking the application that would be effective for online marketing. In some cases, a marketer might decide to use various social media application within the same group to reach wider audience.

In such instances, ensuring that all the activities align with each other is very crucial (Kaplan and Haenlein 2009). For example; there are companies that use more than one application for their online branding. As a matter of fact using various applications can be very demanding that is why proper media plan integration is necessary. One may wonder why this is so? Well, as marketers the use of traditional media cannot be ruled out in the marketing strategy. Furthermore, there need to be relationship between social media and traditional media since to a customer these two form part of a corporate image. Last but not least, accessibility of these networks for employees should be observed. In addition to this, group of employees should be selected to manage the corporate social media (Kaplan and Haenlein 2009). Social media networks are not flawless, however there are few challenges here and there that can be controlled by marketers and immediate foreseen pitfalls sealed off.

2.7.1 Challenges of online branding

It has not been an easy journey for online marketers trying to establish their brands online. The marketers faced challenges as they struggled to leverage social media, since consumers too, also learned to leverage brands for their own purposes and ends. Social media can be likened to a “double edged sword” which can cut both ways, that is, it can build and destroy brand reputation at the same time also. Despite the fact that marketers’ foremost idea was to nurture relationship with online communities on Facebook and other forms of networks, it has not been easy on them as, instead people have come looking for prices and have found place to complain for instance, recent incident of Netflix, Inc. an on-demand Internet streaming online media company based in United States. During the month of July (2011), the company announced they would raise the subscription plan of their most popular by 60%. This created uproar and within a short span of time their stock plummeted substantially. Eventually the company had to shelve their plan and apologize to the customers, who already had created a massive damage to the company (reuters.com, 2012). This is an illustration of

how a Company's weaknesses and shortcomings have been exposed as brand marketers no longer control the reach of their messages.

Besides damage caused by online networking communities a marketer might also suffer from self inflicted catastrophe. For instance, an organization is deemed to suffer reputation risk if it uses anonymous people or invents customers to influence discussions to recommend a company's products/services in social media. This is seen as a very unethical way of presenting one's offerings, and may cause damage to the company in case the information leaks out to the public about their dubious ways (Aula 2010: 46). Despite all these unforeseeable circumstance, effort has been made to protect the company brand. As a matter of fact, open source branding; a situation requiring collaboration, participation and social linked behavior, has enabled consumers to serve as creators and disseminators of branded content (Fournier & Avery 2011).

Consequently there is a danger in moving brands online because of possibility of reducing brand equity in case the site happens to be poor in terms of performance, structure or information content. (Chaffey 2004: 358) Bearing this in mind, it is likely that an establishing company might be at a danger of meeting such risks as a result of looking for cheaper alternatives of building an online brand, in an effort to save costs. On the other hand, big companies with good strategies and ready to invest on social media marketing arena seize the opportunity of duplicating their already existing brands online. Knowing well that, online brand marketing might have good Return on investment (ROI) spreading its wings to a bigger territory which is likely to create increased brand awareness, which is likely to boost the company's profitability curve in future.

2.7.2 Brand equity

Brand equity can be described as the value of a brand. American marketing association defines brand equity from a consumer's perspective, as being based on consumer attitudes about positive brand attributes and favorable consequences of brand use(http://www.marketingpower.com/_layouts/Dictionary.aspx?dLetter=B)

In accordance to the definition, Keller asserts that the power of a brand lies in what customers have learned, felt, seen, and heard about the brand overtime. Marketers are hence mandated to build strong brands by ensuring that customers have the right type of experiences with the products and services and their accompanying marketing programs. This is to ensure that desired thoughts, feelings, images, beliefs, perceptions, opinions etc become linked to the brand (Keller 2001). Therefore the customers' total experience is created via the company's different communication channel that is offline and online networks. As the customer interact with the company via the Internet, the experience must be consistent and in accordance with the customers' offline brand experience. (Martensen et al.2004, 2)

Brand equity can be more important in some industries and companies than in others. According to Lemon et.al. (2001), outlined below are the four factors that show when the brand equity matters most;

- Brand equity will be most important for low-involvement purchases with simple decision processes. For example, consumer packaged products
- Brand equity is essential when the customer's use of the product is highly visible to others
- Brand equity is vital when experiences associated with the product can be passed from one individual or generation to another
- The role of brand can be critical for credence goods, when it is difficult to evaluate quality prior to consumption

Companies with high brand equity offline should be in a position to replicate the brands online by continuously assessing the quality of its web design to ensure that the consumers perceive it to be of high quality. Poor web design can have negative effect and may damage the established brand and a good one will adversely have positive effect. (Martensen et. al 2004,2).

In the following subchapter traditional form of advertising has been covered. Indeed it is not a mistake, Evans (2008) describes social media as a

complementary of the traditional advertising channels therefore these two go together (Evans 2008: 13).

2.8 Traditional advertising Channels

Traditional advertising channels refer to those old advertising media that existed before the advent of the internet. Over the years traditional advertising channels have been used in promotions, marketers have used traditional forms of marketing such as, sales promotion, media advertising, public relations and direct marketing to encourage prospects to take action or persuade existing customers to continue buying their products/ services. This has been done with an aim of increasing sales through branding. However, Jaffe (2005) has deemed these forms of traditional media to be non-viable because of their inability to reach large mass audiences. In fact, according to Jaffe, these traditional advertising channels are dead but not buried (Jaffe 2005: 7). This because some of these traditional channels are still effective and this argument is supported by Calde et al. (1998), and O'Guinn et al. (2009: 7). Calde and his colleagues confirm that there are some circumstances for which traditional advertising are more effective. It would have been better if there was in-depth comparative study that is looking at each traditional advertising channel into detail (Calder et al. 1998). However, the consensus is that today with the development of social media phenomenon and the power of the internet, the traditional advertising methods are not very effective unless they are supplemented with the power of online channel.

After the review of the above literature, we therefore proposed a theoretical framework below for the study. In figure 6 below; the two competing media environments are shown i.e. online media social media environment and the offline which is the traditional advertising media environment that comprises channels like TV, Print, and Radio. The framework also shows the key actors in the media space i.e. Customers and Business. Traditionally before the emergence so social media as a marketing tool, business or companies used advertising channels such as TV, radio and Print to reach out to customers. Nevertheless, the

emergence and popularity of the social media have forced business whether small or big to implement social media strategies with most businesses initiating their own online communities to drive their brand awareness. In the figure, it is proposed that as the popularity of social media networks rises, the environment and influence of the traditional media channels decreases and that's the reason the shaded part of the traditional media have grown small, whereas the social media networks shaded sections increases. Companies interact with online communities to achieve a variety of benefits, including spreading positive word of mouth that help them increase brand awareness and also gathering insights about consumers' needs and preferences for segmentation purposes.

This study therefore explores the effectiveness of the social media verses the traditional media channels when it comes to advertising and whether social networks can be used by companies for brand awareness. It also explores the challenges facing companies when it comes to implementing social media strategy because the control of the social networks seems to be with the consumers online and this is the reason most companies create their own online community to have control.

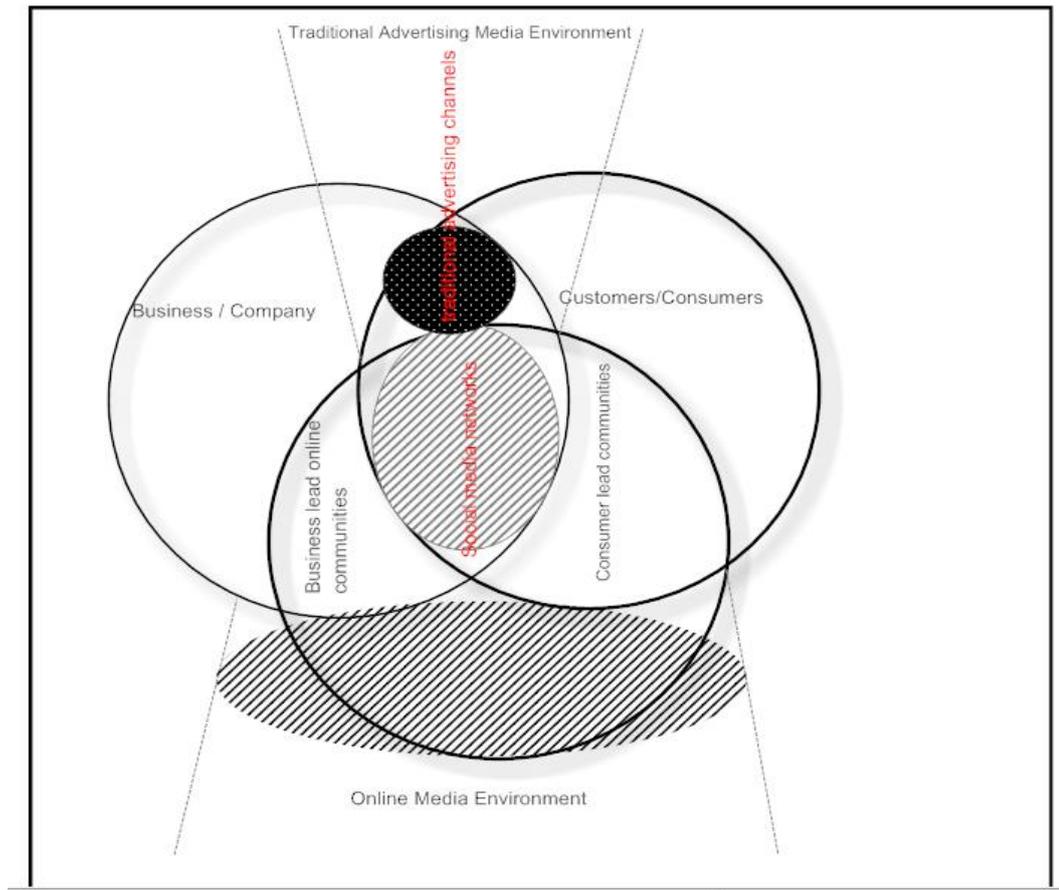


Figure: 6 proposed framework for the theoretical framework of the study

Source: Adapted from Palmer and Lewis, An experiential, social network-based approach to direct marketing (2009).

3 RESEARCH METHODOLOGY

Saunders et al. (2007) define research as *something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge* (Saunders et al. 2007, 5). That “something” is the reason why this research was carried out in order to gain knowledge on the area of study. Most researchers interpret methodology as a fancy synonym for methods. However, Reich (1995) gives divergent view to this, he defines methodology as a compatible collection of assumptions and goals underlying methods, the methods, and the results of carrying the methods out being interpreted and evaluated (Reich, 1995).

As a matter of fact, it is important for a research to follow a sequential process clearly defined for it to be rigorous. Research processes are a series of stages which a good research should follow. Though these processes have been outlined to follow one after the other, Saunders et al. (2007) argue that sometimes that might not be the case (Saunders et al. 2007, 8). Instead a researcher might choose a different approach for the research.

This chapter will focus on the research methodology used, and justify the reason as to why certain methods were chosen over the others. An in depth discussion of research purpose, strategy, research approach, method adopted in collecting data will be outlined in this section. This study is designed to follow the processes shown in figure 7 below.

Identifying topic/research problem

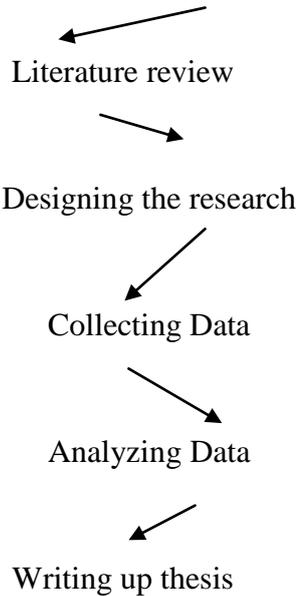


Figure 7: Research Process of the thesis

The topic of the research, *Social media as a tool of marketing and creating brand awareness* was arrived at after much deliberation on what to write about in the area of social media. The researcher focused on how a company can create brand awareness through the use of social media networks. From the topic several research problems to cover different areas of the research were picked. Coherently, literature review and theoretical framework was executed using various resources from books, journals and other forms of electronic data that related to the topic. In addition to that, the research design which acted as a blue print for the entire process paved way to the selection of the methodology applied in this research. Decisively primary data from one case company was collected and analyzed. Finally the entire thesis writing was concluded and recommendations drawn. We must agree that writing thesis is not an easy task, what looks as relevant information in the eye of the researcher, sometimes is very irrelevant when the supervisor reviews the report. Therefore there have been a lot of additions and subtractions in some areas during the entire writing process of this thesis that lead to its accomplishment.

3.1 Research Purpose

For any research to be carried out there must be an objective and a purpose for doing so. This is the reason that researches are in threefold; exploratory, descriptive and explanatory. What makes the difference is the manner in which research questions are structured (Saunders et al.2007: 133). These three categories differ from each other in ways that will be discussed below though just one of them will be applied in the thesis.

3.1.1 Descriptive study

Descriptive studies are more formalized and typically attempts to describe a situation, problem, phenomenon, service or programme with stated hypothesis or investigated question. For example, the living conditions of a community, or describes attitudes towards an issue (Kumar 2011: 10). Saunders et al (2007) further states that this could be an extension, a fore runner to, a piece of exploratory research or a piece of explanatory research. There is a necessity to have a clear picture of the phenomenon on which one wish to collect data prior to the collection of the data (Saunders et al. 2007, 134). In fact according to Blumberg et al (2008), descriptive studies are often complex and requires astute research skills to be designed and executed successfully (Blumberg et al. 2008, 207).

3.1.2 Explanatory study

Explanatory research tries to establish and clarify why and how there is a relationship between two aspects of a situation or phenomenon (Kumar 2011: 11 and Saunders et al. 2007, 134). This type of study tries to explain why certain things happen the way they do. For example, a researcher may collect data to explain the reasons why sales of particular products/services suddenly dropped. The reason might be probably because of a new better product/service, or recession may be catching up with the purchase power of consumers.

To establish the cause and effect of the happenings, a researcher needs to be meticulous in the collection, analysis and interpretation of data. Theoretical framework is necessary to relate the phenomenon under study to wider social, economic and political processes. The knowledge from theory can be used to predict the outcome of results. (Veal 2006: 4)

3.1.3 Exploratory study

Due to the nature of the research study for this thesis, explorative study has been used. This kind of research is mainly executed to establish what is happening, to seek new insights, to ask questions and to establish phenomenon in new way. (Robson 2000 as cited by Saunders et al. 2007, 133). This is done with an aim to gain insight and not to test explanation (Churchill & Iacobucci 2009: 62). Blumberg et al. further state that exploratory study is useful when the researcher lacks a clear idea of the problem (Blumberg et al. 2008, 200). This study is characterized by flexibility with respect to the research methods used. They hardly use detailed questionnaires or complex sampling plan, rather, the researcher occasionally changes the research procedure as vaguely defined initial problem is transformed into one with more precise meaning (Churchill & Iacobucci 2009: 61). Explorative studies can be conducted in three different ways:

- a search of the literature;
- Interviewing experts in the subject;
- conducting focus group interviews

(Saunders et al. 2007, 133)

Explorative study method has an advantage and disadvantages in the way interviews are being conducted. The major advantage with this method is that it enables researchers to obtain deeper concrete description because it does not constrain the respondent to a fixed set of replies. The interview therefore derives a fairly clear picture of the respondents' true position on some issue. There are however more shortcomings to this kind of method. This study requires highly

skilled interviewers. Secondly, their lack of structure also allows the interviewer to influence the results; this is due to the fact that the interviewer's judgment about when to probe and to word the probes affects the response (Churchill & Iacobucci; 2009, 69). Exploratory is sometimes linked to old biases because of subjectiveness, non-representativeness and nonsystematic design (Blumberg et al. 2008, 201).

Non-representativeness occurs when the findings do not represent data accurately and precisely represent a characteristic of a population. Representativeness is fundamental to generalization and therefore when its non-representativeness, the findings cannot be generalized to cover a broader perspective. However the issue of representativeness may be addressed through sampling designing, making sure that the sampling method chosen is the right one and can produce a representativeness of the actual case. On the other hand, the issue of subjective could occur due to the answers provided by the respondent and it normally comes from an opinion held by either the researcher or the respondent causing the result to be biased. Non-systematic design biases are research design factors that could occur by chance and this could be the as a result of sample size or characteristics of the sample selected.

Blumberg et al. (2008) conclude that the objectives of exploration may be accomplished with either qualitative or quantitative research but exploration study relies more heavily on qualitative techniques (Blumberg et al. 2008, 201).

3.2 Quantitative research

Even though this study is not suitable for a quantitative research method, it is however important to also discuss or highlight the design and suitability issues of quantitative studies that lead to its exemption from this study. Nevertheless, the objective of exploration may be accomplished with both qualitative and quantitative (Blumberg et al. 2008).

Quantitative studies heavily depend on quantitative information, i.e. numbers and figures while qualitative studies are normally based on qualitative information like narratives, words and sentences. Quantitative research is concerned with the collection and analysis of data in numeric forms. It tends to emphasize relatively on large scale sets of data (Blaxter et al. 1997, 60). The data can be statistically analyzed using SPSS for windows, SAS, Excel, Statview etc (Saunders et al. 2007, 407). Quantitative research is often used in hypothesis testing. For example a researcher might want to find out why certain groups of people prefer certain product. To find out the answer to this issue the researcher might have to conduct an interview or make questionnaires asking them what the characteristics for their preference of choices are.

Typically the technique for quantitative method of research is survey which is carried out through questionnaires or interviews; telephone interview, personal interview, mail interview (Saunders et al. 2007, 411). In most instances the questionnaires encompass a series of questions each providing an alternative answer from which respondent can choose.

However, it is important to point out that there are no predetermining factors for appropriateness of either a qualitative or a quantitative study.

3.3 Qualitative research

On the contrary the main task of qualitative research is to capture what people say and do is a product of how they interpret the complexity of their world, to understand events from the viewpoints of the respondents (Burns 2000: 11). This type of research is designed to find out the question of why and not how certain things happen the way they do. Qualitative researches are basically non numeric data or data that have not been quantified and can be a product of all research strategies. It can either range from a short list of responses to open-ended questions in an online questionnaire, face to face interview to even more complex data such as transcripts of in-depth interviews and document analysis (Saunders et al. 2007: 470).

Qualitative researches are usually less rigorously structured compared to quantitative research, however qualitative study according to Blumberg et al. (2008:193) is more likely to obtain unexpected information compared to quantitative and that's why exploratory studies often tend to have more qualitative characteristics in nature. Blumberg et al. (2008: 194) further outline the conditions necessary to help choose the appropriate methodology between qualitative and quantitative study. Blumberg and his colleagues suggested that you need to consider the following questions:

- What is your research problem?
- Are you attempting to conduct an explorative, descriptive, casual or predictive study?
- What kind of objective or rather outcome are you expecting from the study?
- What kind of information do you want to obtain and what do you already have access to?

Therefore, since this study is an explorative research, designed to explore the impact of social media phenomenon on marketing in terms of brand awareness, the adopted qualitative research strategy is a case study method. The following section outlines the research design and analysis adopted, highlighting the benefits of case study research and its design limitations.

3.4 Research design and analysis

There are many definitions of research design but according to Blumberg et al. (2008:195) no one definitions demonstrate the full range of important aspects of research design.

There are two definitions even though they differ in detail but they both give the essentials of research design. Philips (1971) defines;

“The research design constitutes the blueprint for the collection, measurement, and analysis of data. It aids the scientist in the allocation of his limited resources by posing crucial choices: is the blueprint to include experiments, interviews, observation, the analysis of records, simulations, or some combination of these? Are the methods of data collection and research situations to be highly structured? Is an intensive of a small sample more effective than less intensive study of large sample? Should the analysis be primarily qualitative or quantitative?”(Philips 1971: 93)

And Kerlinger (1986) definition: “Research design is the plan and structure of investigation so conceived as to obtain answer to research question. The plan is the overall scheme or program of the research. It includes an outline of what the investigator will do from writing hypotheses and their operational implications to the final analysis of data. A structure is the framework, organization, or configuration of the relations among variable of a study. A research design expresses both the structure of the research problem and plan investigation used to obtain empirical on relations of the problem” (Kerlinger 1986: 279).

From these definitions, we can then conclude that the research design is the blueprint for fulfilling objectives and answering questions and selecting appropriate research design approach is important in order to avoid any confusion as a result of large variety of options available.

Although it is important to design a study using a diverse perspective in terms of methodologies for greater insight, for the purpose of this exploratory case study investigation, a multiple data collection approaches has been used. Data from different sources such as books, journals and articles were used in order to minimize the chances of getting weak methods while pooling together information from diverse sources to give accurate results.

3.4.1 Case study

According to Yin, case study as an empirical inquiry that investigate a contemporary phenomenon within its real life context; when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used (Yin 2003:13). A single case study method is the design adopted for this study. Case studies continue to be used extensively as a research method in the social sciences (Yin 2003:1). Nevertheless, it is important to first have a clear understanding of what a 'Case' really is before divulging into the whole concept of case study. A case can be ascribed as an individual, a group such as a family, institution, office or class. A case does not have to be necessarily single cases like the examples given above but they can also be multiple cases for example, several companies, several schools or two different professions (Saunders et al. 2007: 140). It is upon the researcher to decide whether to go for single case or multiple cases depending on what one wants to find out.

A single case might be selected because it provides a researcher with an opportunity to observe and analyze a phenomenon that few have considered. Yin (2003) supports this perspective by pointing out clearly that single case studies are used to describe and explore situations where complex interactions occur within a single context(Yin 2003:14). On the other, multiple-case studies focus on explaining a situation using multiple examples. Gillham (2000) concludes that multiple cases are about incorporating several cases to establish whether the findings of the first case occur in others (Gillham 2000: 1). However, a single case has limitations especially when it comes to generalisability of the conclusions because conclusions are drawn from a single view point. To avoid such limitation Saunders et al. (2007) advices that using multiple cases would be ideal in establishing whether the findings of the first case occur in the other cases and, as a consequence, the need to generalize from the findings (Saunders et al. 2007: 140)

Yin (2003) provides five key rational (Table 3) for choosing a single case design and from this perspective a research strategy adopted for this study is a holistic single case approach because it provides an opportunity to observe and analyze a

phenomenon that few have considered before (Saunders et al 2007: 140). A holistic single case design according to Yin (2003) is a case study design examining only the global nature of an organization. (Yin 2003). Therefore, Itronic the case company used, can be considered a holistic case design in the area of social media strategy. The company was established in 2010 in Vaasa Finland, as Apple premium resellers. This means that the whole range of their products is Apple products such as iPods, iPhones, iPads and laptops, and software. A range of third party products and solutions are also available in the shop. Accessories like, laptop covers, iPad covers, iPhone cases, bags are also handy. This company has an outstanding reputation for providing service and care for Apple products in their service department. The company has three employees. Itronics Company has its subsidiary company called Multitronics situated about 2km away from each other. Later it will be explained why Multitronics company has been mentioned in this part.

Table: 3 Five rationales for single case design; Source: Yin (2003)

1. when it represents the critical case in testing a well-formulated theory;
2. when the case represents an extreme case or a unique case;
3. a single case is the representative or typical case;
4. a single case study is the revelatory case; and
5. a single case study is the longitudinal case: studying the same single case at two or more different points in time.

From the above table, the case of Itronic Company of Vaasa is a typical small business, a critical case that represents a unique case of social media and branding. Case studies are suitable where the researcher has little control over events and also a situation where a researcher is concerned by the existence of question why and how. These types of questions are explanatory in nature and do

not generally reveal quantitative data. The exploration should include background information regarding information being investigated, but also direct observation and interviews with those persons involved in the subject (Yin 2003: 8). The questions of why and how, are critical when understanding of the impact of social media in creating brand awareness in an organization's marketing strategy. The type of questions suitable for this research are formed by a literature review of the theory of the social media and guided by the review of already published successful cases.

3.4.2 Data collection methods

Considering the scopes of qualitative research, several data collection approaches are adaptable for exploratory investigations of management questions and case study thrives on multiple sources of data resulting as a result of triangulation (Blumberg et al. 2008). And this is the advantage of case studies because it permits the combination of different source of evidence, for example Interviews, documents and archives and observation.

Yin (2003) further suggested that the benefit of these data sources can be fully maximized when the following principles are taken into consideration during the study design (Yin 2003: 83, 97-105)

- Use of multiple sources of evidence
- Creation of a case study database
- Maintaining a chain of evidence

However the purpose of this study is not to expand on these principles in detail but to expand these multiple data collection method i.e. interviews, documents and archives and observation.

Interviews: Interviews are the most widely used source for collecting information for evidence and case study interview are often unstructured unlike surveys which

are structured. Unstructured interview for case study can be informal discussions with a key informant and in this case with the senior manager at Itronics. However, relying on one key informant can cause validity issues which can lead to bias. Blumberg et al. (2008) further suggest semi-structured can also be used in collecting data for a case study research. Semi-structured interviews have two main objectives: the researcher wants to know the informant's perspective on issues and on the other hand, the researcher also wants to know the informant can confirm insights and information the researcher already hold from another source (Blumberg 2008: 378).

Documents and archive: Secondary data and archives are a very rich source of data and according to Blumberg et al. (2008); this source of data is rarely exploited in other research approaches. Examples of documents are reports, articles, newspapers and internal memo. It is also worth mentioning that even though secondary data i.e. documents are a rich source of information, they have shortcomings because they are in written form and therefore can be objective and one dimensional (Blumberg et al. 2008:378).

Archives records are also an important source of information and examples include customer survey data, database of customers' online comments or activities and charts. In this study, documents and archives used were customers' online statistics and reports.

Observation is also a good source of information and also a research approach in itself. It gives the research additional information to augment other data collection methods. The benefit of observation as a source of information is that it grants the researcher access to firsthand information through casual approach. According to Blumberg et al. (2008) casual approach means that the information is collected through being involved directly with the organization. During the visit to the organization, the customer data and customer activities were observed at first hand (Blumberg et al. 2008:379)

Any kind of social research asserts its claims to fulfill certain quality criteria for measuring and collecting data. It is widely accepted that measurement or the

methods of measurement should be as objective, reliable and valid as possible. Design quality issues to consider when designing a case study research are; construct validity, internal validity, external validity, reliability (Yin2003: 19, 33-39).

3.4.3 Sampling

Sampling is a technique that provides a range of methods that enable a researcher to reduce the amount of data they need to collect by considering only data from a subgroup rather than all possible cases or elements. This technique saves time and it also gives a higher overall accuracy than census because collecting data from fewer cases means one can collect information that is more detailed (Saunders et al 2007: 207). A researcher faces a basic choice question whether to choose a non-probability or probability sampling and each method has its own procedure and design. The typical question a research considers before deciding on the sampling methods are:

- What is the relevant population?
- What are the parameters of interest?
- What is the sample frame?
- What is the size of sample needed?
- How much it will cost?

According to Blumberg et al (2008) the ultimate test of a good sample design is how well it represents the characteristics of the population it purports to represent and this means it must be valid, accurate and precise without systematic variances or systematic bias. Systematic variance is defined as the variation in measures due to some known or an unknown influences that causes the score to lean in one direction more than another (Blumberg et al 2008; 233).Notwithstanding, Systematic bias refers to the reproducible inaccuracies that produce a consistently

false pattern of differences between the observed and true values (Surapaneni K. M. et al. 2010)

Nevertheless, not all types of sample design provide correct estimate of precision and at the same time, samples of the same size can produce different amount of error variance. This means that the smaller the standard error of estimate, the greater the precision of sample (Blumberg et al. 2008: 233). As indicated above, a sampling method of a study can either be a probability or non-probability sampling and the sampling method for this study is non-probability given the nature of the study, resource considerations and the research strategy.

In non-probability sampling the probability for each case being selected from the total population is not known and it is impossible to answer questions or to address objectives that require a researcher to make statistical inferences about characteristics of population. Unlike non probability sampling, probability sampling methods are designed mostly for survey-based research strategies. The chance, or probability, of each case being selected from the population is known and is usually equal for all cases (Saunders et al. 2007: 207). Both these two sampling methods have several techniques under their names which gives room for the choice to be made depending on research question(s) and objectives. Convenience sampling, which is one of the non probability sampling methods, has been used in this research because of ease of accessibility of the sample. Furthermore the sampling method is to explore rather than to predict. Convenience sampling involves the haphazard selection of cases that are easiest to obtain (Saunders et al 2007: 234).

Ironic- The case company chosen in this study was based on the researcher's prior knowledge of the case company's use of social media application. By opting to use the chosen company the research question(s) and the objective of the research have been achieved through focusing the study on a small sample which has given rich information for an in-depth study of this research. However, this sample is not a representation of the total population of the research area.

According to Saunders et al (2007), in-depth study of this nature requires a small case that would provide the researcher with an information-rich case study that explores the research question (Saunders et al. 2007: 226). Limited resources also dictated the choice of the case company selected.

Reliability and Validity

According to Yin (2003: 19, 33-39) case study design quality issues are construct validity, internal validity, external validity and reliability. Therefore this section looked at reliability and validity in qualitative research and in particular in a case study. Patton (2001) the two fundamental factors which are considered important in any research when designing a study or analyzing results or judging the overall quality of the study is validity and reliability .

In a quantitative perspective, Joppe (2000, 1) defines reliability as the extent to which results are consistent over a period of time and therefore an accurate representation of the total population under particular study is referred to as reliability. Therefore this means, that if the finding of the study is reproduced again using similar methodology, then the research findings would then be considered to be reliable. The consistency of the individual's answer from the questionnaire used become very important in achieving reliable answers and this can be determined through the test-retest method which test stability. And a high degree of stability in this case indicates a high degree of reliability (Charles 1995). However, there are faults with this test-retest methodology according to Joppe (2000) who argues that the test-retest method may over sensitize the respondent of the subject matter which may then lead to extraneous influences, causing the attitude change and disparity in answers provided.

On the validity, Joppe (2000) posits that the purpose of validity is to determine whether the research accurately measures that which it was intended to measure or how truthful the research results are (Joppe 2000:1). Stenbacka (2001) describes the notion of reliability as one of the quality concepts in qualitative research

which he says should be solved in order to make claim that the study is part of proper research (Stenbacka 2001: 551).

However, in qualitative paradigm research, the concepts of reliability and validity are viewed differently from quantitative research paradigm because quantitative research is about replications while qualitative is concerned more with precision, credibility and transferability (Glesne & Peshkin 1992; Winter 2000). According to Healy and Perry (2000) the quality of a study in each paradigm should be judged by its own prototype's terms.

The validity of this research is supported by the fact that all sources used were reliable and relevant and hence it has resulted to good quality and result of research. Few days before the interview questionnaire was given to two people to check if the questions designed might give weak results. The contents of the questionnaire were based on theoretical framework in order to establish the genuineness of the theories and findings. Their comments and suggestions gave way to the designing of the final questionnaire. The interviewee willingly accepted to be interviewed and gave the best possible answers he could give towards the questions. The theoretical background of the study covered different perspectives of authors from books, journals and articles related to the topic of study. However, the result of the study cannot be generalized to represent the entire population of companies using social media in their marketing scheme.

4 RESEARCH FINDINGS AND ANALYSIS

This chapter covers research findings and connects the theoretical framework to the empirical part of the research. The first section of the chapter gives a brief introduction about the case company, Itronic and its core business. While the second part discusses social media strategy and branding in regards to the case company.

4.1 Itronic business portfolio and E-commerce strategy

An interview was conducted on 27th March 2012, at 8.30am at the company's office and it lasted about an hour. Prior to the interview, the questionnaire was handed to the interviewee a day before the actual interview day to give the interviewee ample time to think over the questions in order to give thoughtful and precise answers. A few days before the day of interview the questionnaire was administered to two people with good English language proficiency for comments and suggestions. The questionnaire was divided into two sections the first section A which had 9 questions was to give a generalized view of the company, and the second section B (subchapter 4.2) which forms the major part of the research will come later. Since the questionnaire was semi structured, more highlight was shed that might not be found in the questions executed.

Only one senior and relevant person was interviewed and for sample of the questions used, see appendix. The interviewee is sales manager of Itronic and has been with the company since July 2010. The manager is also a shareholder in the company which was formed in the beginning of 2010. As already mentioned earlier, the company is an Apple premium reseller partner and 80% of the products are Apple products, and 20% are from other manufacturers. There are three employees at the shop. As mentioned earlier in the previous chapter, the company collaborates with its subsidiary company named Multitronics. One employee based at Multitronics is responsible for E-commerce and social media strategy for both companies. The service department that handles both companies' customer service care also has its office in Multitronics. Therefore in reality the

total number of employees is more than three, if those employees that handle joint responsibility to the two companies are taken into consideration. Itronic has embraced E-commerce website from the beginning of its formation, it has an online shop and a website. In addition, online streaming is done on Hintaseuranta.fi and Pohjalainen.fi websites; this has also helped the company in creating brand awareness.

Itronic uses only Facebook as their social network media and the reasons for this strategy are discussed in section 4.2. Itronic Facebook account has a total of 1,445 persons connected to it and their geographical location is diverse. However majority of online followers on Facebook are within Finland but there are also followers from Brazil and Bolivia. This diversity demonstrates the power of social network effect as demonstrated by Metcalfe's law, Sarnoff law and Reeds law that applies to social networks and communities. These three laws draw the importance of having enormous patterns on relationship. The more complex a relationship is, the better it is for the company in terms of increasing visibility and brand awareness. Since Vaasa is a university city and a home of major international companies like Wärtsila Oy and ABB Oy, the customers are hence diversified and have connection with city of Vaasa.

The figure 8 below shows that over 90% of the sales are made offline and only between 5% and 10% of sales are through the company's online shop.

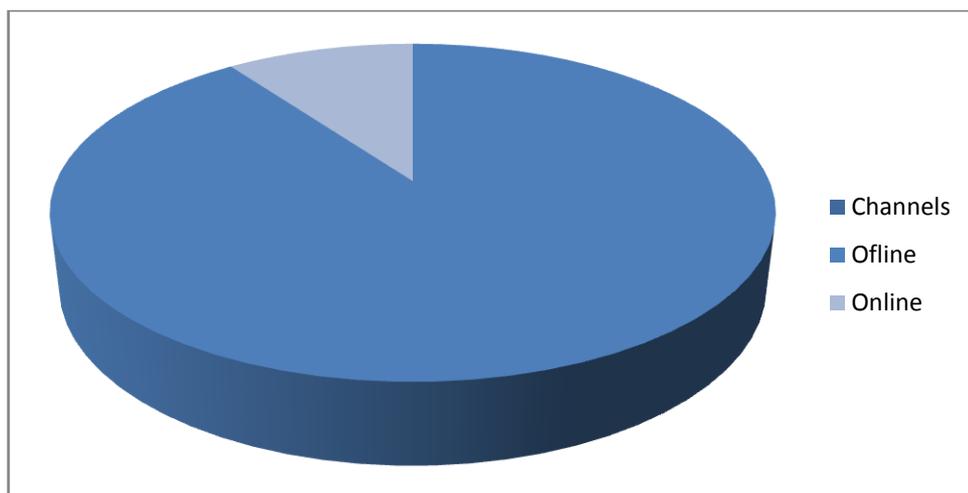


Figure 8: Itronic source of sales online vs. Offline

According to the Itronic management, factors that attract customers to buy or do business with the Itronic are its unique selling points, which include;

- Products quality
- Customer service
- Brand association

Itronic's strategic partnership with Apple Inc. and Apple products also offer the company a unique ability to attract customers and followers online. This is consistent with one of the fundamental qualities cited by Barwise and Meehan that companies suggest great brands share. They posit that great brands should deliver a consumer promise that is, the content of the web should convey the same message, and the brand promise should also be relevant and understood (Barwise and Meehan; 2010). On the customer service front, Itronic offers its customers the availability of the new released version of Apple products in Finland-Vaasa as they are released. For example in March 2012, when Apple released its new version of iPad3, Itronic's shop was opened at midnight to sell to customers the released Apple gadget.

The next section presents findings related to the research question about social media and branding.

4.2 Social media strategy and branding

The roles and impacts that social media have on branding

The company has been using Facebook as a social network for more than 3 years and does not use any other forms of social media networks such as Twitter, LinkedIn or blogs. According to the company, this is due to the expectation demanded by Apple Inc. in their marketing strategy. Therefore the company

uses Facebook for marketing and according to the management; it is the most effective marketing platform for creating brand awareness.



The company promised all its Facebook followers to share the promotional link with their friends online on Facebook with the possibility of winning an Ipad3.

Figure 9: Source: Itronic Facebook promotion

The figure 8 above is Itronic Facebook online promotion conducted between the months of February and March 2012, it had over 1,000 Facebook friends share their promotional link with their friends online. The campaign was successful, considering the size of the company and the number of people that are connected to their Facebook page.

Even though the company uses other forms of advertising such as Newsletter, Ikkuna, and radio, online channel according to the company is more effective then followed by broadcast channel i.e. radio. In terms of cost, radio and print are costly compared to online advertising and therefore the return on investment is much more attractive.

To maximize their visibility online, the company uses pay per click occasionally through other online channels to promote their website and Facebook online. PPC (Pay per Click) is an online advertising maximization model that uses key words such as subject heading, subject term or descriptor that are related to the business or products to direct traffic to the business or advertiser's websites. Advertisers like Ironic for instance, pay the online publisher when the advertisement is clicked. Viral marketing which is a marketing technique that uses social networks effects to produce or increase brand awareness is increasingly important to companies. The manager posited that viral marketing encourages people to pass along marketing messages that they post on their Facebook page to their friends and relatives. To show the power of social media marketing, Palmer and Lewis suggests that influencing customer behavior by means of traditional marketing media has become less effective as the use of social media marketing increases (Palmer and Lewis; 2009).

Ironic's marketing strategy and plan are dictated by Apple Inc. and through Apple partner funding program; Ironic being a premium partner receive marketing funds from Apple. Apple dictates reseller's marketing strategy by requiring resellers or partners to focus more on the online strategy but it is up to the resellers to implement the strategy depending on which online channel they find effective.

Social media can help a small business reach a target market in a very short time because through the network effect, the message gets to the target market segment almost instantly at a cheaper cost compared to other traditional advertising channels like print and radio.

Are traditional advertising channels still relevant today in the era of social media

The management reported that radio advertising is also effective in terms of reaching out to people, who might not have the opportunity and time to go online. In regards to newspapers and print such as newsletters, the response rate is often low compared to other channels because most people are not perceived to go beyond the first page of the newspaper and do not have time to read the

advertisement and therefore minimizing the chances of response. The finding here is consistent with the finding of the study by Calde et al. (1998) that there are some circumstances in which traditional advertising is more effective. However, in this era traditional advertising methods are not very effective unless they are supplemented with the power of online channel. Palmer and Lewis (2009) conclude that the closure of some mainstream print and revenue short falls in broadcast media could have been as a result of companies increasing and shifting their advertising budgets to online channels whether in B2B or B2C as the case of Itronic.

However, there is need to use both online and traditional advertising channels to augment each other because no single channel is dominantly effective and for maximization purposes, these advertising channels should be integrated. Itronic has integrated the use of online advertising through Facebook and other online channels with advertising through Ikkuna newspaper, radio and newsletters. This is consistent with Kaplan and Haelein (2009) that there need to be relationship between social media and traditional media since to a customer these two form part of a corporate image. It is also related to Kotler et al. (2006) study that small businesses are not establishing formal marketing groups at all; however, such companies get their marketing ideas from managers, the sales force or an advertising agency.

Challenges facing companies using social media today for marketing

The management of customers' comments online is a big challenge facing small businesses because some are very positive and some are "business damaging" meaning negative comments could potentially impact sales and brand image. Negative comments posted online could be from a competitor trying to pull down the brand name or turn away customers. The fact that online advertisers do not have control of these comments is a cause of concern to small business such as Itronic because they have less resource in terms of human resource and finances to invest in doing online damage control. However, the company uses some

comments from their followers in Facebook page to improve and since quality customer service is also part of their USP (Unique selling point), the management believed in the business philosophy of ‘learning from their mistakes to improve the business’. The findings correspond with Barwise and Meehan (2010) that the biggest social media opportunity lies in gathering insights to drive continual incremental improvements. The improvements can only be realized through getting response from online community on the shortcomings of a company or brand. Fresh insight is also gained from social media by way of interacting with online community

Engaging the online communities constantly with content and post is also an issue with small business that uses social media for marketing and branding. Finding by Beuker and Abbing (2010) supports this theoretical view that online communities are more interested in interesting content and not necessarily to do business as shown in the figure 10 below:

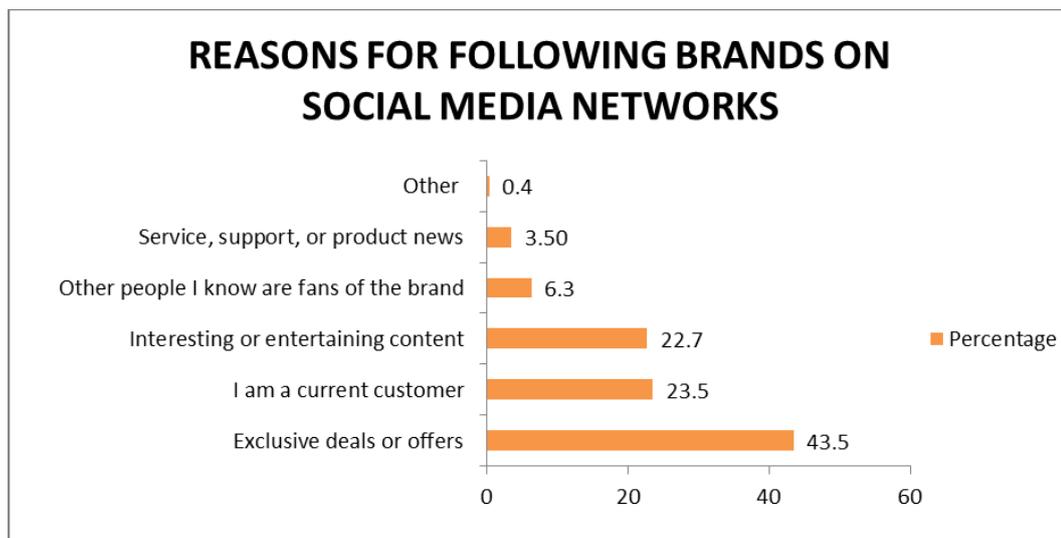


Figure 10: Reasons for following Brands on social media networks; Source beuker and Abbing (2010)

Engaging customers’ with community constantly with contents and posts requires a whole department that is dedicated to engage customers or potential customer on daily basis with content, something that cannot be achieved effectively when the

business is operating on less resources. Itronic, for example has one person that is looking after their E-commerce along with other important duties in the business.

Another factor is the relationship with online followers whether it is through Facebook, LinkedIn, or Twitter. These relationships between a business and a person following or connected to the business online through social media are not defined and are sometimes not genuine, with no intentions of buying anything from the business. This finding concurs with Beuker and Abbing (2010) findings as shown in the figure 10 above.

The table 4 below shows the demographics profile of Itronic typical online customers according to the company’s snap shot of online statistics between February and March 2012.

Table 4: Source: Itronic online demographics statistics

		Total percentage					
Age		13-17	18-24	25-34	35-44	45-54	+55
Women	37%	3.7%	3.7%	7.4%	3.7%	3.7%	15%
Men	63%	7.4%	19%	15%	15%	3.7%	3.7%

It is noted that women above 55 years of age and men between 18-24years of age are the ones who engage more actively online with the product information. This evidence indicates that men are more active online and engage with products than women. According to Itronic Oy, similar findings were also noted in previous months’ online statistics. This is consistent with the finding of Constantinides and Fountain as cited by Palmer and Lewis (2009) that social network sites are seen more by young people and it is an integral part of their lifestyle. According to

Palmer and Lewis a number of studies have also shown that adults use social networking sites to connect with people from their offline lives, such as friends and family (Palmer and Lewis; 2009)

Barwise and Meehan also found that companies find social media as a place where they can gain rich, unmediated customer insights much faster than before. This gives small sized or large companies' the necessary insight to market and design promotional strategies tailored to target specific market segment. This kind of data driven marketing could not be provided by the traditional advertising channels like print and radio because they are difficult to measure.

Given the power and effects of social media, it is however surprising that the company does not have measures in place to protect their brand name online and the management believe that there is nothing that can be done given the fact that there company name is associated with the famous Apple products. Muniz and O'Guinn (2001) argue that from a brand owner perspective nurturing a brand followers online involves a fine balance between steering online community in brand owners interest and relinquishing some degree of control to the online brand followers (Muniz and O'Guinn, 2001). This is because people who follow brands online have a non-intrusive connection with the brand and a shared interest with the brand.

In terms of products and services, Apple products are considered 'hot brands' and therefore the Itronics management feels that there is no need to control brand online. From a theory perspective, this is consistent with Brown et al. (2007) that source credibility is important and therefore Itronic's strategic association with Apple Inc. in terms of products and services is helping the company online when it comes to brand management.

5 CONCLUSION

The study commenced by giving the background of the study and what motivated the researcher to conduct the study on the topic of social media. We saw how social media is slowly becoming an important marketing tool which offers an companies' opportunity to engage with their markets and to learn about customers' needs, important segments and profile unlike main stream media i.e. radio or print channels. However, the implications are that this is an uncontrolled environment that business do not have control over and therefore it requires a robust social media strategy that also manages the comments posted by consumers whether positive or negative.

Even though they are becoming popular and effective marketing tools, Social network sites can pose a threat as well as an opportunity to companies as they can rapidly spread the views of dissatisfied customers' comments. Social networks and the Web offer small and large companies new and unique opportunities to engage with their customer and learn about customers' needs in real time like never before. Evidence presented suggests that the peer group online social network effect can potentially influence purchase decisions because of its viral nature.

Social media alone cannot be effective without augmenting it with other traditional media channels like radio, newspaper, or TV even though it is widely reported that the effectiveness of traditional media and their use is sharply falling. In general it is worth having a social media strategy in place to manage the enormous challenges that social media brings.

The findings of the empirical framework coincided with the theoretical framework based on the research problems. The study shows how social media has become an important tool for marketing and creating brand awareness. In fact it is foreseen that in the near future there will be a paradigm shift from traditional advertising to social media platforms. The study also identified some challenges the company has faced using social media, unlike in the study where there have

been so many challenges reported. A personal observation made over a period of about two years now found out that it is the manufacturers or the service companies that suffer the brunt of the social network defamation of character most. The reason why Itronic has few challenges with online communities can be attributed to the fact that the case company is a reseller and hence all the complaints about products would only be made to the manufacturer and not the reseller. It is agreeable that though social media is effective it cannot be used on its own without augmenting it with the traditional forms of advertising.

This is a very interesting study and even though it is not fully researched, it is however worth replicating with a longitudinal data to fully determine whether social media networks are really effective as the finding of this study suggests. In social science data can be categorized into two types; data that are collected at more than one point in time (longitudinal) and data that are collected on one occasion. Therefore it would be important to collect the performance data in terms of sales figures and brand equity over a long time to determine whether social media networks are really effective than the traditional advertising channels such as radio and prints.

5.1 Research Limitation

This research was conducted using a cross sectional data from a small case company and therefore did not provide enough longitudinal data (Longitudinal data are data sources that are collected over a period of time through repeated contacts with the same respondents) to arrive at conclusive solution. The research should have also been conducted as a triangulation study i.e. qualitative and quantitative research. This would have provided data from both the consumer point of view and the company point of view but because of limited resources the study was conducted as a single case study to serve a purpose.

5.2 Recommendation

Since this is a very important and new phenomenon it is recommended that a further research to study this phenomenon would be appropriate. From a company perspective there is a huge potential in the social media and with the resources that Itronic have got they should consider expanding their social media strategies to include online surveys and Blogs for product reviews, for example writing opinionated content on the blogs would enable the company to initiate conversation which will enhance the level at which people would want to engage with the brands. Itronic should measure its social media marketing metrics, for example if they want to measure awareness, they would need to monitor growth, likes, subscribers and brand awareness. As for loyalty the thing to look at would be engagement, influence and referrals. Engaging customers online to solicit suggestions would also give the company insight to co-innovate.

The company can also use the power of social media to implement other vertical services that could instantly bring value to the company in terms of sales. The fact that the company is located in Vasa where there are universities and international companies give it the potential to attract more customers to purchase non Apple products, because Apple products usually attract a large customer base. Therefore the online strategy should focus on building a strong online community in Vasa that targets the universities and the company's community.

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APENDIX 1

QUESTIONNAIRE

Section A: ABOUT THE COMPANY & THE BUSINESS

1. First tell us about yourself, position or title in the business and how long you have been with the company.
2. What type of products and services does your company sell?
3. When was the company formed?
4. Does your company have an E-commerce website?
5. Does your company have Facebook account to promote its business?
6. How many people are connected to your company on Facebook?
7. Describe your typical customers, i.e. demographics, geographical location etc.
8. What is the percentage of your customers buying your products online and the percentage buying offline?
9. What is Itronic's unique selling point online?

Section B: SOCIAL MEDIA STRATEGY & BRANDING

1. What are your major forms of advertising or promotion?
2. Since you have a website, do you use social media for marketing/brand awareness?
3. How long have you been using social media to create brand awareness?
4. In your company, what are the benefits you get by using social media for advertising your company's brand and products?
5. What challenges does your business face in using social media?

6. Have you ever encountered a negative comment(s) online about your company or products? If so, how did you deal with the situation?
7. What other ways have you used to minimize the impact of these challenges?
8. What measures have you taken in ensuring brand security online?
9. Do you use any other forms of advertising apart from online advertising -
YES/NO
10. Please name these 'other' advertising channels (e.g.TV, brochure etc.) that your business also uses apart from online channels?
11. Do you find these advertising channels to be effective? If yes, please explain how?
12. If you are asked to rate the effectiveness of these 'other' marketing channels in comparison to social media networks, would you say that they are

MORE EFFECTIVE

LESS EFFECTIVE

13. How do you incorporate the different kinds of marketing channels into your marketing plan?

THE END- Thank you

APENDIX 2

Interviewee

Granholm Robert

Sales Manager

Itronic Apple reseller

Email: robban@itronic.fi

Mode of interview: In depth face to face interview

Date: 27th March 2012

Time: 8.30am.