

Bachelor's Thesis

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Social Media: Origins and Marketing Potential

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<p>Abstract:</p> <p>In recent years social media has transformed many aspects of our lives, ranging from how we communicate with others and how we express our ideas, to even how we sell and advertise our products. It is that connection between social media and modern marketing what captivated the author to write this thesis. This thesis explores the potential of social media to become the ultimate marketing tool and how it got to such level.</p> <p>Marketing is constantly evolving and creative individuals are always contributing with new approaches and tactics to solve the different difficulties companies face due to recent market changes and different situations, that technological advancements and changes in our lifestyle have brought us.</p> <p>This thesis aims to provide the reader with an insight into social media origins and how it developed from there to become so important in our lives and our marketing decisions, at the same time that illustrates the benefits of social media marketing. This theoretical study was conducted by analysing several literature sources and assembling relevant and valuable information for the reader to have a solid knowledge about such an interesting topic that is so relatively new but yet so important for effective marketing strategies.</p>	
Keywords	Marketing, Digital Marketing, Social Media

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1 Introduction:

In recent years social media has become a major element in marketing for all the industry sectors and it has even been crucial for the political campaigns of many country leaders, this shows us just about how much times have changed and at the same time this opens the door for new and updated marketing techniques that will benefit companies and entrepreneurs alike.

With social media and the internet gaining more power in our societies and thanks to technological advancements, our opinions became global; we have changed the way we communicate with others and this brings drastic changes to how companies have to effectively advertise their brands and reach new and existing consumers in a way they would like or better said are easier to approach.

The constant search for the ultimate marketing technique and the growing demand for product advertising added to the growing appearance of smaller and more innovative companies and products; have forced marketers to develop new marketing strategies by making use of the communication platforms and methods that technology has brought us. In search of the most efficient marketing approach, companies have discovered that perhaps one of the best ways to catch a consumer's attention is by reaching out in unconventional ways to the people and therefore creating a memorable experience that stands out from the bunch and by this achieving brand awareness that could lead to consumers being loyal to the brand.

The aim of this research is to get an insight into how beneficial social media has become for marketing purposes, traditional marketing limitations and how the new ways of interacting with peers have affected the way we advertise our brands. For this work, the author made use of several literature sources including books, articles, journals and different company websites to gain an understanding of marketing basics and other concepts related to marketing and how they can include social media.

2 Social Media

2.1 Defining social Media

Social media has been defined in so many different ways, however many scholars and marketers could agree that social media can be defined as a set of online tools and communication channels dedicated to interaction, content sharing, and community collaboration; that allow us to keep in touch with others. Social media is a growing trend, communication and interaction tool. The social media matrix covers a vast number of applications, which provide us with different implementations and they range from websites, social network platforms, social markers, to information and education outlets, to name a few. Social media emphasizes interaction, which is the key function of it; Interaction is what keeps social media alive.



Figure 1. Solis, Brian. Conversation Prism. Digital image. Altimeter Group. N.p., 2008. Web. 17 Nov. 2014.

2.1.1 Social Media origins and the development of the internet

Contrary to popular belief social media is not a recent matter, its origins can be traced back to the early days of internet use; an era on which not too many people had access to this type of communication and it was also a complex type of activity that required specific knowledge to do so. (Varinder Taprial, Priya Kanwar. 2012. p.6)

We would not have social media without Internet, the internet is a series of interconnected communication networks that act as a giant digital library where everyone can access a nearly infinite number of resources and content that is generated every second. The origins of the internet date back to the development of ARPANET which was developed by the Advanced Research Projects Agency of the United States during the cold war times, as a decentralized back up method of data storage and exchange. ARPANET was then available to major universities in the country and then ARPANET was further developed and allowed exchange of information between computers that acted as hosts to spread information and this marked the beginning of a more dynamic electronic communication. (Tronco, Tania 2010 p.1)

We can trace back the beginnings of social media to the appearance of Bulletin Board Systems in the 1970's, which were a series of computer systems that enable coded messages to be exchanged with a central server and then delivered to other users over telephone lines by using modems to connect to this early computer application. Bulletin Board Systems or BBS were mostly used to exchange simple plain text messages but also allowed users to exchange both work and play ideas and even download basic videogames and other files which often included pirated software. BBS were restricted by the technology of the era and depended on phone lines and their restrictions to work but became widely popular and marked the beginning of social media because they promoted the interaction among its users, and influenced the further development of computer applications that will become the early world wide web. (Digital Trends, 2014)

In 1980, the appearance of Usenet marked a huge step towards social media as we know it; Usenet was an interactive computer application similar to the BBS on the interaction aspect and content exchange, but differed from BBS because it no longer required a central server and this facilitated a more dynamic flux of content to be shared among its users. We could say that Usenet was an early version of internet forums and message boards as we know them. (Varinder Taprial, Priya Kanwar. 2012. p.11)

The popularity and innovative resourcefulness of BBS promoted the development of other electronic communication applications, such as the commercial online services that became hugely popular in the 1980's. Commercial online services were a series of platforms provided by companies that allowed for paid members to access different interactive applications such as chat rooms, BBS and message boards to news and other content available through the use of phone lines to exchange data between users and servers. CompuServe, first developed in 1969 but popularized in the late 80's was one of the most successful online services and it allowed its users for true interaction via the different applications named before and also during this time the electronic mail, even though not as we know it and not as common as nowadays acquired notoriety and popularity. (Varinder Taprial, Priya Kanwar. 2012. p.11)

America Online, a company that will become the industry leader in the 1990's, started its operations in 1983 and the first online communities and more detailed user profiles started to appear and this added to the consumers realizing of the potential of this growing trend, brought a growing demand for personal computers and by the beginning of the 1990's a huge number of homes had access to personal computers, at the same time the first internet based companies started to appear.

In the 1990 Tim Berners Lee developed a hypertext linking system while working at the research institution CERN in Geneva, Switzerland; World Wide Web or WWW or W3 as we call it today, consisted of a networked organizational system running on an TCP/ICP network that basically linked documents to each other and allowed users to access documents by just going to the electronic address assigned to the file and thus seeing the content that at the same time may include links to other documents. Unlike Gopher (an early search engine used to navigate through files on networks), the WWW

did not require a directory to archive the files and Berner Lee's creation went public in 1991. (Campbell-Kelly, Garcia-Swartz 2005 pp.49-51)

During the 1990's, social media began to take the shape we know nowadays with blogs, forums, instant messaging such as ICQ, chat rooms, early versions of video hosting, news feed, RSS, social communities and the beginnings of social networking; by 1995 advancements in technology made personal computers and internet access cheaper and with the development of windows 1995, people began to look at the internet as a major tool for peer interaction and communication. In the last years of the 20th century, major developments on the internet brought massive gains to social media growth and improvement; in the late 1990's the first social networks appeared and to some extent thanks to blogging and micro blogging this spread globally.

2.2 Social Media tools

Social media covers a vast number of tools and platforms; however the most popular social tools that we still use nowadays can be divided in these following categories:

- Forums and message boards

Internet forums and electronic message boards are modern and perhaps improved versions of the bulletin board systems developed in the 1970's. Forums and message boards share the same principles; they are internet sites dedicated discussion and topic based interaction. Although the topics the forums are dedicated to vary from one another, ranging from religion, to sex, to racial views; one thing will apply to nearly all of them and that is that the content depicts personal views and the posts are organized in threads. Examples: IGN, 4chan, stormfront, bodybuilding.com.

- Blogs

Blogs are publications with chronological entries from the author, generally the posts are ordered from the most recent to oldest. Blogs can be about anything and nearly everything; they serve commercial, personal, religious and personal interest purposes. Example: blogspot.com is host of thousands of different blogs from its users.

- Video Aggregation – Streaming

A video streaming website is an internet site where videos are stored and can be played at users will; generally arranged by topic or title, this type of website offer its users the opportunity to access thousands of hours of different content from various (millions for some sites) users. Video streaming can be accompanied by video sharing and user interaction, a capability that allows users to upload their own content and communicate via personal messages or simply give feedback on videos posted. Examples: Youtube, Vimeo, Daily motion.

- Wikis

A wiki can be described as a communal informative internet application dedicated to content publishing; on which the content does not belong to a single user, but to the group of authors that enrich the publication with their posts. Even though both are dedicated to content management a wiki differs from a blog in the sense that a wiki does not have a leader or in many cases a supervisor that restricts content or opinions. A wiki may have a moderator that does not restrict opinions or views in particular topic, but misinformation or inappropriate content. Examples: Wikipedia project, Wikia.

- Social Networking sites

A social networking site is a website or digital application that allows content sharing and social interaction among its users. Social networking sites in general after the 2000's allow their users to create a profile, add friends or contacts, create and/or join groups, post content, personal messaging, among other capabilities depending on the site or application. Examples: Facebook, classmates.com, IRC Galleria, VKontakte.

- Image sharing

There are a series of websites and applications dedicated to hosting and sharing images, photographs and all kinds of illustrations. The interaction on this type of social media varies depending on the site or application, however the key element is visual media; the images purposes also vary but the pictorial communication is what keeps this platforms running. Some of modern image sharing applications allow for users interaction and personal messaging and have turned into powerful tools for digital marketing, simply because an image captivates more attention than simple text. Examples: Tumblr, instagram, image shack.

- Microblogs

Just like blogs, microblogs allow users to produce chronological content to be shared with others; however this content is generated via microposts that are

short messages that can be made either public or restrict the access to contacts or group members. Microblogging has become a source for recent or updated information from authors that can be personal accounts, commercial entities or institutions. Examples: Plurk, twitter, google+.

2.3 Social Networks

Even though social media and social networking are closely related, they are not the same thing; this is a complex matter for some because put into simple words: social media is a content outlet, strategically orchestrated by users while social networking is a communication tool. For example the social network is not the content or the site where the content comes from, social network is the process that is generated from the constant interaction between users.

Social networking, dates back to the beginning of electronic messaging in the 1960's, however it really did not develop until the mid 1990's and some agree that the first networking sites were (one still runs on the internet) Geocities, Six Degrees and "classmates.com". First known social networking sites:

- Geocities:

Often described as the first social network website, Geocities offered its users to create their own sites and upload their own content; the site was launched in 1994 and gained enormous popularity. (Arandilla, 2012) The easy going interface and the freedom for any user to create their own website for free, gave the website 38 million users at last count. The site was sold to yahoo in 1999 and went down in 2009, as of today only a Japanese version of the site is available.

- Classmates.com:

It is considered to be one of the first social network websites; launched in 1995, the site allowed users to reconnect with former classmates and eventually create profiles that describe their current location and interests. (Digital Trends 2014)

- The Globe:

First developed in 1994 and online in 1995, the globe was born from the idea of two Cornell University students that wanted a website where people could interact with others, allowing companies to advertise on the social networking website. Basically an online chat forum, The Globe became enormously successful thanks to word of mouth and their well elaborated and innovative web design for the time and received 44,000 visitors within their first month of operations. (Lawrence, 1996) The successful company went public in 1998 and broke a record of over 600% increase on share price in the first day; the globe.com ventured into other businesses and after an unsuccessful beginning of the 21st century, stopped its operations in 2007. (theglobe.com 2009)

- Six Degrees:

Six Degrees was a website with the intent to promote the theory related with actor Kevin Bacon and John Guare's 1990 play, that everyone is related to each other with no more than 6 people separating them (hence the term 6 degrees of separation). The idea was good in theory, however it was not as successful as the idea of finding fellow classmates you have not seen in years or decades. The site stopped its operations in the beginning of the 2000's decade. (Digital Trends 2014)

- Friendster:

Perhaps the first modern era social network; Friendster (launched in 2002) was originally intended as a website for social interaction, on which users could create profiles, share content, events, media and based on a feature of the site, create "circles of friends" and thus expanding their friends network. The idea behind the site was innovative and pioneering; however with the rise of Facebook and other social networks, Friendster lost strength and was shut down. The site was re-launched in 2011 as a gamer interaction site and has since attracted groups of followers, but nothing compared to the golden days when nearly 1 in 126 internet users had a Friendster account. (Arandilla, 2012)

3 Marketing

3.1 Traditional marketing basics

Before covering the marketing potential of social media, it is important to analyze and define marketing and other concepts related to it, that affect in one way or the other the marketing capabilities of social media. Kotler (2001) defines Marketing as:

“the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.” P. Kotler for Kotler Marketing group (2001)

Marketing is all about generating a bond with the customer that will result in profits for the company, the main goal of marketing is to attract new customers by promising superior value over the competition and to maintain and grow the current clientele by keeping them satisfied.(Kotler, Armstrong.2007p.4) Marketing involves social and managerial elements, so we could describe marketing as the social and managerial process on which individuals and groups satisfy their needs by creating and exchanging goods and services; It involves creating value for the consumer, value that the consumer will see in a product the company offers that he would not find on others and therefore creating a bond with the masses. (Kotler, Armstrong. 2007 p.5)

Market was originally a physical place where goods were exchanged, in the beginning traded and then involving currency as means of payment; from today’s economic point of view we could describe market as a group of buyers and sellers that incur in transactions over a specific product or product class. In marketing the market is the number of potential buyers of a specific product or service and therefore sellers represent the industry and the potential or existing consumer is the market. (Kotler, Keller, 2012 p.8)

It is impossible to cater to all tastes or make everyone like a certain product; segmentation is the marketers answer to different tastes and consumer diversity. Market segmentation involves identifying, categorizing and distinguishing the different tastes, needs and requirements that different buyers have for different products on the market. Once the market is chosen the next step for the company is to produce an offering that would be successful and become positioned in the buyers mind, ideally this means that the firm aims or develops for the market segment for which they would be the best option and offers the buyers a product that if positioned in the buyers choice will generate them money and information such as sales data, and other consumer behavior insights. (Kotler. 2001 p.4)

According to Kotler (2001) a successful marketer should be able to identify what the market needs, wants and demands. Marketers cannot influence the needs of the consumer, needs are preexisting matters; however marketers can influence the market wants, for example: people need shelter, both houses and mansions are available but the fact that mansions are marketed does not mean people will start needing only mansions to live in. Needs are primary human requirements, but they become wants once the customer has a predilection for a specific product or premium product that might satisfy this need; on the other hand, demands are wants for a specific product that are limited to purchasing power or other consumer limitations.

Marketing mix refers to the set of controllable strategic tools that a company combines in order to obtain the desired reaction on the target market. The marketing mix includes everything that the company can do in order to influence demand of their product and even though there are many possibilities for this matter, scholars and marketers agree on 4 groups of variables that are called as the "4 P's" of marketing or the 4 elements of the marketing mix, these are : Product, Price, Place and Promotion.

Product. What do I sell?

Goods and services that the company provides to the market, includes: Design, Quality, packaging, product variety, brand and any aftermarket services provided.

Price. How much do I sell it for?

Amount of money that the consumer must have to pay for the company's products. Includes: Price setting, credit and cash purchases, discounts and collection of credits.

Place. How will I make my product reach my customers?

Is the distribution, location and any means that will get the product to the customer. Includes: Distribution channels, location, location and sales points.

Promotion. How will my customers get to know me and my product?

Activities taking in place in order for customers to know and buy the product. Includes: Public relations, advertising, personal sales, and brand advertising.



Figure 2. The Marketing Mix elements

3.2 Marketing Communication

According to Robinson (1980), “communication can be regarded as the transmission of meaning”. The author suggests that communication represents the stimulus by which behavior may initiate. Communication systems can be broken down into an interaction between participants that serve different functions; such as the source which creates the message and transmits it via the medium (communication channel), that serves as the link with the audience that will receive such message, and is the target audience who will then give a meaning to such message. We could say that no matter how much time passes, the basics of communication are the same; what changes are the means that we utilize to get the message reach its audience. (Robinson, 1980 p.16)

Communication is a key element of the company’s marketing, it basically is all the messages and media that the company uses to communicate with the market and therefore the consumer. Marketing communication is so important because it involves many aspects of the marketing efforts a company implements, such as advertising, direct marketing, online and media presence and PR to name a few. (MaRS 2015.)

3.2.1 AIDA

AIDA stands for: Attention, Interest, Desire and Action. This acronym aims to explain the situation originated after the consumer is exposed to an advertisement. When it

comes to marketing catching the attention of the consumer is an important factor to consider when trying to create interest in the product and once the consumer is interested, the positive outcome of this would be the potential customers taking action; generally by purchasing the offer. The idea behind AIDA is to explain the particular process that occurs after consumers are exposed to a marketing message and how they react to it. (Rawal, Priyanka 2013 p. 37)

There are many ways and techniques to gain the attention of consumers, such as samples, and other advertising techniques but the key here is to keep the audience interested in the company's offering by further developing the curiosity and informing the consumers about the offer, to such level that they will desire to have it. It is here when marketers should create an attractive environment that invites the consumer to take the action that companies want which is the purchasing of the product. (Rawal, Priyanka 2013 p. 37)

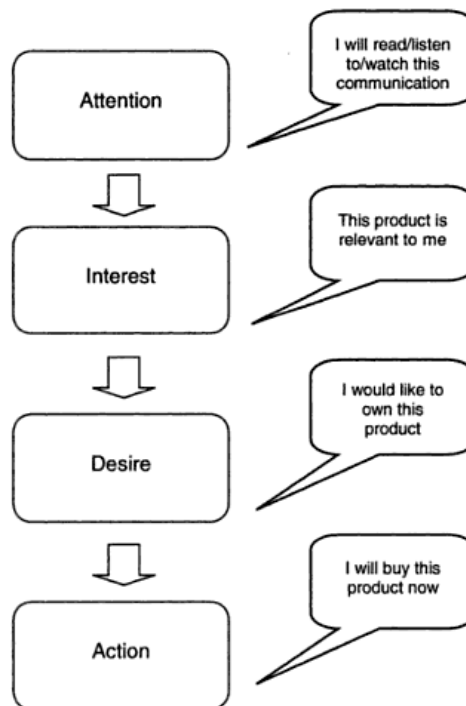


Figure 3 AIDA, Stephenson, Roy. *Marketing Planning for Financial Services*. Aldershot, Hants, England: Gower, 2005. Print. P.77

Attention:

Companies need to catch the viewer's attention immediately or risking on losing that potential customer. When making an advertisement, companies need to focus their efforts on targeting the right audience and selecting content that would interest them.

Interest:

After catching the consumer's eye, the next step is to give him reasons why selecting the company's offer will be beneficial and at the same time letting him know what could happen if he misses this "opportunity". Examples could be, a good price, good quality, a product to be better than what is already on the market or simply something innovative.

Desire:

Being interested on something and actually willing to buy it is not the same thing. In this step, the consumer's interest needs to be turned into a feeling of "must have"; a consumer's interest needs to be switched to a strong desire to purchase the product.

Action:

The final part of AIDA can be referred to as "what closes the deal" if the previous elements were successfully implemented, all that is needed is to give the consumer a final reason or motivation to go and take action and purchase the product.

(Rawal, Priyanka 2013 p. 37-39)

3.3 Creating a marketing plan

The marketing plan can be described as a guideline for the future marketing activities and strategies with regards to marketing and advertising that the company will implement in the future, the marketing plan should act as a guidebook in written form that specifies the objectives that the company wants to implement in order to keep up with the market activity and try to anticipate further changes in the market or sector. As a result of unpredictable factors in the market, certain issues may arise with elements of the marketing mix and this needs to be addressed in the marketing plan at the same time a successful marketer needs to think ahead of this issues and find solutions even before such issues are a reality.

(Lamb, Hair, McDaniel. 2011 p.36)

A successful marketing plan should serve as the game plan the company will use to succeed in whichever goals they have set for the company's future. Given that company goals vary from one company to another it is difficult to come up a general guide with the required elements for a marketing plan because as one company might be looking for immediate profit, others might look for benefits on a longer run for

example increasing their market share and raise stock value; however common elements of the marketing plan include: defining the company's mission, analyzing the current situation that the company faces on the market, selecting the target market and defining the objectives to pursue.

(Lamb, Hair, McDaniel. 2011 p.36)

3.4 Marketing Strategy

Marketing strategy is a very important concept to emphasize, marketing strategy is the process a company uses to align itself with the chosen target market, it serves as the business objective and the engaging process by which the company will reach out to the customers they wish to attract and maintain. By this process a company should focus their marketing activities and outputs on their target customers and their future needs and wants.(Fifield, 2008 p.84) In order to develop and implement a successful marketing strategy it is necessary for the company to assess what it is capable of achieving on the market, its strengths and weaknesses, the opportunities it has and the threats posed by other products and other companies on the market (SWOT analysis). (Hooley, Piercy, Nicolaud. 2008 p.34)

A SWOT analysis is a study methodology that is used in marketing to identify the internal characteristics and external situation of a project, it helps to elaborate a precise diagnosis of the current situation and allows a more precise decision making and objective setting environment. SWOT analysis consists of:

Strengths: Special capabilities that give the company a privileged position over others on the market.

Weaknesses: Factors that generate an unfavorable position against competitors.

Opportunities: Positive, favorable or exploitable factors that once identified and implemented allow for competitive advantage.

Threats: Environment caused unfavorable situations that put the company at risk.

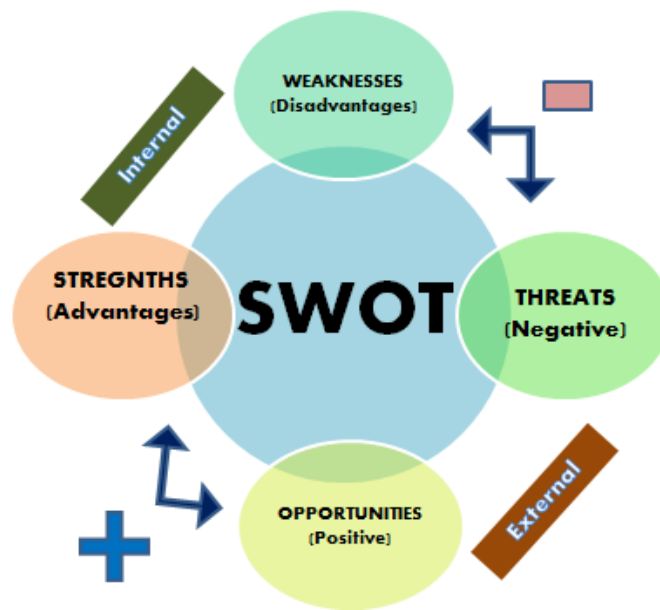


Figure 4. SWOT Analysis elements and attributes

3.4.1 Viral Marketing

Dr. Ralph F. Wilson (2012) defines viral marketing as: "Viral marketing describes any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence. Like viruses, such strategies take advantage of rapid multiplication to explode the message to thousands, to millions."

Consumers seem to be more and more resistant to conventional advertising in traditional media and this is why viral marketing seeks to exploit the already existent continuous interaction between human beings and the social platforms that technology has brought us in recent years. (Leskovec, Adamic, Huberman. 2007 p.1) Viral marketing or considered by many "electronic word of mouth" has become widely used by brands that seek to spread their campaigns rapidly and by making use of the consumers as marketing advocates for their benefit. The idea behind the viral campaign comes from the company, the viral success or failure depends on how well developed the marketing strategy was and the consumers reaction to it.

There are three basic components of viral marketing: Message, Medium and Delivery. In order for a message to “catch on” it needs to be something that people do not see every day, something original that catches people’s eyes at the same time that offers a concrete idea of what it is intending to communicate. Mediums for the delivery of the viral message can be but are not limited to text, images, recorded messages and videos and in some cases the implementation of multiple types of mediums is used on different channels. The delivery of the message may be the most critical part, because no matter how good the message or the ideas to spread it are, if the message is not traveling through an adequate communication channel it will fail; when choosing the right communication channel or platform it is important to select it based on the people the message is originally intended for. (Shih, Clara. 2009 p.99)

Viral marketing gets its strength from empowering the consumers to be able to choose what commercial offers they would like to recommend. Viral marketing relies on the personal experience of the consumer as means for the popularity of a commercial offer. Companies have realized that the interaction between consumers might be more powerful than traditional business to consumer marketing. This being said, the potential for viral marketing to reach a vast segment of the population with little further effort or investment from the company, other than developing a viral marketing message; is cost effective and a simpler approach than having to keep several traditional media spots active in order to cover a substantial audience. A company can be able to measure the ROI of a viral campaign by using different internet and social media metrics to analyze the results. Viral campaigns can provide continuous results, as they lack cut-off points and do not depend on paid media after the consumers are the ones promoting it and therefore they can remain active for several years. (Kirby, Marsden. 2006 p.91-92)

3.4.2 Buzz Marketing

Buzz marketing and viral marketing are believed to be the same by some people, however buzz marketing is a marketing strategy that relies in catching the eye of the consumer by creating an event, situation, or activities that will promote word of mouth advertising that will eventually result in awareness of the offer. Viral marketing relies on the internet and the digital platforms to generate this “word of mouth” and if we were to say what the relation between them is; that would be that viral marketing

is a type of buzz marketing that depends on the social interaction of consumers on the digital platforms. (Kardes, Cronley, Cline. 2008 p.318)

3.4.3 Market Positioning and Product Differentiation

Position refers to the place that a company's offering, brand or product line takes in the consumer's mind in terms of being desired or known and therefore building strength on the market. Market positioning involves consumers analyzing the different options available on the market and preferring a certain offering over others; it is the consumer's choice what determines market positioning but it is a successful tailoring of the marketing mix what generates the consumer's preference. In order for the company to achieve their positioning goals, they need to assess the positions other offerings occupy on the market and analyze whether they want to occupy that position or something else will suit the company's goals better; an example of this could be a company wanting to be the market leader or the other hand, the better alternative in a saturated or already dominated market. (Lamb, Hair, McDaniel. 2011 p.281)

Product differentiation is a strategy derived from marketing positioning that involves convincing the consumers that the company's offering, provides them with more benefits or is a better option. Product differentiation offers companies the opportunity to stand out on the market by distinguishing their product from that of others by using real and factual benefits over the competition or in many cases merely by claiming them. There are instances on which companies would not implement market differentiation due to their specific goals of market positioning, for example replacement products that seek to be better than the products that they are replacing without failing to provide the consumer with the positive attribute or attributes of the traditional option.

3.5 Product Life Cycle

The product life cycle or PLC is a concept that represents the behavior of sales of a product from the moment it is introduced to the market until it is removed by the company; it is based on the life cycle of living organisms. The PLC details the market characteristics and commercial attributes of the product through time and can help

companies and marketers to design marketing strategies that can ensure the product stays in the consumer's choice longer. The PLC is commonly depicted by an "S" shaped curve or slope which portrays the rise and fall of the product. (Rink, Roden, Fox, 1999 p.66)

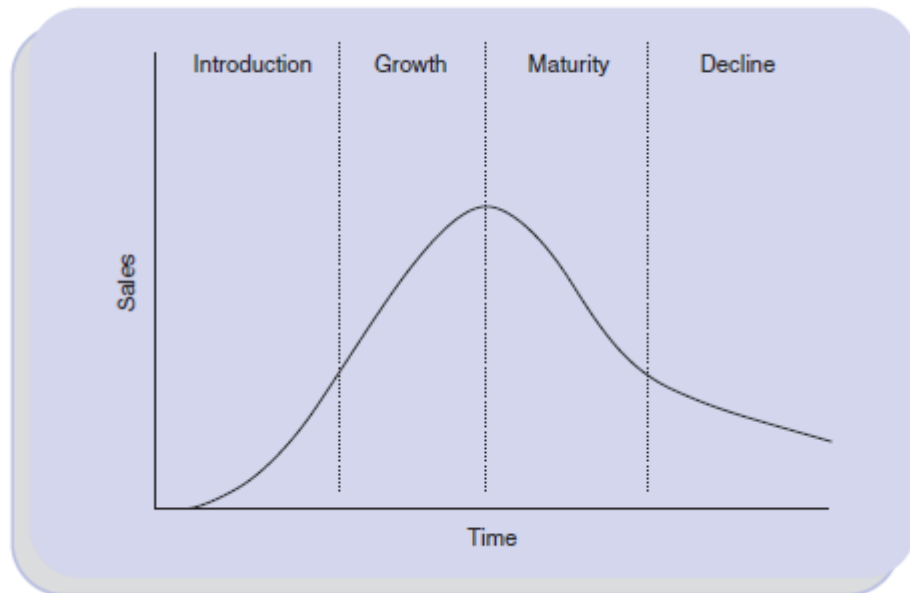


Figure 5. The Product life cycle curve (Drummond, Ensor. 2005 p.111)

In order to understand the concept of PLC, it is important to understand the term of product life; a simple way to understand this term is to compare a product with a living organism, the product life is the time passed since the product is "born" as in it is first released, "grows" as in strengthens on the market, "matures" as in achieves its sales peak and finally "dies" as in it becomes obsolete.

Scholars and other experts suggest the number of PLC stages to be between 4 and 6, for the purpose of this research, the author will be focusing on the 4 stages of PLC, plus the additional product development stage. The five distinct stages that PLC encompasses are as follows:

- Product Development:

During this stage, the company designs, creates, idealizes and structures the new product and prepares it for the launch into the market. At the development stage the sales are yet inexistent and the company covers the costs and expenses before it arrives to the market. (Kotler, Armstrong 2012 p.273)

- Introduction:

The introduction stage takes place once the product has been launched; during this stage promotion has a crucial job, as the aim of the introduction stage is to get the consumer aware of the new product to promote future sales and costs are high due to the expensive nature of distribution. At this stage the profits are low or inexistent because the expenses the company incurs in promoting, supplying and distributing the new offering and the previous development of the product needs to be covered. The introduction stage requires carefully planning regarding how the company will get the consumer to know about the product; introduction is a process that requires to plan ahead, as this is just the beginning of the marketing process. A proper launch strategy needs to foresee revenue beyond the initial stage, because through later stages, new pricing, promotion and other marketing strategies need to be formulated, as the introduction is just the beginning phase of a larger marketing plan. (Kotler, Armstrong 2012 p.275)

- Growth:

If the product satisfies the market, it is during the growth stage when sales start increasing rapidly. At this stage the early buyers will remain as customers and if word of mouth is spread, later buyers will follow; the success of a certain product attracts competitors that might introduce their own rival products which may or may not include new features compared to the original product, this usually expands the market. The growth phase is the stage on which variable costs can become fixed, as the quantities produced rise quickly due to this stage requiring as much product available as possible. At this time pricing may remain the same or can be lowered slightly, however it is wise to not reduce the promotion budget but increase it if possible because due to the large volume produced, promotion and marketing costs are evenly spread over big quantities of product and thus increasing profits. During this stage the price can be lowered to generate more sales; this is the best time to improve the product features and perhaps enter new market segments and experiment with new distribution channels; once the product is growing on the market the company can switch their marketing from promoting brand awareness to achieve product conviction from the consumer and on generating further sales.

(Kotler, Armstrong 2012 p.275-277)

- Maturity:

When the sales start to decrease after the initial buzz caused by the product launch into the market and the marketing process behind the rapid sales growth, the product reaches a stage called maturity. The maturity stage is basically the situation most products are in after being on the market for a while; this results because the consumer becomes used to the product, aware of its features and capabilities and has purchased it or heard enough about it to take a decision whether or not will buy it eventually. At this stage many companies have many products and the demand is not increasing because unless we are talking about products such as food or basic needs, the amount of served customers will always have a limit, being limited by time or limited by the amount they will need. Most marketers are used to working with products on this stage, this due to the fact that the vast majority of offerings on the market are products that have been on it for a while. There are two different directions to take once a product has reached its maturity; either market the product so it stands a chance among other offerings available or take the initiative and innovate, improve the product, develop a different market, aim for a niche market, or any other aspect that can be used as a reinforcement for the sales. (Kotler, Armstrong 2012 p.277-278)

- Decline:

Sales on nearly every product on the market will eventually shrink and this may be caused by a series of different factors, including technological advancements, change on market trends, saturated market or strong competition, technical or supply limitations, among others. The decline stage can happen slowly with sales decreasing gradually or just rapidly, for example in the case of being replaced by a new product. Once a product has reached its sales bottom, companies can take corrective measures in order to keep a level of profit or even prevent losses, strategies such as reducing marketing,

distribution or production costs may be used; because an obsolete product may cost way more to the company than just the production costs. A product that has reached its decline stage is so costly not only when it comes to profits, because it requires the management and marketing teams attention and effort, that the firm could be investing on other products that are doing well on the market. (Kotler, Armstrong 2012 p.278-279)

4 Consumer behavior

Having covered the basics of marketing strategy and the concept of PLC, it is important to cover the basics of consumer behavior; which studies the range of actions and possible reactions to any marketing efforts taken by the consumers and this can make the difference between failure or success for a marketing strategy. Consumer behavior analyses the way on which people obtain a certain company offer, how they use it and the further development for their decision which could be positive or negative depending on how the offering fulfilled the consumer needs and wants. Consumer behavior's key components are decision making and influence, this can be explained by customer satisfaction; customers that are satisfied with the product acquired could positively influence others around them and on the other hand a dissatisfied customer could negatively influence future or potential customers' decision on acquiring the product or product line or not.

(Noel, 2009 p.12)

The factors that influence consumer behavior are all around us and are not limited to purchasing a product or just hire a service, consumers are influenced by their own needs, desires, wants, and other factors such as time, environment, geography, religion, health and the list could go on. When thinking about consumer behavior and what influences it, we need to remember that once a product is sold the story does not end there; depending on what is offered, ranging from a car to milk to even a political candidate, the decision making continues as the consumer analyzes if he would acquire the same product again or not, for example a customer that is satisfied with a car will keep the car longer and once is time to change it will likely buy the same brand again or for example an individual dissatisfied with a politician's performance while in office,

will probably think twice before voting for the same party again even if it will be another candidate and not the person who was in office before.

Hoyer and MacInnis (2010) suggest that the purchasing behavior of the consumer is very important for marketers, however is not the only thing that matters to them; how the consumer acquires, uses and disposes a company offer seems to have a lot to do with how we as both a society and individuals behave from a commercial point of view. In order to successfully understand what influences our behavior as consumers we have to understand the following elements of consumer behavior:

- **Acquiring:**
Buying a product represents acquisition, but is not the only way on which a product can be acquired; A product can be bartered, traded, leased, rented, etc. Acquisition also involves other factors such as means of payment and time.
- **Using:**
After consumers acquire a product the next step is the usage of it and the usage of a product and why the consumer acquires a product can tell us a lot about how this person is, what is valuable for this customer, what would this customer prefer and marketers need to pay attention when the consumers acquire the company offerings, because what happens after the consumer has experienced the product could affect if others will acquire it; the review a consumer gives to the product may affect the way on which others see it.
- **Disposing:**
Disposing of an offer is relevant for companies because the process of getting rid of a product involves, whether or not they will buy a product again from the same company, if they are interested on the environment and will prefer eco-minded companies or if they care about corporate social responsibility and business ethics by the company, if they will prefer quality and durability over price for the replacement of such product and basically after disposing of that product depending on what it was, they might require immediate replacement and therefore becoming potential customers once again.

4.1 What could influence consumer behavior?

In our daily life we are faced with thousands and perhaps millions of company offers and this makes us selective with what we will acquire and the reasons we will have to

make such a decision, Noel (2009) suggests that even though there are many factors that influence consumer behavior, we can divide them in to these three groups:

- **External Influences:**
These type of influences are the factors that are coming from the environment that surround us and can at the same time be distinguished between the marketing efforts implemented by the company that involve the marketing mix and the second group are the ones directly related to us; such as but not limited to our political affiliation, religion, race, social class, national identity, among others.
- **Internal Processes:**
These influences come from within our own psyche and they are closely related with our behavior in general, in the sense that we can say that the way we behave as individuals influences our consumption habits. These internal processes can be closely related to our educational level, how we perceive our environment, our life motivations and basically our attitudes towards life and the experiences that makes us the way we are.
- **Post Decision Process:**
The post decision process can be explained as the events that follow our decision of acquiring the offering and our opinion on the product once we have experienced it ourselves. Once we acquired the company's offering, we will be faced with two outcomes that are our satisfaction and dissatisfaction with the product; If we are satisfied with the company's offering we can then decide if we like the company enough to acquire more of their products and whether or not to refer it to the people we know. Satisfaction and dissatisfaction can be very influential on our future consumer behavior and perhaps a bad experience stays with us longer and will make us more selective for further purchases. (Hayden, Noel 2009:14-22)

Today's companies are experts on catering to various tastes and personal predilections of consumers; through the implementation of various marketing strategies, brands are able to tailor make desirable offerings that will suit certain groups of people that might find the company's offering appealing to their taste and in many cases the kind of products they will like to have and this can be explained by them wanting to be like the people associated with the use of that product or the company creating a desirable personal image that is supposed to be related to using that specific product. (Solomon, Bamossy, Askegaard, Hogg 2006 p.5)

5 Digital marketing

Consumer behavior is not the only thing the new generation of marketers needs to consider, advancements in technology have always affected marketing in one way or another and in modern times our habits have shaped how we prefer to be reached as consumers. Traditional marketing has been helping the “ones who sell” to the “ones who buy” for a long time, but similar to when we changed from only verbal communication to written and media; companies are now choosing new technologies to market to their potential customers.

Simply speaking, Digital Marketing or DM is marketing on the digital environment and this involves making use of the many digital platforms and electronic communication channels exploiting current available technologies. Digital media channels offer a wide range of benefits over known media and traditional marketing, as well as other electronic related commercial applications; digital marketing allows marketers to utilize online and interactive tools as means for spreading their message and receiving beneficial feedback that will provide them with better understanding of the consumers’ opinion, needs and desires and at the same time giving them and insight to new trends and the opportunity to be part of them. Unlike e-commerce digital marketing is not limited to commercial transactions between the consumer and the company, it groups a set of tools that generate communication and interaction between “the ones who want to sell” and “the ones who buy” and at the same time allowing “the ones who buy” to transmit their commercially enriching experiences and feedback and thus creating new supply chain shortcuts among other substantial benefits over traditional marketing. (Chaffey, Smith 2008 p.13)

5.1 Digital Marketing/internet communications

The dynamism of digital marketing guarantees that the message keeps being passed along by allowing consumers and suppliers to interact at the same time that it allows consumers to interact together and guaranteeing effective and dynamic communication. Digital marketing creates spaces for customer driven business generation where the consumer is the main actor as opposed to just being a passive audience; this does not mean it is bad for business, on the contrary all this communication and interaction provides companies with a better understanding of

their customers purchasing and trending behaviors, allows them to improve their internal marketing process and also eases marketing research and business analytics. (Chaffey, Smith 2008 p.14)

Digital communication channels or more specifically the internet, give the consumer access to a virtual community of users of different products and services, shortens relative distances and connects business and corporations. The internet empowers people by giving them not only a vast amount of offerings to choose from but also giving them the opportunity to manifest their interest or dislike and personal and group opinions regarding the brand; at the same time the internet offers companies new ways of selling their products by guaranteeing an ever expanding range of audiences and insight to new trends. A major advantage of digital marketing is that it can be measured with real numbers but most importantly with real people and not just plain statistics and graphics measured on estimates. (Stokes, Rob 2011 pp.21,22)

The advantages of digital marketing transcend the unimaginable dreams of marketers decades ago, as digital marketing allows to broaden the scope on marketing reach and at the same time it allows for a precise market segmentation and lets us target the right people at the right time which is an advantage that can finally be measured and cost effective. Digital media provide us with the opportunity to transcend geographical distances, time and in many cases this can be cheaper than traditional media advertising and marketing; with the internet, we can be sure that if we try to aim for a country on the other side of the world, we will reach it and time zones will not really matter, as the internet is a 24 hours 7 days a week, global communication tool that can turn into a continuous digital marketing machine. (Ryan, Jones. 2009 p.19)

5.2 Digital Marketing strategy

It is extremely important to decide the basis to implement a strategy of any kind, sadly there is no guidebook on how to implement a digital marketing strategy that will suit every kind of business; however on the positive side, this offers the possibility to design your own DM strategy that will best match your needs and will suit your line of business. We could divide the process of building and implementing a digital marketing strategy based on these 4 stages:

- Planning

During the planning stage the company needs to clearly define the aims for their digital marketing actions, this meaning that the company needs to be clear with what they want to achieve, whether they aim for brand awareness to actually selling the product, getting the customer's attention for later conversion or just improve their customer relations. The company has to fully understand their current position on the market and how their audience perceives their presence and products.

The planning stage of a DM strategy involves analyzing, identifying and locating the audience we will be focusing on; by knowing the target groups we are trying to reach, we will have a better chance to be successful at getting their attention and get them to spread the message even further and ultimately achieve the goals we set for our strategy which in most cases involves brand awareness as the main goal.

- Creation

The information gathered from the analysis and evaluation during the planning process, will help the company to plan the implementation of their DM campaign and evaluate the channels on which promotion will take place. The creation process requires designing and building the campaign, this involves the whole process of tailoring the campaign to the taste of the selected target audiences using the right channels. During the creation stage, the company needs to identify the planned return they expect to have from each channel and marketing actions that will be implemented.

- Actualisation

The actualisation stage involves the process of getting the company's message delivered and once is delivered taking the right course of action that will keep the strategy active. Actualisation is based on engaging with those who responded to the message the company delivered through the DM campaign and report about the campaign's situation, review what was good about the campaign, and see how far the campaign be taken to challenge the message created.

- Evaluation

After the implementation of the campaign, the company needs to review how the actions taken, influenced the audience, if the engagement with the audience was sufficient to bring long term benefits after the time lapse intended, identify the key factors that influenced the success or failure of the campaign for the future and for the general improvement of the company's marketing. Through the analysis of key performance indicators and financial

data, the company can have a better understanding of what was achieved or needs to be improved on further campaigns.

(RedAnt 2013 pp.5-52)

A key aspect to consider when creating a Digital Marketing or "DM" strategy is focus, because a company cannot try to cover all the markets segments and achieve commercial success on all of them, because it is better to decide what the value and commercial potential of the offering is and what its more suitable audience would be and therefore specializing to cater to that target group and then base the digital marketing strategy around the idea that "this" specific offering is aimed at "this" specific group of potential customers. (Stokes, Rob 2011 pp.23-24)

6 Marketing in Social Media

Having covered major aspects of traditional marketing and digital marketing, a better understanding of marketing in social media can be obtained from this research. Social media marketing or SMM is a term used to describe the marketing strategies that make use of social media as their main platform to spread the intended commercial message. In recent years social media marketing implementation has become widespread among companies that want to communicate with the consumer in the consumer's preferred and most used type of media.

Weinberg (2009) suggests that social media empowers individuals by suggesting that: "Social media marketing is a process that empowers individuals to promote their websites, products, or services through online social channels and to communicate with and tap into a much larger community that may not have been available via traditional advertising channels. Social media, most importantly, emphasizes the collective rather than the individual." (Weinberg, T. 2009 p.3)

As mentioned before by the author on the Social Media section; the communication between consumer and brand that social media offers, opens a new set of

opportunities for marketers when applying their traditional marketing knowledge to social media marketing.

Social media created an interactive marketing space on which the consumer can interact with the brand and the brand can communicate their message to more potential customers than the ones they could reach by using traditional media. The internet brought dynamism to many aspects of the consumer's life, and also for marketing, this dynamic communication between individuals opens the possibility to be used a multiple dialogue platform on which interests can be shared and opinions utilized by marketers to create further marketing messages and improve their strategies. (Falls, J. 2012 p.3)

Companies being able to notice, track and even measure their brand awareness seemed like a dream decades ago; but today, thanks to the various digital platforms and computer and internet statistics programs we are able to understand how the consumer is reacting to an offering and at the same time having an idea of what the masses are talking about and what trends are being followed. The ultimate goal of social media marketing is to create brand awareness, brand awareness that will generate sales, brand awareness that will convert customers to what the company is offering, brand awareness that will generate market presence; but ultimately social media's goal is to generate brand awareness that will generate fame for being the right choice for the consumer.

People's interaction and communication is happening and will continue to do so, brands and products are being discussed and the average person will share their thoughts on a certain product with its peers because that is part of the human element that social media marketing embraces. A social media marketing success is the result of many factors involved, however understanding and being part of the conversations that consumers are having in social media is the optimal point to start. By understanding what the consumer wants, companies can know what to market, how and when and to who offer their products. (damian ryan, jones p.154-155)

Social media marketing is all about people and the way this people see the company has a lot to do with the whole perception of their products. Social media is an electronic meeting point on which consumers express their opinions and interests, if a

company keeps the cyber crowd happy, the cyber crowd will spread the word that they like such company. The idea of “brand” as we know it, at least when it comes to social media; is not what the company intends it to be, but what the social media users think it is. (falls, 2011 73-76)

There can be good brand awareness and bad brand awareness when it comes to social media; a company can be known for offering good products and listening to their customers or it can be known as brand that is just interested in taking the people’s money out of their pockets, in social media the company needs to listen to the people who buy their products and they expect to have what they want, not what the company wants them to buy. (falls, 2011 73-76)

6.1 Social Media Marketing strategy

According to Daoud (2014) there are 8 essential elements to consider when planning a social media marketing or “SMM” strategy:

1. Identify your business goals:

Ranging from promoting brand awareness to renewing the brand’s image or lowering marketing costs, it is very important for companies to identify and set the primary goals of their social media marketing strategy; however it is essential to focus on few achievable and realistic goals, as opposed to having more than what would be possible to achieve.

2. Set marketing objectives:

Just like with goals, it is important to set realistic objectives that can be measured once achieved. Either increased sales, achieving leads or others; the effectiveness of the social media efforts can be determined using the S-M-A-R-T approach which involves your objectives being: Specific, Measurable, Achievable, Relevant and time-bound. Setting objectives that follow the company’s vision will ensure the strategy is following the right path to succeed.

3. Identify Ideal customers:

Having a clear perspective of the desired customer for the offer ensures that the campaign is targeted to the right audience. It is crucial to identify the profile of the people that the SMM is aiming for, the more specific the

campaign, the more conversions it will generate, as it will attract the consumers who actually see themselves acquiring the product or service.

4. Research your competition:

Having an idea of what others are doing will not only keep the company informed of what direction to take to counter act competitors' moves but also it will give the company an insight of what is working on the market and how to implement it.

5. Choose channels and tactics:

It is important to choose the right channels on which to base the SMM strategy, as different social media platforms will have different users and at the same time the platform that hosts more potential customers should be considered the primary platform to engage the audience selected.

6. Create a content strategy:

Content should be carefully placed among the different social media platforms, as good content will generate substantial promotion when placed on the right place with the right context. The frequency on which this content is posted is as relevant as the content itself; this due to the fact that neither being forgotten nor annoying the consumers is a good thing in SMM.

7. Allocate budget and resources:

Carefully budgeting the SMM actions that will take place and the social media tools that will be utilized as part of the strategy will ensure success without going overboard with expenses. If the social media marketing fees go beyond the expected budget, restructuring the use of certain social media tools and marketing approach can get the company back on track to succeed without overspending on certain areas of their marketing.

8. Assign roles:

Clearly assigning people or in the case big companies, different departments to do selected tasks; will generate and organized flow of communication and will give structure to the strategy. When everyone knows their job and knows who is doing the other, the SMM team can realize what is working and what is not and adapt their tactics to maximize the results obtained.

The concept that the company wants to promote should be consistent with the image that the collective mind that operates social media has, otherwise the time and money spent on promoting and creating the brand is wasted. We live in an era on which customer satisfaction can create or destroy businesses, an era on which news travel faster than we can call our friends to tell them to turn on their TV and watch what is happening; on this era in many cases what a company's customers believe the company is, becomes more important than how the company has operated and the quality of their products is complementary to the company's public image. (falls, 2011 73-76)

6.2 How can we benefit from social media marketing?

In present days, the credibility of popularity of traditional media has declined and technology has overcome nearly every aspect of our lives. New generations are fully literate on technology and new communication channels; the digital content is easier to browse and can be perceived as more credible because it offers opinions by consumers that other consumers might relate to. In this era social media marketing can be easily mixed with traditional marketing, as it does not interfere with a traditional marketing strategy; but in many cases social media marketing could be the only marketing invests on (money or time). A commercial message that is enjoyed by the consumers, as opposed to imposed in many traditional marketing campaigns; will be passed on to more and more consumers and thus generating the very much appreciated and desired brand awareness and eventually all the benefits that this brings. (Weinberg, T. 2009 p.6)

DeMers (2014) suggests there are 10 substantial benefits of using SMM:

1. Increase brand recognition:

Being active in social media will generate people knowing about the brand, because social media becomes new and active channels to spread the company's message. Being seen in social media could result in consumers knowing what the company is offering and getting acquainted with what the company is all about.

2. Improved brand Loyalty:

Studies suggest that presence in social media and an active SMM strategy plan promote customers to remain loyal to the brand. Apparently when a customer is aware of the company's activities in social media, it influences them into having some sense of brand loyalty.

3. More opportunities to convert:

The social interaction achieved through SMM results in conversion opportunities; not all the content posted will generate customers converting to the brand, but every interaction in social media increases the chances for eventual conversion.

4. Higher conversion rates:

As opposed to outbound marketing, SMM's human element and the subsequent "humanized" perception of a brand offer substantial conversion benefits from social media users. The idea behind the fact that people prefer to do business with other people; at least in their own perception, increases the chances of converting customers compared to the customer realizing he is just wanted for his money and nothing else matters to the company.

5. Higher brand authority:

The high interaction possibilities that social media offers, can translate to presence and brand authority caused by permanence in people's minds. Being active or presence on what is talked about in social media means the company is gaining authority in the market. Major social media influencers and factors of influence can be used for the company's advantage in order to gain authority and remain present in the collective thinking.

6. Increase inbound traffic:

Digital marketing without a proper social media presence would lack traffic and dissemination of the intended commercial message. Content posted on social media platforms generates traffic to other areas of the digital marketing plans, because it attracts new customers; as opposed to the people directly searching directly for the company's offering.

7. Decreased marketing costs:

Compared to traditional marketing methods and channels, SMM offers the substantial benefit of involving lowers costs for functioning and operations. The shorter time on which SMM campaigns can be put to work and the lower number of staff required to keep them running are factors that contribute to social media marketing being a cheaper alternative. A company can begin with

a conservative budget for SMM and as time passes and results over disadvantages are assessed, the company can increase the budget for SMM or adapt it to their own needs.

8. Better search engine rankings

Search engine optimization or SEO is an effective alternative to attract traffic to the company's sites; however, social media presence will serve as an indicator of legitimacy for search engines to gain trust on the company. Strong social media presence will promote better rankings in search engine's sets of keywords.

9. Richer customer experiences:

Real time communication opportunities in social media open the possibility for continuous interaction with the customer and any feedback, good or bad can be assessed and replied in a short time, and therefore creating memorable experiences for the consumer that can result in showing that the company cares.

10. Improved customer insights:

Social media provides companies the opportunity to gather information about the customer's reaction and responses to their content posted and at the same time it provides them with the tools to monitor the interaction and dialogues that their social media actions generate. Once the consumer's reaction is assessed, the company knows what content to keep producing because people like it or which content should be modified. A company that does not use SMM has more to lose if not involved than by getting involved and not succeeding; because at the very least, social media will provide them with an insight of what is happening on the market and what the competition is doing and perhaps how they should conduct further marketing strategies.

Social media Marketing, when implemented correctly can be a cost effective and viable way of promoting and advertising. In order for marketers to be successful with their campaigns and strategies, they need to be aware of what is going on in social media in general and keep up to date with the latest trends. It is true that social media marketing can be a cheaper alternative or complementary strategy for traditional marketing, however every project is different and different companies have different needs; but regardless of how much money is invested the key is to understand the people and what the people want. (Weinberg, T. 2009 p.7)

When it comes to “return on investment” or ROI, the immediate economic results obtained from social media marketing might be hard to put on monetary numbers, as what would be tried to measured is an unquantifiable human communication element. A successful social media marketing campaign is the one that generates benefits in the longer term side of the curve, success would be greater if brand awareness was achieved and the brand stays present in the consumer mind and alive and liked in social media, than just to sell a new product. (Weinberg, T. 2009 p.8)

6.2.1 Social Networks as means to spread the message

According to Shih (2009), there are four main reasons why social networking and viral marketing blend well together:

- Wide spread adoption:

In recent years, social networking has become a daily occurrence for the average consumer. The number of users of social media and social networking are in the billions and analysts predict that in the coming decades nearly every person on the planet, on one way or the other will use social media daily.

- Broadcast format:

As opposed to one-to-one communication methods or other channels that may involve a limited number of recipients; social networking offers the advantage of having nearly unlimited recipients for posts, that become dynamic and generate even more communication after they reach other users.

- Connections across networks:

Social networks tend to be interlinked thanks to different connectivity agreements between companies and the fact that people make use of more than one social network. Communication and information getting across different social networks and different platforms is essential for the continuous virality of the message.

- Longer message life:

Nowadays social networks have developed the way they manage the content posted by their users and they work as archives where users can access posts that have been posted both recently, as well as several months ago and even years. It is important to mention that when it comes to viral marketing, when a post calls the attention of internet users and it becomes viral, it could remain indefinitely on the internet; this due to the fact that more people copy such post and repost it and this keeps the message alive.

(Shih, Clara. 2009 p.99-100)

7 Conclusion

This thesis was originally planned to cover a broader topic, however due to time limitations and personal issues, the author had to narrow the main topic in order for the thesis to be clear and informative as opposed to lengthy and confusing.

Social media has brought benefits to our life in as many ways as it has diminished our direct interaction with others, however in the business world this has come as a potential opportunity to develop and establish new links with existing and new customers on easier and in many cases cheaper and more effective ways than the ones that the traditional marketing techniques offered us in the past.

The way we used to live by to manage the marketing mix requires new strategies in order to keep our businesses active in consumers' choice and we must make use of modern platforms to reach potential customers. No matter how big or how small a company is, it can benefit enormously from social media marketing as a powerful tool that follows the new trends in marketing.

Marketing is a set of strategies and principles that is evolving and can easily be adapted to different changes in the market and environment; however the core and basic dynamics of marketing will remain; as is not the concept of marketing what needs to change, but the way it is implemented. Social media marketing seems to be helping with equality on the market, in a sense of helping smaller companies that cannot afford expensive mass marketing campaigns, to compete in a fairer environment where the content of the message matters more than the amount of money invested in attempting to reach the consumer.

Social media is a vast topic that can become difficult to summarize if one's intention is to cover the different elements that form social media and its different uses. When it comes to social media marketing, the topic is relatively new and valuable information might also be hard to find but the principle is very simple; take a massive communication tool and turn it into a massive marketing tool, and once the main idea behind "SMM" and its applications is understood, other aspects of modern marketing are easier to understand. All this because marketers have always made use of the resources they have at reach to get their message reach the consumer.

When researching about social media and elements that are part of it, it is surprisingly difficult to find quality literature resources that will suit academic standards; the main problem with this is that not so many works have been written about the topic or the ones available are just about social media itself but not detailing social media's potential to be used as a tool for more formal uses.

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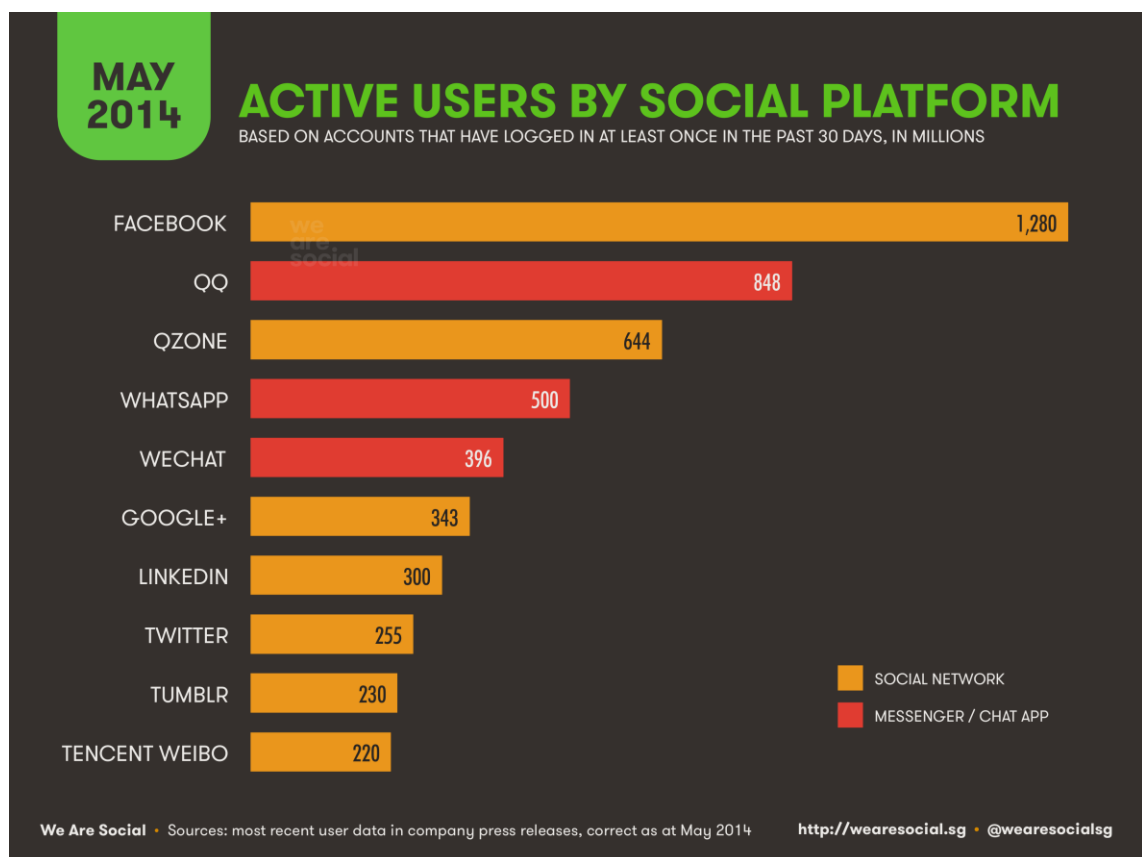
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Appendix 1

Most popular social networking platforms

Social networking popularity is a continuously evolving trend; millions of users are won or lost almost every day based on what people consider to be the best social network that fulfills their interaction needs. A growing trend that becomes apparent is the fact that there are certain social networking platforms that are enormously popular in their home countries or regions but not so much in the rest of the world, such is the case of VKontakte in Russia and Russian speaking countries or Chinese social networking sites unheard by many in the western world.



Active users by platform (we are social, 2014)

The following contains a list of the 8 most popular social networking platforms in terms of numbers and relevance. The author not only selected the social networking platforms based on numbers but also on relevance according to current trends.

1. Facebook:

Mark Zuckerberg founded "The Facebook" in 2004 while studying psychology at Harvard University; the site started as an interaction tool for Harvard students and then spread across universities, then the whole USA and finally expanding globally. (Phillips, 2007) Facebook is a social network like no other, because in recent weeks has reached nearly 1.2 billion registered members and 1 billion active users. Facebook allows its users to create profiles, share photos, message with friends, create commercial pages and groups, and a whole array of interaction tools. (Dean, Rose 2014) Facebook is the leading social network and perhaps the most successful social network model; it remains free of charge and gets its funding and profits from advertising and marketing services that are available to both large companies and individuals. (Phillips, 2007) Facebook has evolved into a powerful marketing tool, being the main choice for social media marketing campaigns due to its large number of users and easy going interface and with a Facebook marketing program that offers companies and individuals to advertise nearly everything. No other social media platform has the spot that Facebook has in the consumer daily life, devices come with Facebook capabilities installed, the first thing after meeting a new friend is to add them on Facebook and mostly whenever someone is looking to sell something, Facebook is one of the first things that come to the average person's mind to advertise it.



facebook Email or Phone Password

Keep me logged in Forgotten your password?

Facebook helps you connect and share with the people in your life.

Create an account
It's free and always will be.

First name Surname

Email or mobile number

Re-enter email or mobile number

New password

Birthday

Day Month Year Why do I need to provide my date of birth?

Female Male

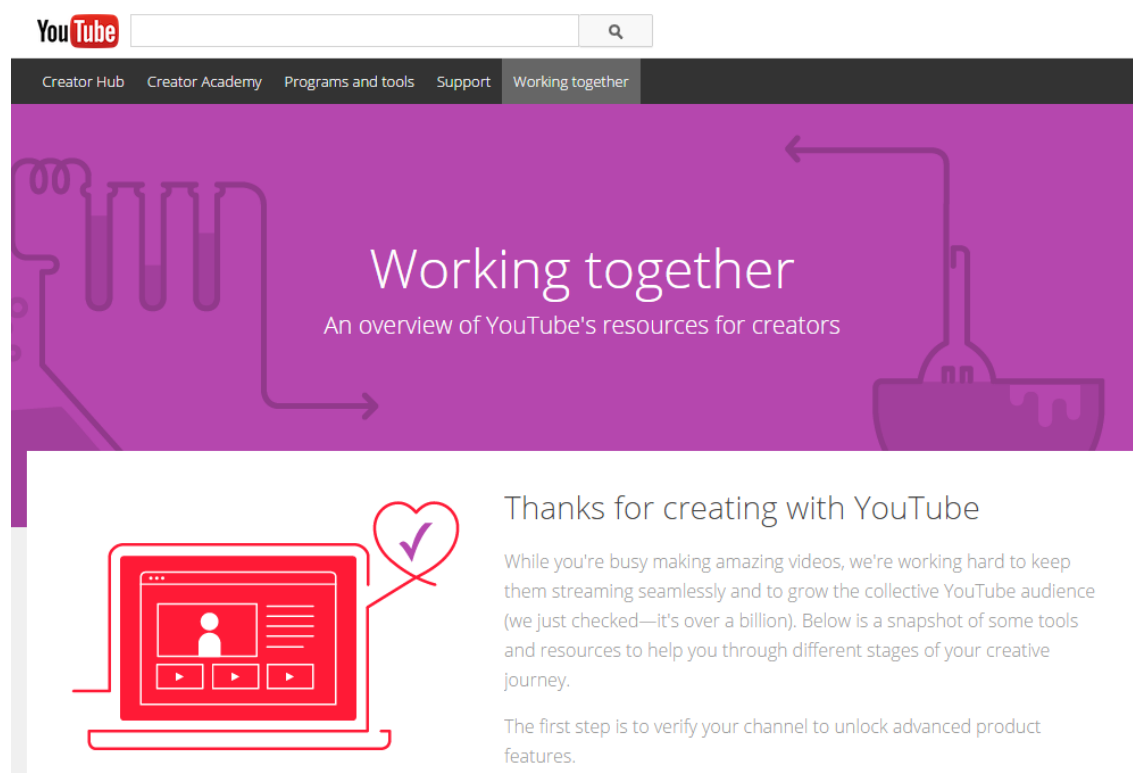
By clicking Create an account, you agree to our Terms and that you have read our Data Use Policy, including our Cookie Use.

[Create a Page for a celebrity, band or business.](#)

Facebook Start Page. Facebook.com. Facebook, Digital image. Web. 15 Nov. 2014.
<<http://www.facebook.com>>

2. Youtube:

“Founded in February 2005, YouTube allows billions of people to discover, watch and share originally-created videos. YouTube provides a forum for people to connect, inform, and inspire others across the globe and acts as a distribution platform for original content creators and advertisers large and small.” (Youtube, 2014) Founded by Chad Hurley, Steve Chen, and Jawed Karim, PayPal employees at the time; youtube started as the answer to the video hosting needs that internet users faced at that time. Before youtube was created it was hard to locate and stream videos with ease and reliability. The first video was uploaded in April 23rd 2005 and by 2006 Youtube established its first partnership with another company, NBC; and this marked the beginning of a series of partnerships with several companies to be advertised on Youtube. In October 2006 google purchased Youtube for 1.65 billion US dollars, which at the time was Google’s second biggest purchase. (Business Insider, 2013) Today Youtube is not only a video streaming website, with more than 600 billion hours of video, more than a billion visitors every month and a creative easy going interface that allows for feedback, messaging, and mobile connectivity; Youtube has become a social network dedicated to interaction through video sharing. In 2007 Youtube launched its “youtube partners program” an initiative to reward users that upload videos that generate substantial views that result in advertisements being viewed; this program has given away millions of dollars and promotes creativity and competitiveness among users at the same time it benefits Youtube’s advertising services. (Youtube, 2014)



YouTube

Creator Hub Creator Academy Programs and tools Support Working together

Working together

An overview of YouTube's resources for creators

Thanks for creating with YouTube

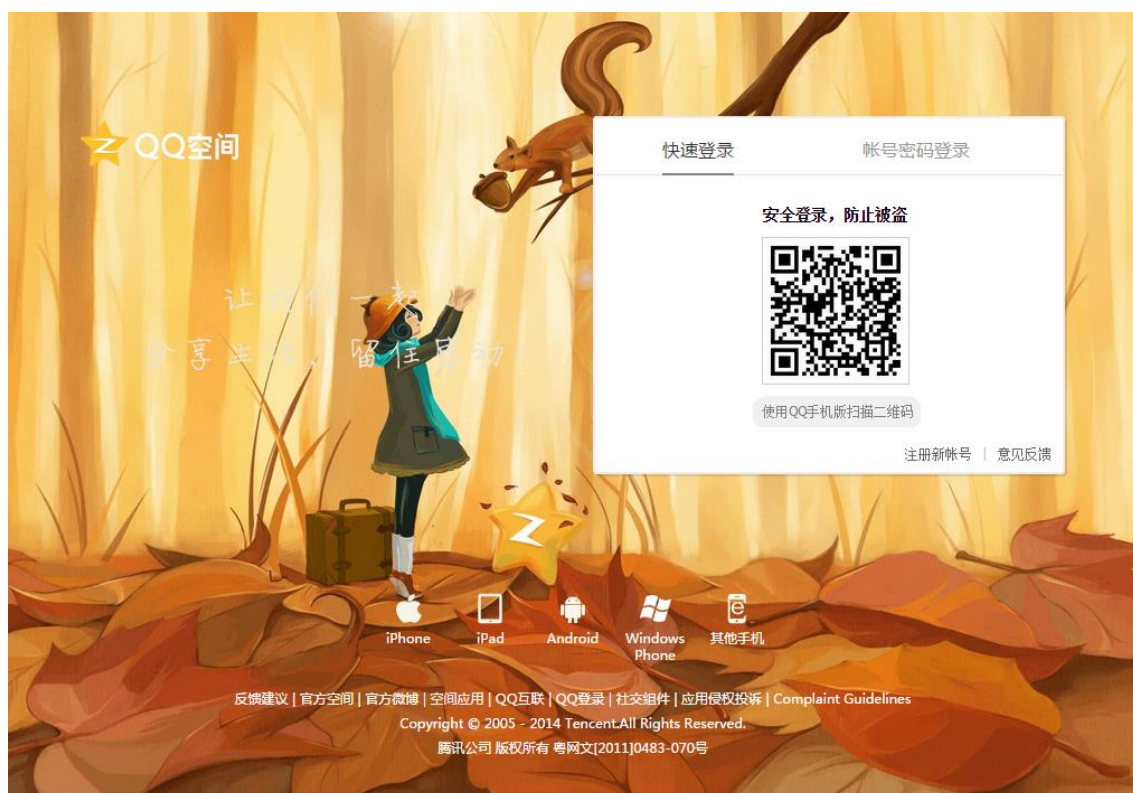
While you're busy making amazing videos, we're working hard to keep them streaming seamlessly and to grow the collective YouTube audience (we just checked—it's over a billion). Below is a snapshot of some tools and resources to help you through different stages of your creative journey.

The first step is to verify your channel to unlock advanced product features.

"Youtube Partners Program." YouTube. YouTube, Digital image. Web. 05 Nov. 2014.
<<https://www.youtube.com/yt/creators/creator-benefits.html>>.

3. Qzone:

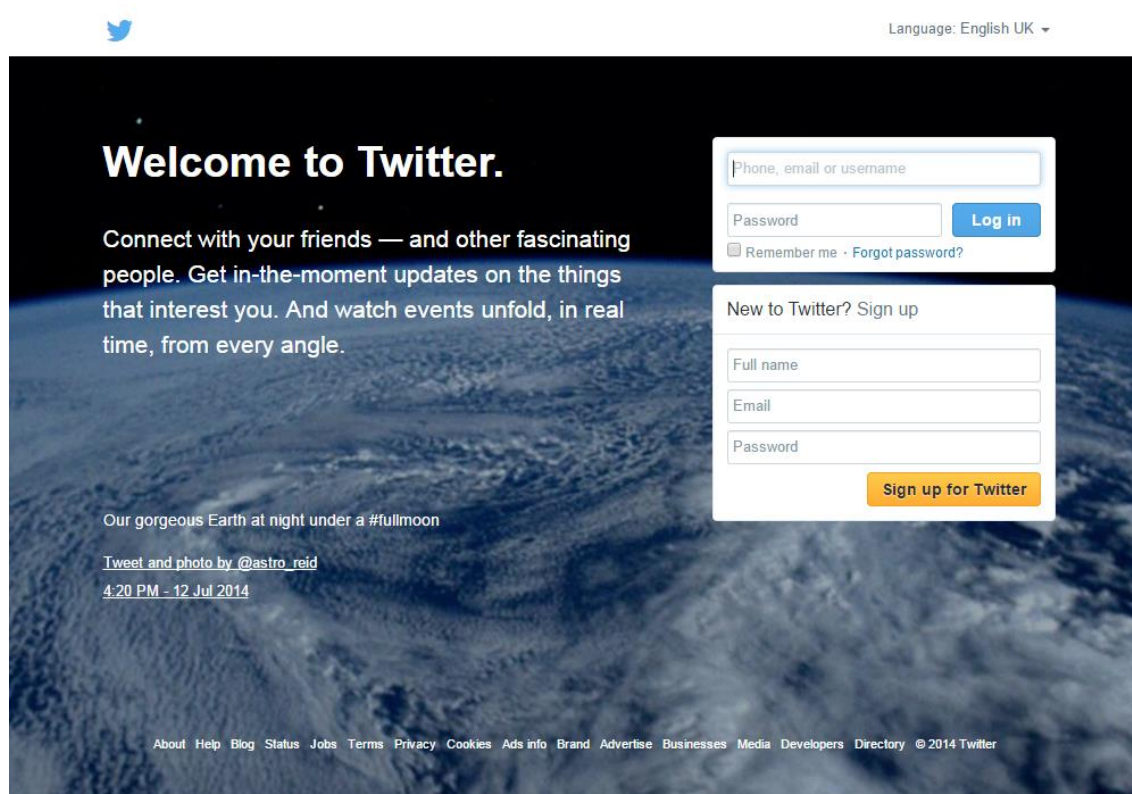
Chinese digital and social media giant, Tencent launched Qzone in 2005 to provide its users with tools such as instant messaging, diary keeping, blogging, media sharing, and social networking. Qzone quickly became popular and as of 2012 it had more than 600 million active users every month. Qzone success has made it the biggest social network in Asia and one of the biggest in the world, and it was the first non-western language based social media platform to achieve numbers comparable to those of Facebook. Similar to Facebook connectivity, by 2012 more than 540000 websites operated Qzone connectivity; allowing users to login to such sites by entering their Qzone data. Qzone's marketing potential is vast, as the number of users is expected to reach a million in a few years and keeps growing in numbers every day; this makes Qzone content reaching the vast majority of mandarin speaking population in the world. (China Internet Watch, 2013)



"Qzone Start Page." Qzone. Tencent. Digital image. Web. 10 Nov. 2014.
<<http://qzone.qq.com/>>.

4. Twitter:

Twitter started as a microblogging application, it was born from the ideas of Jack Dorsey, Evan Williams and Biz Stone and it all started with the first tweet in March 21st 2006. The principle behind twitter is to communicate with others via short messages 140 characters or less; allowing your contacts (followers) to see what you are up to and at the same time keep up to date with what others are doing (the people you follow). Today twitter has become a major communication tool allowing instant update on current events, that transcend media, politics, economy, society, and nearly everything that happens around us. (Jonhson, M. 2013) In present day twitter has more than 684 million active users and accounts for nearly 600 million tweets per day and 88% of them coming from mobile devices and 88% of the total tweets come from outside the U.S; this turns twitter into a global social network with unlimited commercial and marketing value. (Twitter, 2014) Twitter's marketing potential does not only rely on the content posted but the interaction and communication capabilities provided, it is easy to interact with minds alike and/or follow the people and companies that interest you and even politicians and world leaders rely on twitter to promote their image.



Twitter start page. Twitter. Digital image. Web. 10 Nov. 2014. <<https://twitter.com/>>.

5. Vkontakte:

"VK is a social network that unites people all over the world and helps them communicate comfortably and promptly. You can message your friends and see what's new in their lives, share photos, watch films, and listen to music. Our

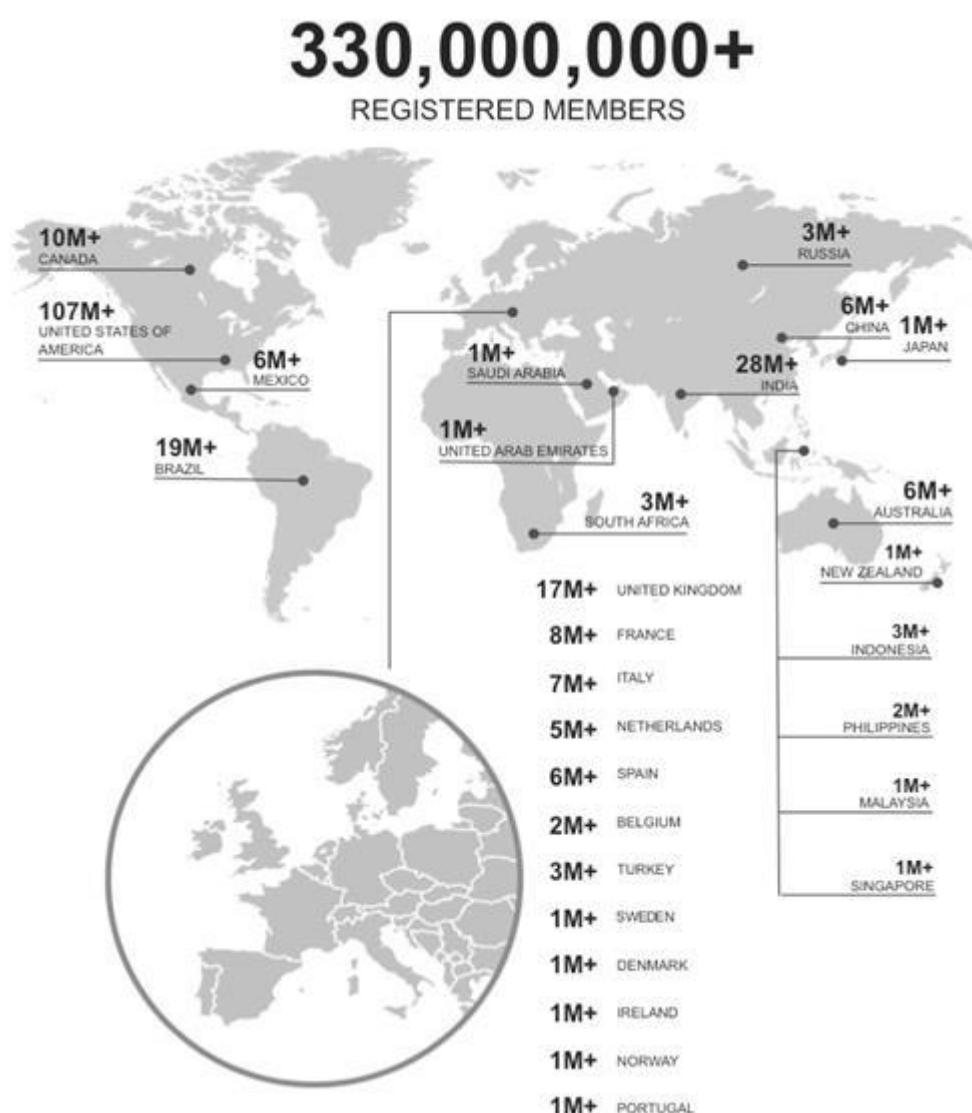
users join communities, meet new people, and adore playing games.” (Vkontakte, 2014) Created by Pavel Durov when he was just 21 and launched in October 2006, VKontakte or VK has become Russia’s alternative to Facebook or perhaps the Facebook of Europe. VK is a social network designed for the Russian speaking world, however is now available in more than 70 languages, active VK accounts number more than 280 million and daily users are over 65 million. (Vkontakte, 2014) VK is for some an underground, meaner version of Facebook; perhaps due to the enormous amount of pirated media available on the social network or for its Russian nature in an American based media world we live in. VK shares many similarities with Facebook but it is also very different in the sense that VK offers more freedom to its users and has additional features unavailable on FB, due to copy right regulations or simply because of different tastes in cultures. The enormous marketing potential of VK is similar to that of Facebook but the commercial and political implications of this social network, resemble those of Russia’s growing power and importance in world politics.

The image shows the VK Start Page. On the left, there is a login section with a 'Phone or email' input field, a 'Password' input field, a 'Log in' button, and a link for 'Forgot your password?'. The main content area is titled 'Welcome!' and features a statement: 'VK is the largest European social network with more than a 100 million active users.' Below this is a 'Sign up for VK' section with input fields for 'Your first name', 'Your last name', and a 'Select sex' dropdown menu, followed by a 'Sign up' button. An 'or' separator is present, followed by a 'Sign in with Facebook' button. A section titled 'What can you do on VK?' lists three bullet points: 'Find people with whom you've studied, worked or met on vacation.', 'Learn more about people around you and make new friends.', and 'Stay in touch with loved ones.' Below the text are three small screenshots of the VK interface. At the bottom, there are navigation links for 'about', 'terms', 'people', 'communities', and 'developers', along with a copyright notice: 'VK © 2014' and language options: 'Español', 'English', 'Русский', 'Українська', and 'all languages'.

VK Start Page. VK, Digital image. Web. 22 Oct. 2014. <<http://vk.com/>>

6. LinkedIn:

LinkedIn was created in 2002 by Reid Hoffman, Allen Blue, Konstantin Guericke, Eric Ly and Jean-Luc Vaillant; the site was launched in May 5th 2003 and achieved 4500 members within its first month of operations. The company is headquartered in Mountain View, California; has become the leading social network for professionals and professionally oriented people, where people from all the disciplines and professional levels can interact, promote themselves as professionals, exchange contacts and create business ideas or even look for partners or employees. It has over 330 million active users in 200 countries and it is expanding the number of professionals, students and graduates year after year. The social network can be a source for expanding one's contact network and thus expanding professional opportunities. (LinkedIn, 2014)



Membership by Country. Digital image. LinkedIn-About. LinkedIn, 2014. Web. 07 Nov. 2014. <<http://press.linkedin.com/about>>.

7. Google+:

Launched by internet giant, google in 2011; google+ provides users the most "connected" social network that has ever existed, because besides being a social network where one can form "circles" of friends and "communities" that allow for photo sharing, messaging and the usual social media; google+ allows users to access all the other google products such as gmail, youtube and maps to increase the social experience. Google+ is the company's way of providing the people social network capabilities together with a complete internet experience. (Google, 2014) With over 1 billion accounts created as of 2014 and over 359 million active users every month, google+ has become one of the leading social networks available at present day, one key advantage google+ offers over other social networks is that you can access it via a company account instead of opening a different page for your company. (Romeri, M. 2014)

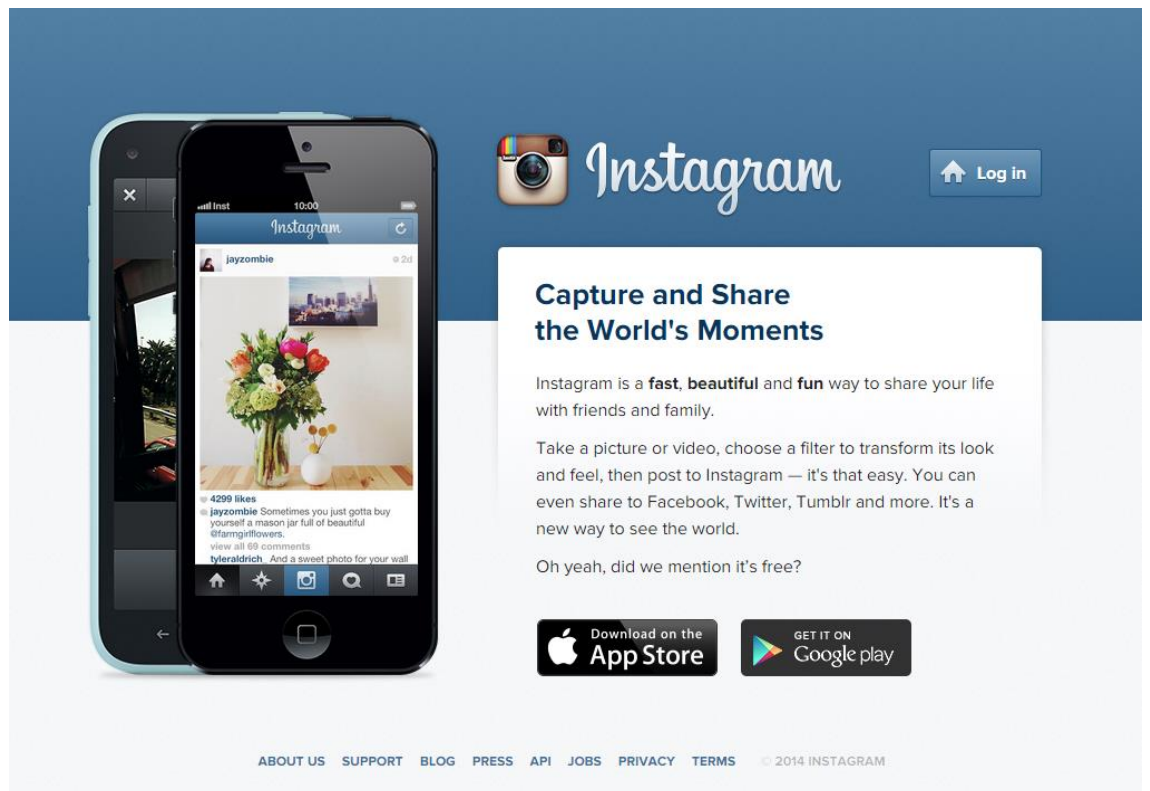


Google+. Digital image. Google, n.d. Web. 11 Nov. 2014.
<<http://www.google.com/intl/en/+/learnmore/circles/>>.

8. Instagram:

Instagram was launched in October 2010 by Kevin Systrom and Mike Krieger, two photography enthusiasts with previous firsthand experience in the tech industry. Instagram is a social network based in photography and social interaction through images. The company became famous for its digital camera filters that became the latest trend in 2011 and for the celebrities that used Instagram to promote their images. In April 9th 2012, the company was bought

by Facebook, and currently has a monthly active user count of 150 million and 55 million photos shared every day. (We are social media, 2014) Instagram has turned into a pictorial marketing machine in the past couple of years, with thousands of companies advertising their products through photos and the number of users growing every month, it comes to no surprise the company was bought for 1 billion U.S dollars in 2012.



The image shows the Instagram start page. On the left, two smartphones are displayed. The front phone shows a post from 'jaysombie' featuring a bouquet of flowers in a mason jar. The post has 4299 likes and a caption that reads: "Sometimes you just gotta buy yourself a mason jar full of beautiful @farmgirlflowers. view all 69 comments tyleraldrich And a sweet photo for your wall". To the right of the phones is the Instagram logo and a 'Log in' button. Below the logo is the heading 'Capture and Share the World's Moments'. The main text reads: 'Instagram is a **fast, beautiful** and **fun** way to share your life with friends and family. Take a picture or video, choose a filter to transform its look and feel, then post to Instagram — it's that easy. You can even share to Facebook, Twitter, Tumblr and more. It's a new way to see the world. Oh yeah, did we mention it's free?'. At the bottom of the main text area are two buttons: 'Download on the App Store' and 'GET IT ON Google play'. At the very bottom of the page is a navigation bar with links: ABOUT US, SUPPORT, BLOG, PRESS, API, JOBS, PRIVACY, TERMS, and © 2014 INSTAGRAM.

Instagram Start Page. Digital image. Instagram.com. Instagram, 2014. Web. 07 Nov. 2014.
<<http://www.instagram.com>>.