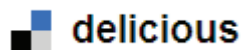# "Discovering Social Media – an Exploratory Study"

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Research project: Master thesis

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Acknowledgments

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I would also like to thank the eight wise and helpful experts who have spent their time and shared their knowledge making this possible. I am deeply grateful, and I do hope that the thesis also will add some value to your knowledge about social media and how brands can utilize these mediums.

Thanks also to my parents and the world's best employer, Medicus. I am forever grateful.

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Abstract

Brands are one of the most valuable assets companies have, and branding has therefore grown to be a top management priority. The rapid increase in the usage of internet technologies have changed market dynamics and like this, also the way brands are managed. One of the more recent and significant changes has been the raise of the social media usage. People spend more and more time in these mediums, but the amount of resources dedicated from the brand owners' side are small. This paradox can have several explanations', but much seems to be related to lack of knowledge on how to handle the presence in social media. Unfortunately, there is little help to get from the literature. Both in the academic literature and in the popular business press very little guidance is found on how brands can utilize social media.

This research has to objectives. First, it aims to explore how and why brands are using social media today. Second, it aims to provide guidance to brand owners wanting to engage with social media. Exploring how and why brands are using social media today helps setting the agenda for answering the questions regarding how brands owners should engage. These objectives are formulated as two research questions:

- **How and why are social media used by brand owners to build their brands?**

- **How can brands successfully thrive with social media?**

The methodology chosen to explore these questions were case research and in depth interviews. Four successful and one unsuccessful social media cases were studied, and eight in depth interviews with experts on social media and marketing were carried out.

With regards to the first research question, the research suggests that brand owners have a high interest for social media, but that the knowledge and willingness to spend money is low.

They often use already established platforms like Facebook or YouTube, and the objectives are usually to create awareness or boost sales. The social media initiatives often lack integration with other strategies and measuring practices are commonly underdeveloped.

Regarding the second research question, a framework for evaluating and successfully activate social media initiatives is proposed. The first part of the framework can be used to strategically evaluate possible social media initiatives. The framework suggest to screen the social media initiative against existing strategies and the brand identity, and also to ensure strategic roots. If the strategic requirements set by the framework are fulfilled, the social media initiative can be activated. When deciding to activate the social media initiative, the framework proposes seven guidelines that focus on different aspects of the social media presence. The seven guidelines are listed below:

(1) Value base: Be honest, transparent, authentic and humble.

(2) Perspective: Have a long term perspective. Take your time and build relevant networks.

(3) Process: Listen, observe and find your role.

(4) Focus: Give and share. Build trust and relationships with relevant content.

(5) Communication: Be professional and personal, but not private.

(6) Doings: Involve and activate your target.

(7) Technology: Ensure low friction technological solutions and consider several access points.

Table of contents

List of figures

List of tables

1. Introduction

1.1 Background to the research

Brands are one of the most valuable assets companies have, and branding has therefore grown to be a top management priority. Traditionally, branding has been about defining a clear identity and positioning, implementing marketing programs, and sustaining and growing the brand equity (Aaker 1991; 1996; Keller 2003; Kapferer 2004). The main focus for this school of thought has been on communication as a tool to build brand equity. Another school of thought has focused more on the role of employees and advocates that employee behavior is the most significant factor in the brand building process (Ind, 1997; 2003; 2007; de Chernatony 1999; Hatch and Schultz 2003; Harris 2007).

The wide expansion of internet usage has brought many changes to the marketplace and this has affected the value of brands and the way brands should be managed (Sealy 1999; Chiagours and Wansley 2000; De Chernatony 2000; Sinha 2000; Ind and Riondino 2001; Kapferer 2001; Bergstrom 2000; Chen 2001; Rubinstein and Griffiths 2001; Clauser 2001; Fowler 2004a, 2004b; Adamson 2008; Gerzema and Lebar 2008). One important phenomenon affecting brands the last years is the rapid increase in the usage of social media (Universal McCann 2008; Mangold and Faulds 2009). Proposals has been made on how brands should utilize these technologies (e.g. Li and Bernoff 2008; Mangold and Faulds 2009), but the overall contributions are few. This gap in the existing literature is what this research aimed to explore.

1.2 Research problem

In addition to exploring how brands should utilize social media it is considered important to explore to which degree, how, and why brands are actually using social media today. Before

discovering how brands should utilize social media, it is useful to understand how and why they are doing it at this point of time.

The two research questions are formulated as:

How and why are social media used by brand owners to build their brands?

Deconstructed this forms three sub-questions:

- To which extent are they prioritizing social media?

- How are they using social media?

- What are usually the objectives behind their social media initiatives?

How can brands successfully thrive with social media?

When carrying out the research a list of topics emerged as particularly relevant in relation to the first research question. These topics and how they related to the research questions can be found in table 1.

Research questions	Research questions deconstructed	Topics
How and why are social media used by brand owners to build their brands?	To which extent?	- Interest - Knowledge - Willingness to spend
	How?	- What platforms are used? - How are the initiatives measured? - Do they integrate with offline strategies?
	Why?	- What are common objectives?
How can brands thrive with social media?	N / A	- Success factors

Table 1: Emerging topics and how they related to the research questions
Source: Developed for this research.

The focus of the research was on these topics, and the presentation of the findings is therefore structured around these topics.

1.3 Justification for the research

A theoretical gap in itself is not a valid reason for spending time and resources researching a topic. More information regarding the importance and relevance of the topic is therefore needed. I suggest three other reasons supporting the importance of developing better understanding for how to engage with social media:

Firstly, consumers are spending more and more time in social media (IBM 2007; Li and Forrester 2008; Universal McCann 2009; Mangold and Faulds 2009; The Nielsen Company 2009; comScore 2009). Brands exist in the minds of people and in order to build relationships with consumers, brand owners have always spent resources on being present in the mediums where the consumers are. This will also be the situation with social media. Secondly, frontiers within marketing are experimenting a lot with social media in their marketing (appendix 1). This proves the relevancy of the topic not just for academia, but also for businesses. Thirdly, brand owners' are experiencing difficulties handling these mediums. Coca Colas handling of the Mentos videos and Sony's fake blog are two examples (appendix 2), Kryptonite's lacking response to easy-to-pick 100 dollar lock and EA's silence to a wife's blogging about the working conditions at the company are others (Scobel and Israel 2006).

1.4 Methodology

The methodology chosen to answer these questions is case research. Perry (1998) supports case research when studying contemporary events where little academic research on the topic exists. Yin (2003) also proposes this methodology when "how" and "why" questions are being posed and when the focus is on contemporary events within real-life context which the investigator has little control over.

Different cases involving social media initiatives are studied in depth using magazine articles, news articles, video presentations, press releases and other available information as sources of

evidence. Interviews are considered to be the most significant source of evidence in case research (Yin 2003), but interviews related to the cases are not carried out in this case. The reason for this is difficulties to get hold of people working in the companies responsible for the social media initiative. A valuable replacement however, is online video presentations and video interviews with managers responsible for of the initiatives in the particular cases.

For the case of triangulation, in depth interviews with consultants and managers who have experience with social media are also carried out. Three interviews are done in Spain and five in Norway. The main reason for this cross-national selection is access to qualified interview candidates, and has nothing to do with exploration of cultural differences or similarities.

Further, the data collected is structured around the different topics related to the research questions in an excel sheet. This facilitates analysis and makes it easy to compare cases with each other, and interviews with each other. The proposed conclusions are based on the comparison between findings from the different methodologies and with the existing literature.

1.5 Outline of the report

In this section I will provide an overview of the thesis content. The thesis is structured as follows:

Chapter 2 : Literature review

Chapter 2 starts with a review of the main theories within brand management. It is identified two schools of thought, and the main authors' approaches are discussed and compared with each other.

Further, a closer look on how researchers consider the internet's effect on brand management is undertaken. The articles discussing this topic were mainly published around the year 2000,

and the discussions are fragmented and rarely empirically tested. Common discussions are if we need brands in the internet age and if the existing models of brand management still are valid.

Last in this chapter is a review of existing research on social media. The components of this part are an overview of the key social media platforms, research on social media usage among consumers, research on social media spending among companies, and proposed guidelines for how brands can succeed with social media. The chapter ends with stating the two research questions.

Chapter 3: Methodology

Chapter 3 explains why case research and in depth interviews are chosen to answer the research questions, how the units of analysis are selected, and what kind of sources of evidence are used. Also, it explains how validity and reliability are taken care of. The chapter finishes with describing the process for data analysis and interpretation.

Chapter 4: Findings and analysis

In Chapter 4 are the findings and analysis of the findings presented. Cases are presented as case reports and the interviews are presented as quotes structured under the emerging topics. Each of these two sections is followed by a discussion and a summary of the findings retrieved.

Chapter 5: Conclusions

In chapter 5 are the proposed answers to the research questions presented. The results of the analysis of the cases and interviews are compared with each other and with the existing literature. Together, this forms proposed answers to the research questions posed. The chapter

ends with describing the implications this research has for theory and practice, and gives suggestions for further research.

1.6 Delimitations and their justifications

Two delimitations have also been set in order to make the scope of the research suit the requirements of a thesis. The first delimitation is the choice to interview consultants in preference to managers. Managers may have provided a more precise answer to how and why brand owners utilize social media, but consultants are chosen since they most likely have a better foundation for answering the research questions on a general basis. The argument supporting this claim is that each consultant works with a wide range of brand owners, while managers only work with their brand(s). The second limitation is that I have chosen to interview consultants specialized in online marketing and social media, and not marketing consultants with a broader approach. I understand that the consultants interviewed may be biased in some way that could have affected the outcome. For example are these consultants most likely working with brand owners that are more interested in social media than the average brand owner. However, considering the overall knowledge they have about the area of research, it made sense to focus on these consultants.

1.7 Conclusion

This chapter laid the basics for the report. It described the background for the research, and introduced the research questions. Then the research was justified, and the methodology chosen, briefly described and justified. Finally, the thesis was outlined and limitations given. With this fundament, the thesis can move on with a more detailed explanation of the research.

2 Literature review

2.1 Introduction

The following section contains a review of the main theories within brand management. Firstly, the most influential authors' approaches are discussed and compared. Secondly, research from the last ten-fifteen years on internet and the effect it has on brands and branding is presented and discussed. Thirdly, a review of the literature on social media is undertaken. At last, are arguments supporting further research on the gap in the literature uncovered provided and two research questions aimed at exploring this gap formulated.

2.2 Brands and brand management

2.2.1 Brands defined

Brands were once created to defend producers from theft; a cattle brand identified the owner and made it clear if the animal had been stolen (Kapferer 2004). American Marketing Association (2009) (AMA) defines a brand as "a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name". Keller (2003) points out that this definition implies that whenever a marketer creates a new name, logo, or symbol for a new product, a new brand is created. Keller underlines that it is important to recognize the distinction between this definition, and the one that many practicing managers considers. In contrast to this definition, the practicing managers' definition requires the brand to have gained certain amount of awareness, reputation and prominence before being considered a brand. This distinction is important since obscurity regarding the definition is often the source of confusion about branding principles and guidelines. Also Kapferer (2004) recognizes that AMA's definition is limited in the world of

brand management and claims that a name is not a brand before it has reached the stage where it influences the market. Keller (as quoted in Kapferer 2004) defines a brand as "a set of mental associations held by a consumer, which add value to the perceived value of a product or service". This extends the classical definition by AMA with a cognitive dimension and builds a bridge to brand management as management of brand equity.

2.2.2 Brand equity

Brand equity is one of the core constructs of brand management and even though most researchers agree on the advantages of it, they have problems agreeing on the conceptualization. As Ambler (2003, p.41) puts it: "brand equity is such a big concept that people have difficulty describing it". Aaker (1991, p.15) defines brand equity in the following way: "Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to the firm and/or to that firm's customers". Aaker's definition takes into account two levels of brand equity; both a firm-based perspective, and a customer based perspective. Schultz (2003) illustrates this two level perspective when he propose to look at brand equity as a continuum, where at the one end is possible to find the psychological value of the brand (for the consumer) and on the other end the financial value of brand (for the firm). According to Keller (as quoted in Christodoulides *et al.* 2006), the main marketing research has been concentrated on consumer-based brand equity because the consumer-based approach offers insight into consumer behavior which can be converted into actionable brand strategies. This has lead to several contributions on the conceptualization, measurement, and validation of instruments related to the customer-based perspective (Christodoulides *et al.* 2006).

Cognitive psychology and signaling theory in information economics represent the two main theoretical bases from which current knowledge about customer-based brand equity has evolved (Christodoulides *et al.* 2006).

2.2.2.1 Customer-based brand equity and cognitive psychology

The main contributors taking the cognitive psychology perspective are Aaker and Keller. Keller (2003, p.60) defines customer-based brand equity as "the differential effect that brand knowledge has on consumer response to the marketing of that brand". When consumers react more favorably to a product and the way it is marketed when the brand is identified than when it is not, a brand has positive customer based brand equity (Keller 2003). How brand equity is created and what causes it to exist therefore becomes an important question. According to Keller (2003, p67), customer-based brand equity occurs when: "the consumer has a high level of awareness and familiarity with the brand and holds some strong, favorable, and unique brand associations in memory." The two main sources of brand equity is therefore brand awareness and brand image if constructed of strong, favorable and unique associations. Aaker (1996) has a similar, but more comprehensive perspective and proposes 4 major asset categories for brand equity: brand loyalty, name awareness, perceived quality, brand associations. Here, in addition to the cognitive dimensions, also behavior is represented in terms of loyalty.

2.2.2.2 Customer-based brand equity and signaling theory

From signaling theory Erdem and Swait (1998) asserts that informational aspects of the market are significant, and that the brand gives value for the customer by reducing uncertainty. Signaling theory explicitly considers the imperfect and asymmetrical information structure of the market, something that the cognitive perspective does not take into consideration (Erdem and Swait 1998). Also this school of thought considers consumer-based brand equity as the added value a brand gives a product, but the focus is stronger on the role of the brand as a signal, and mainly credibility as the main determinant of consumer-based equity. The two approaches are complementary rather than competing, but even so, the implications differ. The most important one is that in cognitive psychology, reduction of

perceived risk and information costs are consequences of brand equity (Aaker 1991; Keller 2003; Kapferer 2004) whereas Erdem and Swait (1998) claim these to be drivers of brand equity. Erdem and Swait (1998) also claim that their perspective is contrasting to Aaker's perspective in terms of brand loyalty. They say that brand loyalty is a result of brand equity while Aaker says it is a driver. This claim however, is partly flawed since also Aaker (1991, p.18) actually recognizes that "brand loyalty is both one of the dimensions of brand equity and is affected by brand equity".

2.2.3 Building strong brands is building brand equity

The process of building strong brands translates into how to build brand equity. Different authors provide different perspectives on how to best do this and there is identified two main schools of thoughts which each one have their champions. On one side one can observe authors from the classical school, where the main focus is on how the marketing- or brand manager leads a process of building brands mainly through communication (Aaker 1991;1996; ; Keller 2003; Kapferer 2004). On the other hand there are authors focusing more on branding as an organizational effort where the importance of employees and organizational culture is the most important (Ind, 1997; 2003; 2007; de Chernatony 1999; Hatch and Schultz 2001; Harris 2007). However, it is important to mention that these approaches are not absolutely contradictory. Both acknowledges the importance of both schools means, and also the type of brands they focus on is different; the first portfolio of authors focus more on product brands, whereof the second focus more on the building of service- and corporate brands.

2.2.4 The first school of thought: the classical models of brand management

When studying the classical models of brand management one can observe that, broadly speaking, there are three main activities related to the brand building process (Aaker 1991;1996; ; Keller 2003; Kapferer 2004):

1. Developing and establishing brand identity and positioning

2. Implementing marketing programs to build brand equity

3. Sustaining and growing brand equity

These three steps represent a sequential and complete picture of the brand building process. The different authors use different terms and emphasizes different perspectives of the concepts, but the ideas are similar. Another relevant task which is not touched upon in the literature review, but that is worth mentioning, is the continuous process of measuring brand equity

2.2.4.1 Developing and establishing brand identity and positioning

PODs, POPs, brand values and brand mantra

According to Keller (2003) the positioning process starts with defining the customer target market and nature of competition. After this competitive frame of reference is fixed, the next step is to choose the appropriate points of difference (PODs) and points of parity (POPs) associations that the brand want to build in the mind of the consumer. PODs are brand attributes that consumers evaluate positively, strongly associate with the brand and believe that they cannot find in the same extent in a competitive brand. This could either be functional performance related considerations or more abstract, imagery-related considerations. POPs can either be category or competitive associations. Category points of parity are associations

that you need to be considered a credible member of a certain category and competitive POPs are associations designed to negate competitors' points of difference.

In addition to establish a proper positioning it can according to Keller be useful to establish core brand values and a brand mantra in order for a brand to hold multiple distinct, but related positioning. Core brand values are a set of abstract associations that characterize the 5 to 10 most important dimensions of a brand and brand mantra is what he calls "an articulation of the "heart and soul"" of the brand(Keller 2003, p. 151). The brand mantra influence and gives guidance to many aspects of the brand; from which advertising campaigns is appropriate and which products to introduce under the brand, to how the physical design of the reception area should be developed.

Brand identity planning model

Aaker (1996) and Kapferer (2004) both present similar approaches, but both develop and emphasize the identity aspect (which Keller names core brand values and brand mantra) more than Keller. According to Aaker (1996) the development of the brand identity starts with a strategic brand analysis, meaning an analysis of the customer, competitors and the brand itself. Based on this the brand strategist defines the brand identity. Brand identity is defined as: "a unique set of brand associations that the brand strategist aspires to create and maintain. The associations represent what the brand stands for and imply a promise to the customer from the organization members" (Aaker 1996, p. 68). Aaker proposes to define the brand based on 4 perspectives: the brand-as-product, brand-as-organization, brand-as-person and brand-as-symbol. This should secure a sufficiently rich definition of the brand, and the associations defined should be organized into a core identity (the timeless essence of the brand) and an extended identity. The identity should be translated into a value proposition

which is a statement of functional, emotional, and self-expressive benefits that provide value to the customer. The final goal is to establish a strong brand-customer relationship.

Figure 1: Brand Identity Planning Model
Source: Aaker (1996, p. 1).
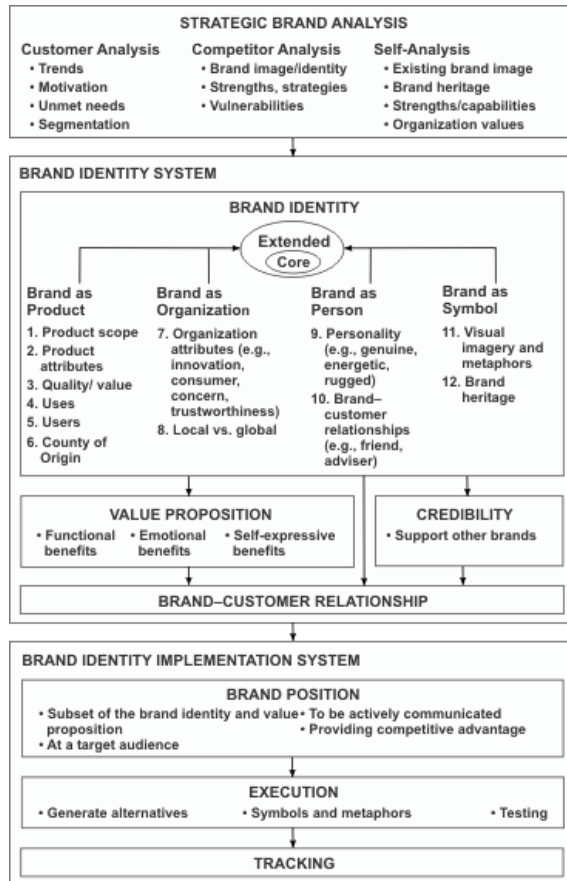
The next step then becomes to define the brand positioning statement which is the cornerstone of the communications program (figure 1). The brand position is defined as: "the part of the brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage of competing brands" (Aaker 1996, 176). Overall the process is relatively similar to the one that Keller provides.

Brand programme, brand identity and positioning

Kapferer (2004) provides an even stronger emphasis on the brand identity and claims that identity is the core concept of brand management and that the development is a "self-centered approach: a brand's truth lies within itself" (p. 151). According to Kapferer, creating a brand implies first drafting the brand's programme which can be done by answering the questions related to the brands reason for being, vision, mission, territory and so on (figure 2). This underlies the brand identity and positioning and is useful step in the brand thinking before the identity and positioning is defined.

1. Why must this brand exist?
   What would consumers be missing if the brand did not exist?
2. Standpoint.
   From where does the brand speak?
3. Vision.
   What is the brand's vision of the product category?
4. What are our values?
5. Mission.
   What specific mission does the brand want to carry out in its market?
6. Know-how.
   What is the brand's specific know-how?
7. Territory.
   Where can the brand legitimately carry out its mission, in which product category?
8. Typical products or actions.
   Which products and actions best embody, best exemplify the brand's values and vision?
9. Style and language.
   What are the brand's stylistic idiosyncrasies?
10. Reflection.
    Whom are we addressing? What image do we want to render of the clients themselves?

Figure 2: Underlying the brand in its programme
Source: Kapferer (2004, p.149).

Based on this programme, the development of the brand platform consisting of brand identity and positioning is done. Aligned with Aakers perspective, Kapferer states that the brand identity is the source for the brand positioning. Positioning derives from identity and exploits a specific aspect of identity at given point in time in a given market and against a precise set of customers. Also he agrees with Aaker and Keller about the importance of analyzing the customers and competition in order to detect which area of potential is most likely to be profitable for the business.

The sources for the brand identity is several: the brand's typical products, the brands name, brand characters, visual symbols and logotypes, geographical and historical roots, the brand's creator and previous advertisings content and form. However, also market data and consumer knowledge has an influence. Based on an analysis of these elements, the six facets of the brand identity prism (figure 3) can be defined.
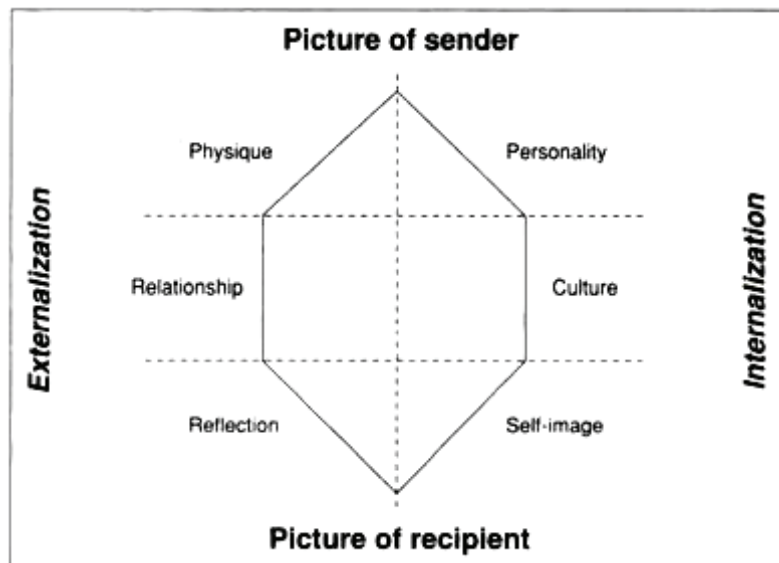
Figure 3: Brand identity prism
Source: Kapferer (2004, p.107).

The sender is the brand and when it communicates it creates perception of the brand in terms of physique and personality. Also a picture of the recipient is created and this is represented by the reflection and self-image facet. Finally, the culture and the relationship facet represent the connection between the sender and the receiver. The six facets are briefly explained as follows:

1. **Physique:** The physical specificities and qualities are made of a combination of either salient objective features or emerging ones. Here what the brand concretely do and how it looks is forming the facet.

2. **Personality:** The personality is described and measured by human traits that are relevant for brands.

3. **Culture:** The culture facet is what links the brand to the firm behind it. It refers to the basic principles governing the brand in its outwards signs and is the core of the brand.

4. **Relationship:** The relationship facet defines the mode of conduct that most identifies the brand. It has implications for how the brand acts, delivers service and relates to its customers.

5. **Reflection:** The customer reflection facet should contain a reflection of the buyer or user which it seems to be addressing. It is not a description of the target, but rather a description of how the customer whishes to be seen as a result of using a brand.

6. **Self-image:** This facet represent the targets own internal mirror. How they look at themselves using the brand.

The next step is to determine the brand positioning. This means to focus on characteristics that make it different from its competitors and appealing to the public. Positioning is done in two stages: (1) indicate to what category the brand should be associated with and (2) indicate what the brand's essential differences is in comparison with competitors. This is the same as Keller proposes with the POPs and PODs and also Aaker recognizes these two steps. To create the proper positioning, 4 questions which together form the "positioning diamond" (figure 4) need an answer: (1) a brand for what? (2) a brand for when? (3) a brand for whom? and (4) a brand against whom?
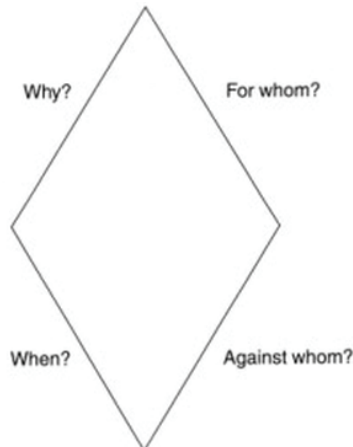
Figure 4: Positioning a brand
Source: Keller (2004, p.100).

After defining the answers to these questions, the positioning statement can be made and guidelines for brand execution are in place.

Summary and common traits

As observed in the discussion above, there is a consensus that brand identity and positioning should be developed on basis of three main sources: (1) consumer insight, (2) competitor analysis and (3) internal analysis. Also, all the three authors recognize the need for positioning as a concept and also a concept which incorporates something more timeless and internal; brand identity or a brand mantra.

2.2.4.2 Building brand equity

The brand identity and positioning defines how the brand should be activated and how brand building programs should be undertaken. However, before brand building programs can be carried out, the new brand idea needs a physical form; brand elements that enhance the awareness and the desired associations. This is of course only relevant in cases of establishing new brands.

The choice of brand elements

Brand elements are those trademark devices that serve to identify and differentiate the brand. Names, logos, symbols, URLs, characters, slogans, spokespeople, jingles, packages and signage are all example of brand elements (Keller 2003). Keller (2003, p. 175) presents six criteria for choosing brand elements: (1) Memorability, (2) Meaningfulness, (3) Likeability, (4) Transferability, (5) Adaptability and (6) Protectability. The three first are related to enhancing brand equity, the three last are more related to protection from competitors and avoiding potential limitations set by the elements in the future.

Aaker (1996) focuses on the name, symbol and slogan. The name is the basis for both awareness and communication efforts and is the basic core indicator of the brand. He proposes 7 criteria for name selection (p. 196),:

1. "Easy to learn and remember – it is helpful if it is unusual, interesting, meaningful, emotional, pronounceable, spellable, and / or if it involves a visual image.

2. Suggest the product class so that name recall will be high while still being compatible with potential future uses of the name.

3. Support a symbol or slogan.

4. Suggest desired associations without being boring or trivial.

5. Not suggest undesired associations – it should be authentic, credible, and comfortable and not raise false expectations.

6. Be distinctive – it should not be confused with competetiors' names.

7. Be available and protectable legally."

When products and services are difficult to differentiate, a symbol can be of help in building brand equity. The symbol can a create awareness and associations and a liking which can affect loyalty and perceived quality. Due to the limitations a name and a symbol can have, also a slogan is proposed as a means to add additional associations.

Kapferer (2004) focuses mainly on the name (since this is the element which is spoken about, asked for and prescribed) and he specifically considers the copying issue, time perspective and potential international plans as important parts of choosing a brand name. He also points to the danger of choosing a descriptive name since brands are not something used to describe products, but distinguish them. The products also have a life cycle; they do not live forever and this is an additional reason for not to mix up the name with the product. He enriches the name selection discussion with pointing to the importance of looking to destiny that is assigned to the brand; some brands are planned to expand internationally, cover large product

lines, and expand to other categories, but others have a much more limited scope in space and time.

The brand building process

Kapferer (2004) presents two routes to building a strong brand. One is going from product advantage to intangible values; the second is going from intangible values to product advantages (figure 5).

Intangible added values
Values, mission
Personality
Benefits
Attributes
Ingredients
Tangible added values
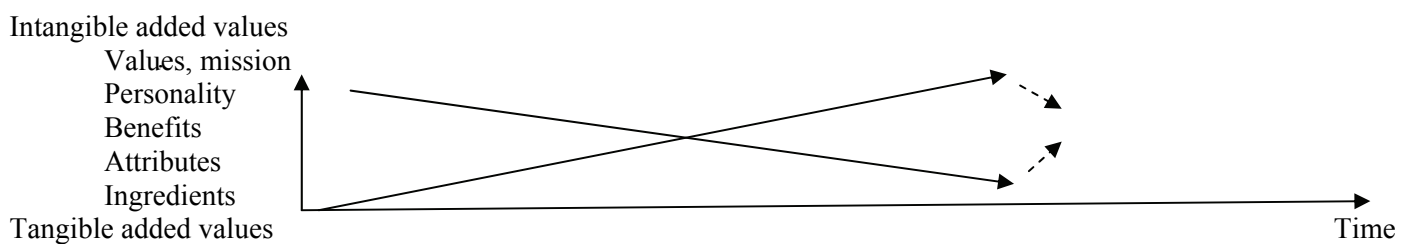
Time

Figure 5: The two models of brand building through time
Source: Kapferer (2004, p.60).

When a brand is born, it is born as a product. Most brands start as an innovative product or service with a name. After a while, through marketing initiatives, the name acquires awareness, trust, status, respect and liking. The top-down dotted arrow in figure 5 represents that it is now the brand that differentiates and endows the product / service and determines which new products match its desired image. The typical road is down-up but it is important not forget that the brands are two-legged; even luxury brands bought for showing off must give their buyers feeling of buying a great product so functional improvements must also be carried out. The top-down road is more unusual and exemplified with licensed brands like Harry Potter. These brands starts like ideas and searches appropriate products and services to live through. This model provides an important perspective to brand management; the importance that there from the start is a plan for which intangible associations it wants to achieve.

Keller (2003) presents a similar approach when suggesting thinking of the brand building process as a four step sequential process. These steps are as follows (p. 75):

1. Ensure identification of the brand with customers and an association of the brand in customers' minds with a specific product class or customer need.

2. Firmly establish the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations with certain properties.

3. Elicit proper customer responses to this brand identification and brand meaning.

4. Convert brand response to create an intense, active loyalty relationship between customers and the brand.

These four steps can be reached by building block by block the six blocks making up the customer-based brand equity pyramid (figure 6). This represents, like in Kapferer's model, a "branding ladder" where one is moving from concrete opinions about product class and performance to more abstract ideas about judgment, feelings and resonance. The difference however, is that Keller does not take into account Kapferer's top-down route to building brands.
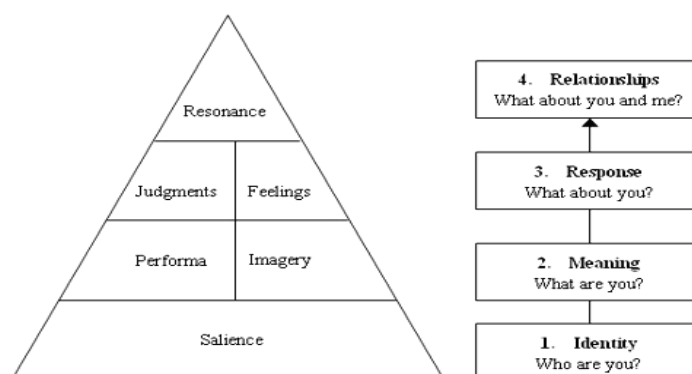
Figure 6: Customer-based brand equity pyramid
Source: Keller (2003, p.76).

The brand building activities

One thing is the process which is proposed to move from a focus on more functional attributes to more intangible elements, another thing is how the classical brand management models suggest this to be done on a more specifically. Although the emphasis varies, the main ideas are same: a consistent offering through the 4 P's of classical marketing, with extra weight on the promotion.

Keller (2003) explains that the knowledge-building process that creates the steps in the CBBE-pyramid depend on all brand related contacts. However, there are three main sets of factors that one from a marketing management perspective can affect and in this way build brand equity:

- The choices of brand elements like name, logo, symbol and so on.

- The marketing activities and supporting marketing program which the brand is integrated into.

- Associations indirectly transferred by linking the brand to other entities.

Keller emphasizes that the primary input comes from the marketing related activities involving the brand, and especially he considers the role of marketing communication as being the "voice" of the brand.

Also Aaker (1991; 1996) and Kapferer (2004) mainly have focus on communication and in particular advertising in order to create brand equity, however both acknowledge that brands also can be built without advertising.

2.2.4.3 Sustaining and growing brand equity

There are many topics relevant within the area of sustaining and growing brand equity. However, the classical brand management authors focus strongly on two topics: brand architecture and brand extensions.

Brand architecture and the management of brand portfolios

Many organizations see themselves in a situation where they have a large portfolio of brands to manage. The result is many challenges and opportunities for the brand owners. One of the key issues in the management of the brand portfolio is the brand architecture, or how to brand the different brands in the portfolio (Aaker 2004). Douglas, Craig and Nijssen (2001) defines brand architecture as portfolio and allocation thinking applied to a corporation's brand structure. According to Aaker (2004, p. 46) there are four options, each with several variants:

- A house of brands (a new brand)

- Endorsed brands

- Sub brands under a master brand

- A branded house (an existing brand with a descriptor)

The house of brand architecture is the most independent option and means that each brand has an own brand name. Endorsed brands are brands that are linked to other established brands, but where the new brand is the main driver. The sub brand alternative also consists of a new brand, but here the master brand plays a more significant role. The branded house strategy means that the master brand is the driving brand and a new name only works as a descriptor. The different strategies also have different sub strategies; one example is the house of brand which either could be unconnected or a shadow endorser. In the first there is no link between the new brand and the corporate brand, in the latter there is some, but very little, connection.

Kapferer (2004) proposes a similar approach with his nine typical architectures, and positions them on a two-dimensional graph (figure 7). On the one hand, the corporate umbrella brand which focuses on reassurance and indicating the source of origin and on the other side the product brand which seeks to personalize and differentiate the product. This approach is similar to the one Aaker takes, but the terminology is different.

BRAND FUNCTION:
INDICATOR OF
ORIGIN SOURCE
EFFECT
REASSURANCE

- Corporate umbrella brand
- Corporate source brand
- Corporate endorsing brand
- Maker's Mark
- Umbrella brand
- Source brand
- Range brand
- Line brand
- Product brand
- Generic brand

BRAND FUNCTION:
PRODUCT
DIFFERENTIATION
PERSONALISATION

Figure 7: Positioning alternative branding strategies
Source: Kapferer (2004, p.294).

Keller (2003) suggest another, but again similar, classification with four levels; corporate (or company) brand, family brand, individual brand, and modifier. The highest level in the hierarchy is the corporate or company brand name and the typical examples here are GE or HP. The role of the corporate brand can vary from being the dominating to the invisible one. Family brands are brands covering several product classes without being corporate brands, individual brands are brands restricted to one product class and modifiers are descriptors that modify a corporate, individual or mixed brand structure for a particular market segment.

Usually companies do not go for only one strategy, but adapt a different set of strategies for different products.

Brand extensions

Brand extensions are another hot topic within brand management and an important brand growth strategy that according to Kapferer (2004) in fact is a necessary strategic move at some point in the life of the brand. Due to dramatic increase in expenses related to launching new brands more and more companies are using already established brands to facilitate entering new markets (Keller and Aaker 1990). Keller (2003, p.577) defines brand extension as "when a firm uses an established brand name to introduce a new product" and classifies them broadly into two categories: (1) line extensions and (2) category extensions. Line extension is used when the brand wants to target a new segment within the category where the parent brand (the basis for the extension) is already present, for example with a new flavor or color. The category extension is when a brand is used to enter a different product category from that currently served by the parent brand. Aaker (1991; 2004) and Kapferer (2003) however, use the term brand extension exclusively for what Keller calls category extensions. There are considerable risks like damaging the parent brand or confusing the customer which needs to be considered when deciding to extend the brand (Aaker 1991; Ries and Trout 2001; Keller 2003, Kapferer 2004). However advantages like goodwill among distributors, customer linked advantages like higher trial rate, conversion rate and loyalty rate (Kapferer 2004) and feedback benefits to the parent brand (Keller 2003) makes the alternative attractive. Aaker provides six potential results of a brand extension, from more positive outcomes like when the brand name aids the extension and the extension enhances the brand name, to negative outcomes where the brand name fails to help the extension, damages the brand name or makes the brand name foregone (figure 8).
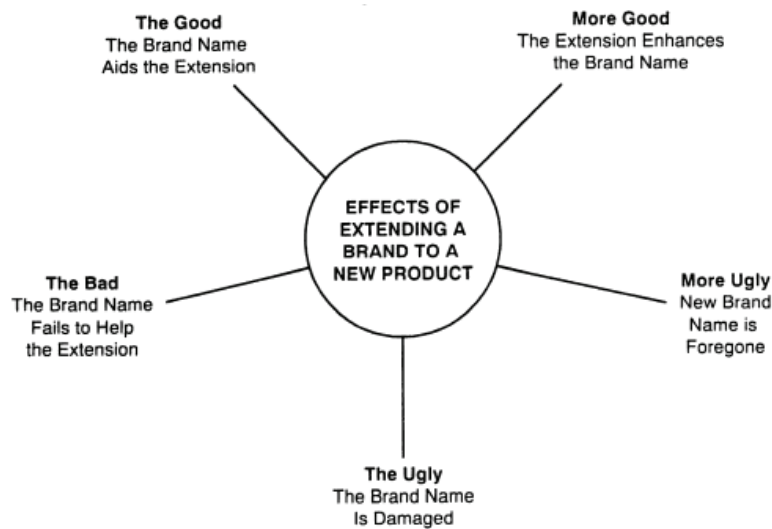
Figure 8: Results of Extending the Brand Name
Source: Aaker (1991, p.209).

The main discussion then becomes how to do a successful brand extension. Aaker (1991; 2004) suggest a three step approach. The first step is to determine the existing brand associations, the second is to identify proper product categories for which there could be a fit and the third step is to evaluate the attractiveness of the category for the business.

There has been a lot of research on the topic (Keller 2003; Kapferer 2004; Sjödin 2006) and the most significant conclusion is that consumers accept brand extensions from well-liked brands if the new product has a good "fit" with the brand. Also consequences that extensions could have for the consumer perception, in particular related to the risk of dilution or damage of the perceptual equity of the brand, has been under investigation (Sjödin 2006).

2.2.5 The second school of thought: broadening the brand building perspective

Several influential authors have highlighted that brands and their associations are not something that mainly is built through marketing communication and handled by the brand manager, but rather a result of how the company behind the brand acts and in particular the

employees interaction with various stakeholders (Ind, 1997; 2003; 2007; de Chernatony 1999; Hatch and Schultz 2003; Harris 2007).

Ind (2003) suggests that the idea that communication is the prime driver in building a bond with the customer is a result partly due to the "Balkanisation" of most organizations that leads to a lack of integration between marketing and functional areas. Because of this, the measurement systems tend to concentrate on localized metrics and for the case of marketing this then becomes controllable metrics like awareness, consideration and preference which are driven largely by what he calls archetypical marketing factors. The real importance however, lies in the customer experience which is determined by assumptions and the direct actions of employees.

2.2.5.1 From product branding to corporate branding

Fragmentation of market segments and difficulties of maintaining a credible product differentiating due to imitations and homogenization is often stated as reasons for the shift in marketing emphasis from product brands to corporate branding (Hatch and Scultz 2001a). A strong corporate brand is supposed to favor perceptions of company products and new product extensions (Hatch and Scultz 2001a), and also the nature of service brands make the corporate branding perspective more appropriate than the classical branding models (McDonald, de Chernatony and Harris 2001). Corporate branding therefore becomes an important approach, especially taking into account the dominance of the service industry in the Western world (Ind and Bjerke 2007; McDonald, de Chernatony and Harris, 2001). According to De Chernatony (1999) it is the move from the industrial age to the information age which explains the need for a new branding model that emphasizes value through employees' involvement in relationship building. The rationale behind this is that this it is necessary since one now seek to exploit intangibles such as ideas, knowledge and information.

The shift has several implications and it allows marketing to use the vision and the culture of the company explicitly as a part of its unique selling proposition (Hatch and Schultz 2001a). Corporate branding differs from product branding on many levels and in many ways (figure 9).

	Product brands	Corporate brand
Focus attention on	The product	The company
Managed by [a]	Middle manager	CEO
Attract attention and gain support of	Customers	Multiple stakeholders
Delivered by	Marketing	Whole company
Communications mix [a]	Marketing communications	Total corporate communication
Time horizon	Short (life of product)	Long (life of company)
Importance to company	Functional	Strategic

Figure 9: How product branding differs from corporate branding
Source: Hatch and Schultz (2001a, p. 1044).

2.2.5.2 Building the brand in a different way

According to de Chernatony (1999) the classical models of brand management do not focus enough on the role of staff as brand builders. Also he suggests that looking to brand reputation is a better way of external assessment than by looking to the brand image. Based on Kapferer's work on brand identity he presents an alternative framwork for managing brands. Brand management is according to de Chernatony about reducing gaps between the employees' perceptions, values and behaviors and the desired brand intensions. By looking to the framework it is possible to identify several potential gaps (figure 10). An example of concrete tasks could be to assess if the existing corporate culture is appropriate for fulfilling the brands vision. In order to conduct an assessment like this, the vision needs to be clearly defined and the culture to be audited.
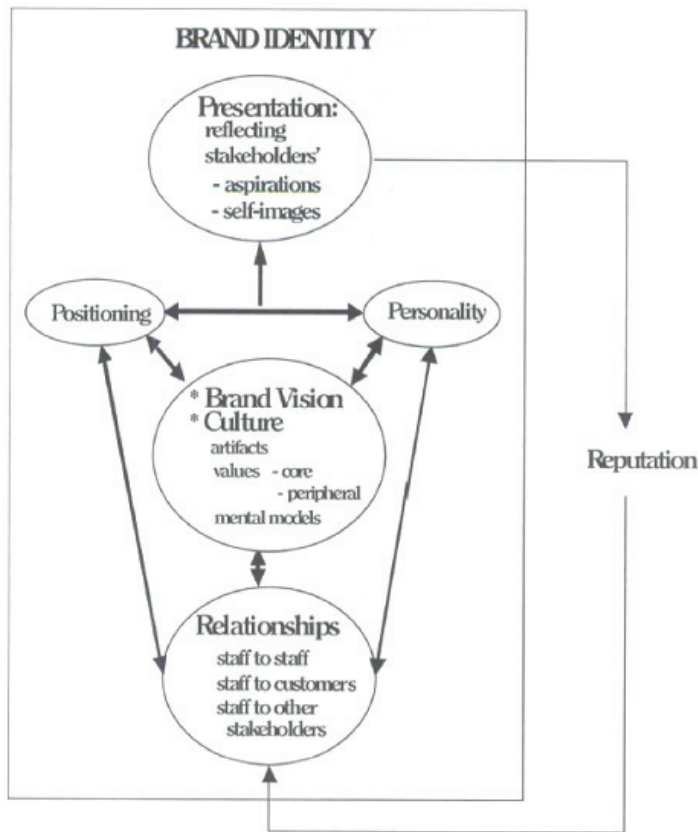
Figure 10: A process for managing brands
Source: de Chernatony (1999, p. 171).

Hatch and Schultz (2001b) takes a similar approach when presenting their framework for

building the corporate brand. Also here gap analysis is a central part of the brand building

process. They claim that the company must align three essential interdependent elements:

vision, culture and image (figure 11).
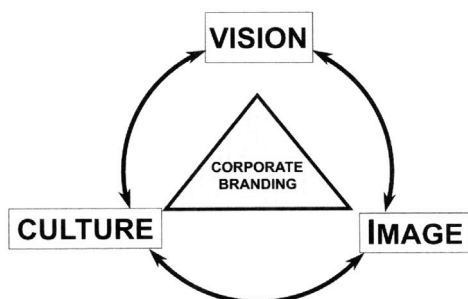
Figure 11: Successful corporate branding rests on a foundation of interplay between
strategic vision, organizational culture and corporate image
Source: Hatch and Schultz (2001b, p. 1047.)

Vision is the top management aspirations for the company, culture is the organizational values, behaviors and attitudes, and image is the outside world overall impression of the company (the term image is used, but the meaning equal to what de Chernatony calls reputation). To build the corporate brand effectively executives needs to identify if and where these elements do not align and do proper adjustments to the relevant elements. This could help companies to build strong corporate brands and then to reap the benefits related to this potential competitive advantage.

Ind (2003) also points to the lack of focus on employees in building brands. He does not distinguish explicit between product or service brands (even though many of his examples are service brands) or focus on any particular branding perspective like corporate branding or product branding, but says that brands are about people and that employees will be a significant determinant of brand value. In order to succeed Ind suggests that in addition to understand your industry and the company's position within it, there are three specific requirements:

1. **First, a clear and truthfully definition of the ideology is needed.** The key here is that the ideology is true to the organization and that it helps it achieve its business objectives. In addition to being true and realistic it should contain a vision which pushes the organization in a common direction. Also, it should be ambitious and have an ethical dimension.

2. **Secondly, it needs to be communicated and experienced in a relevant way.** Employees cannot be told what to believe. Their belief has to be created and important tools are empowerment, leading by example, willingness to take risks on people, acceptance of the need to share ideas and results and to integrate the ideology into all

the facets of the organization (like recruitment policy, training, appraisals and rewards).

3. **Third, it should yield business benefits.** The goal is not happy employees for the sake of happiness. To survive both good and bad times, the ideology needs to represent a way of doing business that both keep employees enthusiastic and yield business benefits. In order to achieve this, broader measures that measures the overall performance of the brand is needed.

2.3 Brand management and the internet

The field of internet marketing is thriving, but not much has been published in the tier-one academic journals on the topic (Schibrowsky, Peltier, Nill 2007). In his editorial in Journal of Brand Management Marc Uncles (2001) describes the first wave of internet related articles on branding like relatively "speculative, crystal-ball gazing and soothsaying" (p.250) and the formal research as mainly descriptive and ad-hoc. He asks for more rigorous and systematic empirical research on the topic.

This part of the literature review discusses the findings from this first exploratory research on internet and branding. This includes discussions regarding if we need brands anymore, how the internet has affected the marketing environment and how it eventually has changed brand management. Also, a closer look is taken at one of the significant phenomenon on the internet: social media.

2.3.1 Do we need brands and branding anymore?

One of the main discussions in many of the papers published around the year 2000 is about if we still need brands and branding in the internet age. According to Sinha (2000) is internet the biggest treat thus far to a company's ability to brand its products, extract price premiums and generate high profit margins. The reason for this is not only that the net makes price

comparisons much easier; the real problem is the cost transparency which makes it possible to people to see through the costs and determine if they are in line with the prices being charged. Another argument presented defecting the importance of brands are that the wealth of information that you can find on company websites, price comparison- and product review sites could make the information provided by brands redundant. Also, there are many surveys suggesting that people care a lot about price, and that younger consumers do not show much interest in online brands (Chen 2001)

However, Chen (2001) also provides counter-evidence in support of brands, for example by pointing to that the value of well-known brands has not decimated and that successful e-businesses have been focusing on building strong brands. His conclusion is that brand management is still highly relevant in the Internet age. Also Bergstrom (2000), Rubinstein and Griffiths (2001), Clauser (2001), Ward and Lee (2000) and Ibeh, Luo and Dinnie (2005) all support, for a variety of reasons, the idea that brands are more important than ever in the internet age. Fowler (2004a; 2004b) propose that branding may become less important for low value, frequently purchased commodities, but continue to be important for high value, infrequently purchased, highly differentiated items. Chen's (2001) also acknowledges the importance to look to type of product and purchase situation in order to make a proper judgment about the impact of internet importance of brands. The idea is to look the degree of involvement and if there are few or significant objective differences. For example, if one is talking about high involvement products with significant objective differences, the impact is assumed to be high (table 2).

	High involvement	Low involvement
Significant objective differences	High	Medium/low
Few objective differences	Medium/low	Low

Table 2: Impact of internet on brands
Source: Chen (2001, p. 292)

This is the opposite conclusions that Fowler reaches in her proposal: she suggest that brands may become less important for low value, frequently purchased commodities, and Chen suggest that the internet will have low impact on low involvement products with few objective differences.

The overall conclusion seems to be that even though some authors at the start of the 21st century predicted the death of brands, the majority of authors agree that brands and branding will play a vital role also in the years to come. The next question that arises is what the internet changes in the marketing environment, and if the traditional models of brand management still are valid.

2.3.2 Changes in the marketing environment

Many authors' points to different effects that the internet have had or will have on brand management. It is important however to remember that it is not in first instance brand management who is changing, but the dynamics in the marketing environment, which again has consequences for brand management.

The overall discussion about how internet affects the marketing environment is rather fragmented and different authors provide only bits and pieces of the relevant dynamics. Chen (2001) is an exception in this case and provides a framework for analyzing how brands are affected by the internet (figure 12).
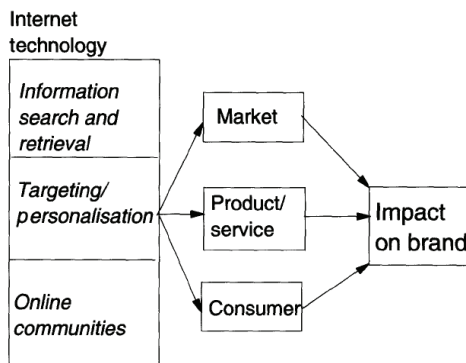
Figure 12: Factors influencing the impact of internet on brands
Source: Chen (2001, p. 290.)

According to Chen, two dimensions needs to be taken into account when analyzing the impact on brands. First, one cannot speak only about "the internet". Internet technology has different applications which each affects in its unique way. For example is the comparisons shopping sites an information search tool which could have negative consequences for some brand owners. On the other hand can a targeting technology like cookies facilitated more targeted advertising campaigns and in this way have a positive outcome. The second dimension incorporates the different items in the competitive environment (market, product /service, consumer) and these are also affected in different ways. For example is the type of purchase or product important, like discussed above, relevant to consider. In addition Chen points to changes in the market structure and market power like for example additional levels in the supply chain, disintermediation and reintermediation, integration and disintegration of activities.

2.3.2.1 Power to the consumers

Also other authors have described how power structures and barriers to entry are changing. Kapferer (2001) points out that the internet creates market transparency and makes it easier to compare brands and products. Also, he claims, lowers the internet barriers to entry into the consumers consideration set. Several other authors suggest that the market transparency favors consumers bargaining power (Porter 2001; Sinah 2000; Simmons 2007; Rowley 2004).

Also Ind and Riondino (2001) proclaim power to the consumer due to wide access of information that has freed the consumers from their traditional passive role as receivers of marketing communication.

2.3.2.2 New opportunities for brand owners

On the other hand, the internet has opened a door to a pool of potential opportunities for brand owners. Kapferer (2001) explains that the web is a fantastic opportunity to learn more about consumers' tastes and desires and also to pass them information directly. The most important impact he claims to be that brands have an opportunity to re-capture the consumers from distributors. Also Sealy (1999) suggest that retailers will lose much of their power and that manufactures will be able to devote nearly all of their marketing budgets to improving and promoting their product. Chiagours and Wansley (2000) point to several opportunities for brand owners: with the internet it is possible to easier customize communication based on how much consumers know about the brand and it is also easier to attract consumers into one-to-one relationships fueled by two-way conversations through mouse clicks. Ind and Rinodino (2001) underscores that what is special about the internet is the possibility to engage in a more unfiltered and immediate dialogue with its stakeholders, and thereby potentially create stronger and more durable relationship. Also, they point to possibilities to improved internal communications and for better implementation of for example brand identity programmes.

2.3.2.3 Changing consumer behavior and desires

Gerzema and Lebar (2008) suggest that the problems with brand management today are related to changes in consumer behavior which have been influenced by internet technology. One of the fundamental changes is the consumers desire to be heard and to participate, they are not longer willing to sit back and consume the content they are fed. Also, they want to view the brand through their own lens (personalization), they seek community, they insist on being part of the marketing conversations with their brands, and they have become

information hungry machines. The last characteristic they mention is that people now "flow seamlessly between multiple contact points" (p. 108) which basically means that they are using a lot of different media at the same time. Some of these ideas are also supported by Ozuem, Howell and Lancaster (2007). Their interviews with consumers show what many other authors have taken for granted: the consumers now feel they have easy access to information, empowered, free to interact from anywhere anytime with a new and expanded reach.

2.3.3 Recommendations for brand owners

The changes in the marketing environment have encouraged academics and practitioners to give different recommendations in order to thrive with brands on the internet. De Chernatony (2000) explains that brand owners should re-think they way they execute the brand essence. First of all, since people scan and don't read on the internet, brand information should be presented in a different way. Second, he argues in favor of a looser form of brand control that welcomes the consumers' active participation. He claims that successful brands encourage unmoderated chat forums about their brands and they join the conversations. This requires however that the brand values are made very clear. Also Ind and Rinodino (2001) argue in favor of engaging all their publics in a dialogue since this could give a spur to delivering better customer service, increase learning about customer relations, a stronger customer focus since employees are put more in direct contact with the customers. Clauser (2001) suggest that with appealing web design, online communities, personalization of the experience and by encouraging to co-creation of content one can build deep emotional bonds with the consumers. Rubinstein and Griffiths (2001) underscores the importance of "branding the experience" on the internet due to the transparent e-value chain. This means creating an interactive, immersive and dynamic experience that impacts on everything you offer.

2.3.4 Is branding different now, and how?

As described, has the internet brought many changes to the marketing environment and the important question is how these changes affect brand management. Different authors present different points of view on this: some claim that the rules have changed and the existing models are obsolete, others say it's all the same and that the internet is just an additional channel that will find its place in the marketing mix. Schibrowsky et al. (2007) ends their review of research on internet marketing with philosophizing about if the marketing practitioners claiming the latter are being somewhat myopic, and compares this thinking with the invention and evolution of the automobile (p.732):

> The analogy might be the invention and evolution of the automobile. When it was first conceived, it was referred to as a "horseless" carriage. Most of the early development and designs were based on this view. While its invention was significant it was not until Henry Ford combined the advancements of the combustible engine, assembly line technology, and advancements in the manufacturing process that the true potential of the automobile was realized. Perhaps the use of the internet as a marketing tool is poised for bigger and better things. Only time will tell.

2.3.4.1 Brand management need to change totally

Sealy (1999) claims that brand management as we know it is obsolete and that "instead of trying to work creatively within traditional brand management, we need to find a new model all together" (p. 172). Ward and Lee (2000) provoke by saying that the internet represents a place where product branding is eroded and joins media fragmentation and production technology as nails in the coffin of traditional brand management. Also Holbrook and Hulburt (2002) suggest that marketing as we know it is dead and that we should "give marketing the dignified burial it deserves" (p.727).

2.3.4.2 The principles are the same, but we need adjustments in executions

Rubinstein and Griffiths (2001) suggest that the fundamental principles of branding stay the same, but that it arrives several additional issues with the internet. Aligned with this view is Clauser (2001) who also claims that the fundamental rules of branding remain unchanged. It is still about choosing an appropriate name, be consistent, base the branding on consumer insight, create an emotional connection and deliver on the promise. What is changing according to him is how these things are done: there are a lot of new opportunities online. For example, earlier emotional connection was built through customer service for service brands and advertising for product brands. With the entry of internet, communities, personalization, co-creation of content and website design is the key to this establishing this emotional connection. Chen's (2001) overall conclusion is that one should not ignore the basics of brand management and lessons learnt over many years from observing branding and consumer behavior in the offline world. Chiagouris and Wansley (2000) suggest that there is no difference between building an internet brand and traditional brand. The steps to bond with the prospects are essentially the same, but the speed it can be done is much faster. One now have the possibility to turn prospects into customers in record time. Bergstrom (2000) claims that branding on the internet is not much different than branding in general, to succeed "requires focus, discipline, and commitment to the principles of branding that have proven successful long before the Internet came on the scene" (p. 12). Also Fowler (2004) finds it difficult to distinguish both practically and theoretically between online and offline branding.

2.3.4.3 New mental models and updated brand management models

Ind and Riondino (2001) provide an updated version of the existing brand management model. The two main new elements included in their model are the increased stakeholder feedback loops and the effect of unplanned communications on the brand image, positioning and reputation. The feedback loops refers to the increased possibilities for communication due to digital technologies and the unplanned communication to the conversations and debates in

forums and chat rooms which affects people's perception of the company. De Chernatony (2000) neither suggests a new theory of the concept of the brand, but he claims that the way brand essence is executed should change. The brand strategist needs to change her mental model so she recognizes the new roles the consumers are taking. The classical branding model is based on a tightly controlled approach and particularly the product-based brand model assumes consumers to be passive recipients of value. Now consumers easily access credible information from third parties and they are also co-producers of value. To survive with brands on the internet a looser form of brand control is needed where one welcomes the participation of the consumer.

2.3.4.4 And the conclusion is

One of the problems with this discussion is that different authors have a different point of departure when it comes to what brand management really is. Some use comprehensive and theoretical models, others operates with more practical principles or guidelines. With a different starting point it could be difficult to determine when we are really talking about a new model and when do we talk about adjustments in the execution. Despite this problem, it exist an overall consensus that things are changing, what is not clear is on which level or to what extent. It is possible to sum up and illustrate the different authors' points of view on a continuum that goes from the idea that it is still all the same to a total reinvention of brand management models (figure 13).

It is all the same, it is just an additional channel　　Same principles, new tactical executions　　Updated brand management models　　New modell is needed

Figure 13: Different opinions on how internet changes brand management
Source: developed for this research

2.3.5 Other empirical research

Academic research on brand management and the internet have prospered since Uncles already mentioned evaluation in his editorial in 2001. Schibrowsky *et al.*(2007) identifies in their study of research on internet marketing that the hot topics on internet branding has been brand loyalty and brand equity building on the web. This is coherent with the empirical studies I have found. Studies on the conceptualization of online brand equity has been researched by several researchers (Rios and Riquelme 2008; Christodoulides *et al.* 2006; Christodoulides and de Chernatony 2004; Na and Marshall 2005) and provided conflicting results. Transfer of off-line brand equity and loyalty seems possible (Supphellen and Nysveen 2001; Rafiq and Fulford 2005; Pauwels and Dans 2000), and different aspects related to corporate brand images in an online context (Da Silva and Syed Alwi 2007a; Da Silva and Syed Alwi 2007b; Stuart and Jones 2004) are also investigated. Muñiz and Schau (2007) have also carried out one study on user generated content, but claim that except from their paper there has been no other academic studies exploring this phenomenon.

2.3.6 Social media: an important part of the changing environment

As seen from the earlier discussion the marketing environment is changing and adjustments are proposed to how one should think of brand management. The changes in brand management implies changes in how to communicate with consumers and according to Mangold and Faulds (2009) social media plays an important role in this change process. However, there exists little guidance in both the academic literature and in the business press on how to integrate social media (Mangold and Faulds 2009).

Social media is defined as a media that "describes a variety of new sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues'' (Mangold and Faulds 2009, p. 357). Another definition is Universal Mccann's which also focus on the sharing of

information: "Online applications, platforms and media which aim to facilitate interaction, collaboration and the sharing of content" (Universal Mccann 2008, slide 10). They claim that social media is a term that represents a big improvement over Web 2.0 since it much better describes the changes that have impacted the internet. Another element is that it summaries the importance of interaction, the consumer and the community. Having said this, they say that speaking of social media as something "new" is a bit of a misnomer since message boards, chat rooms, and peer to peer communication have existed since the beginning of the internet. The change is really the mass involvement that we now see thanks to modern social platforms. The use of social media has exploded and it has become an important factor in influencing consumer behavior (Mangold and Faulds 2009).

2.3.6.1 Key social platforms – a brief review

There are several platforms forming what is termed social media. Universal Mccann (2008) gives an overview of what they consider the key social platforms (figure 14) and in the following a brief description of each one is presented.
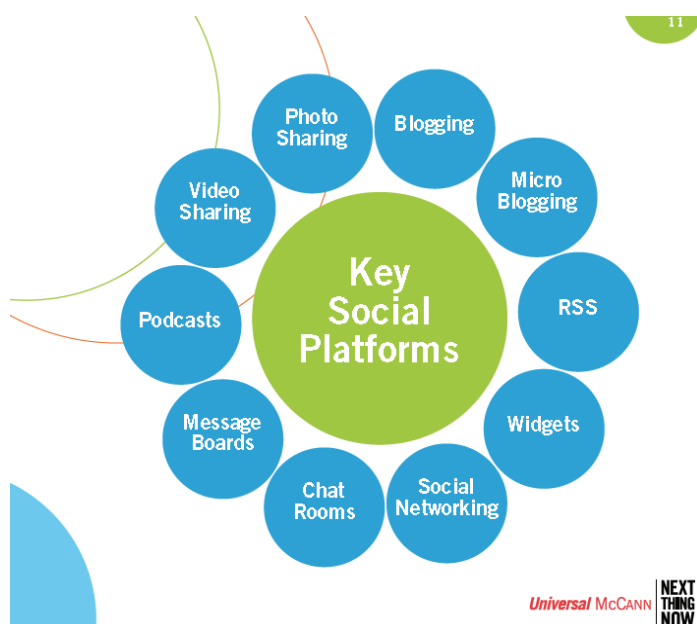
Figure 14: Key social platforms
Source: Universal McCann (2009, slide 11)

Blogs

The phrase originates from the phrase "Web log" is similar to a personal journal or diary. Some are also more like a magazine column and focus on a particular area of interest (Adamson 2008). The blog posts are published in an inverted chronologically order with the newest post on the first page.

Micro blogging

A micro blog is similar to a blog, but as the name indicates the content shared is typically smaller. It can be text, pictures and videos which are shared with anyone or a restricted number of persons (Wikipedia). The most well know micro blogging platform is Twitter.

RRS

RRS is a cold acronym for a friendly term: "really simple syndication". It refers to the immediate digital delivery of information from a syndicated source like a blog, magazine, industry, or news site to another site (Adamson 2008). It includes a full or summarized text and meta data, and is read through a software called RRS reader.

Widgets

A widget is a simple online application that makes it possible for people to add or edit information or graphic elements to web pages, or to link to or upload this information to other sites on the internet. A widget is also known as a gadget (Adamson 2008).

Social networks

Some of the most famous social networks are MySpace, Facebook and LinkedIn. It is a virtual meeting place where people meet and share everything from personal information about their lives to political, religious and professional views.

Chat rooms

Chat room is usually a term used to describe a website where people can gather and communicate in real time with each other.

Message boards

Also known as discussion boards, discussion groups, discussion forum and online forum. It is a website where you can post messages and expect to see responses to the messages that you have left. In contrast to chat rooms the communication is asynchronous and not synchronous.

Podcasts

A podcast is an audio file downloaded from a website for playback on mobile device or an personal computer.

Video sharing

This is a website where users can upload videos for sharing either publicly or privately. The definitely most famous one is the Google owned YouTube.

Photo sharing

This is a website where users can upload photos for sharing either publicly or privately. One of the first, and now most famous, is Flickr.

2.3.6.2 Social media usage

Different research companies have carried out research on social media usage among consumers. One of these companies is Universal McCann and in March 2008 their research project Wave 3 was completed. In this research 17,000 internet users in 29 countries were surveyed about their usage, attitudes and interest in adopting social media platforms and is the largest exploration of its kind (Universal McCann 2008)

The research focus on a group of people they have called The Active Internet Users that are estimated to be around 475 million users and suggested to be the most important user group to understand since they are the key leaders of social media and the drivers of adoption. Over time, all users will increase the regularity of usage and eventually everybody will be an active user as they have been with television (Universal McCann 2008, slide 7). When asking what they ever have done 82,9% answered "watch video clips online" and 72,8% "Read blogs" (figure 15). Taking into account the situation in 2006 one can witness significant increases (figure 16): for example had 30% watched video clips online in 2006, and just above 50% read blogs. For more information about the methodology behind this research, see appendix 3.
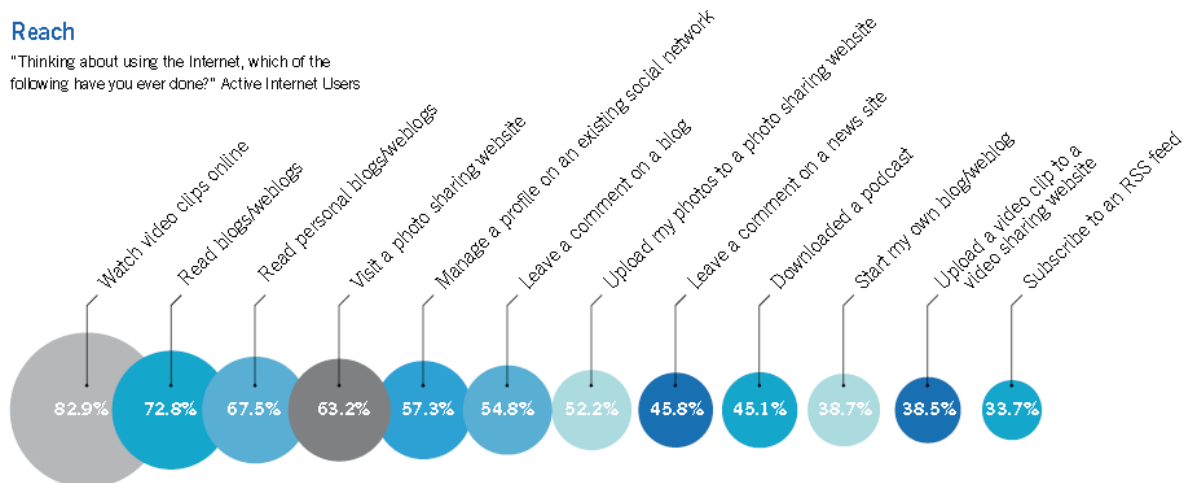
Figure 15: Global snapshot of what the Active Internet Users have ever done on the internet
Source: Universal McCann (2008, slide 12)
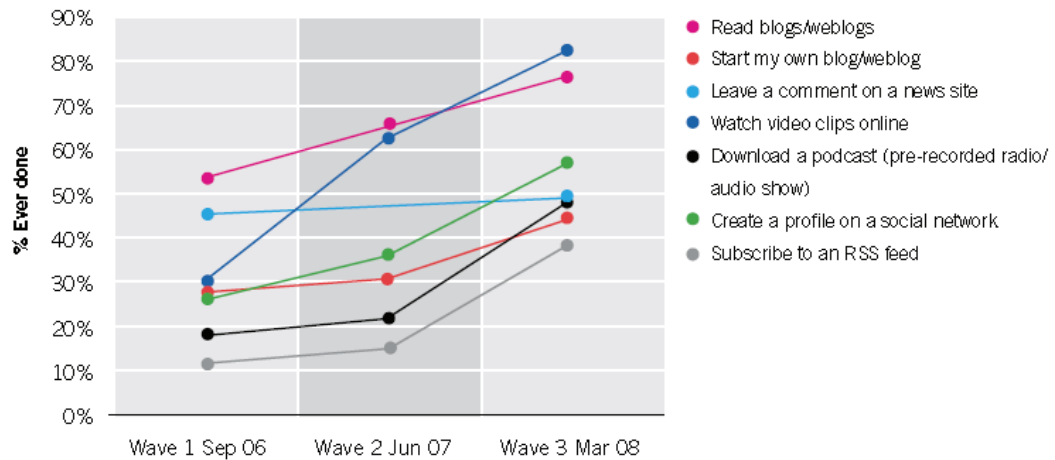
Figure 16: Social media usage - development over time
Source: Universal McCann (2008, slide 12)

Also The Nielsen Company (2009) provides research that shows an increased social media usage among consumers: social networks and blogs now is the 4th most popular online category – ahead of personal e-mail. These kinds of sites account for one in every 11 minutes online and Facebook has the highest average time per visitor amongst the 75 most popular brands online worldwide. Facebook strongest growth is now coming from 35-49 year-olds and it is adding twice as many 50-64-year-olds as opposed to those under 18. Marketing research company comScore Inc. could report that in December 2008, 75% of all European internet users above 15 years old had visited a social networking site (comScore 2009) and a study by IBM (2007) of 2400 consumers in 5 countries revealed that almost 45% of US consumers use a social networking site.
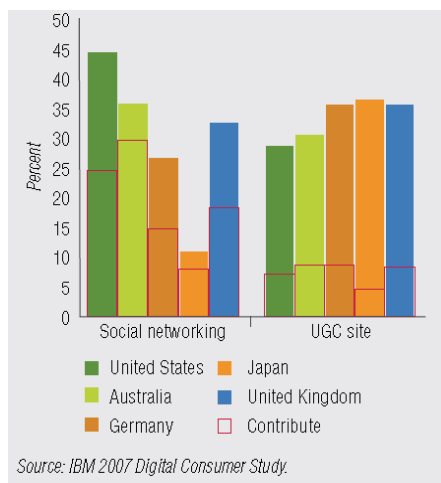
Figure 17: Percentage of global respondents who visit and / or contribute to social networking or UGC sites.
Source: IBM (2007, p.9).

What can be seen from the research is that Mangold and Faulds (2009) are right when they say that usage of social media actually has exploded. The usage is increasing rapidly. Consumers are changing their media usage pattern and according to McCann should brands consider the social internet seriously; "the social oriented internet is a massive opportunity for brands, advertisers and marketers if embraced properly" (Universal McCann 2008, slide 76). Latest insight from Universal McCann (2009) is that social networks continue to grow and that it is seen a rationalization of social media. This means that users perform more and more of the activities that they before did on different social media sites, on a main social networking profile.

2.3.6.3 Social media spending

As seen, consumers are spending more and more time using social media. Another interesting perspective is to investigate to which degree companies are present in the social media.

Forrester Research released in March 2009 a report on corporations spending on social media (Adweek 2009). It shows that corporations are planning to increase social media spending in the face of recession. The research also indicates that the social media efforts are mainly experiential isolated tactics and not integrated in the overall marketing strategy. Three-quarters of those surveyed who knew their budgets said that over a 12-month period 100,000 or less was budgeted to social media. 45-percent on marketers say that their social media budgets are determined as needed and 23-percent say they scrape together funds from wherever they can find them (Adweek 2009).

Another research report released in July 2009 (Forrester Research 2009) on the US market social media spending, suggest that social media stands for approximately 3 % of the total interactive spend, and the interactive marketing spend stands for 12% of the overall ad spend.

It also indicate that with regards to interactive spending social media is going to be the one increasing most next 5 years with a CAGR on 34% (figure 18).
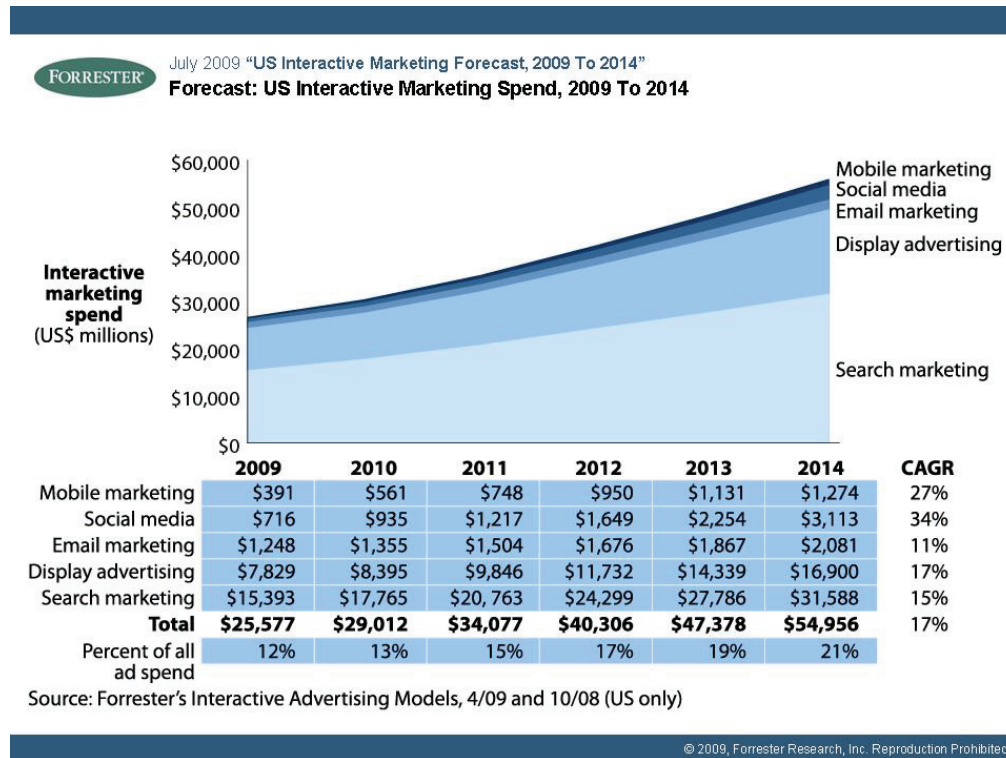
Figure 18: US Interactive Marketing Forecast, 2009-2004
Source: Forrester Research 2009

2.3.6.4 Succeeding with social media

Social media can be considered as a hybrid component of the promotional mix and should therefore be incorporated as an integral part of the integrated marketing communication (IMC) strategy (Mangold and Faulds 2009). The reasoning behind the designation as a "hybrid component" is that it combines characteristics of traditional IMC tools where companies are talking to customers, with a highly magnified form of word-of-mouth where customers are talking to each other. They suggest that marketing manager in this new communication paradigm should focus on shaping the consumer-to-consumer conversations, not control them. They propose nine methods for shaping the discussions: (1) provide networking platforms, (2) use blogs and other social media tools to engage customers, (3) use

both traditional and internet-based promotional tools to engage customers, (4) provide information, (5) be outrageous, (6) provide exclusivity, (7) design products with talking points and consumers' desired self images in mind, (8) support causes that are important to customers and (9) utilize the power of stories.

Universal McCann (2009) also provide a check list suggesting a 10 step programme for succeeding with social media: (1) listen to / observe what the target audience is doing in social media, (2) create a "social object" that is relevant to the brand and of genuine interest, (3) segement the target into tribes. Give them something they can join, (4) allow them to engage via their preferred platform of choice – create multiple interfaces to your community, (5) make the experience better when shared, (7) Use paid-for media to get the ball rolling, (8) take advantage of extreme targeting offered by social networks, (9) make sure you have the resources to manage your community management and refresh the content and (10) track the results and optimize where necessary.

Forrester Research researchers Li and Bernoff (2008) underscores that social media is about relationships and not technology; the question is how you want to develop the relationship with your customers, not what technology to use. Their experience is that many managers know that they should participate, but that they don't know *why* they should do it. They suggest a four-step planning process named POST-method to assemble your plan for social media engagement:

1. **People**. The first question is what is the target audience ready for? People do different things on the internet; some just read, others discuss, while others again contribute with a lot of content. Understanding your target groups profile is important since starting a forum for a target group that almost only reads, but not write can lead to a ghost town of a forum.

2. **Objectives.** Social media can be used for research, marketing, sales, support and development of products and services. Know what you want to achieve before you do it.

3. **Strategy.** How do you want the relationships with you customers to change? Strategy is about getting from one place to another. Where to do you want to go? What is your endpoint?

4. **Technology.** After having decided on the people, objectives and strategies is the time for choosing the technology.

2.4 Theoretical gap and the importance of further research

As seen, guidance on how brands should utilize social media is relatively limited. In addition to this theoretical gap, it is possible to find other arguments speaking in favor of carrying out more research on the topic.

1. **Consumers are already there.** The media usage habits are changing, and social media are mediums that grow significantly.

2. **Brand owers' have problems handling this arena.** It has been several examples of famous brands failing in the social media sphere. Coca Colas handling of the Mentos videos and Sony's fake blog are two examples (appendix 2), Kryptonite's lacking response to easy-to-pick 100 dollar lock and EA's similar silence to a wife's blogging about the working conditions at the company are others (Scobel and Israel 2006).

3. **An increasing number of marketing frontiers go there.** Big brands, well know for state-of-the-art branding over time, engage more and more with social media. News from the World Advertising Research Center (WARC) in June and July 2009 illustrates this claim (appendix 1).

Consumer behavior and marketing frontiers interest in and difficulties handling social media justifies, together with a gap in the literature, further research on the topic. First, it would be interesting to understand more deeply how and why brands engage with social media. This would give a better picture of the situation today. Then, a second interesting issue would be to explore what works well in social media when brands want to engage. The answer to this question is more related to the future and how things should be. This forms two research questions:

How and why are social media used by brand owners to build their brands?

Deconstructed this forms three sub-questions:

- To which extent are they prioritizing social media?

- How are they using social media?

- What are usually the objectives behind their social media initiatives?

How can brands successfully thrive with social media?

The next chapter describes the methodology used to answer these questions.

2.5 Conclusion

This chapter started with reviewing existing literature on brand management. Further an exploration of the literature on how the internet has affected brand management has been carried out. Finally, social media was identified as an important factor for brands due to the rapid increase in social media usage among consumers. There was also identified a gap in the literature on how brands are, and how brands should, utilize social media. This gap, together with arguments supporting the relevancy of social media for brands, formed the basis for the two research questions. The research questions aims to explore how and why brands use social media, and how brands can thrive in this environment.

3 Methodology

3.1 Introduction

Methodology means how data is collected and processed in order to suggest an answer to the research questions. This chapter advocates the choice of case research as research strategy. It also describes how the units of analysis were selected, what kind of sources of evidence were used and, where relevant, how validity and reliability issues were addressed. Further follows a description of the process for data analysis and interpretation. Overall, the chapter should provide information so other researchers can replicate what I have done, and also it aims to illustrate understanding of the methodology used.

3.1 Research strategy

Yin (2003) presents different research strategies and guidance to which situations these could be relevant (figure 19). There is not one correct strategy for every research, one can find overlaps between the different research strategies, but the goal is to chose a research strategy that is appropriate and without gross misfits.

Strategy	Form of Research Question	Requires Control of Behavioral Events?	Focuses on Contemporary Events?
Experiment	how, why?	Yes	Yes
Survey	who, what, where, how many, how much?	No	Yes
Archival analysis	who, what, where, how many, how much?	No	Yes/No
History	how, why?	No	No
Case study	how, why?	No	Yes

Table 3: Relevant situations for Different Research Strategies
Source: Yin (2003, p. 5).

In order to chose an appropriate research strategy there are three conditions that needs to be examined (Yin 2003): (1) type of research question posed, (2) the extent of control an

investigator has over actual behavioral events and (3) the degree of focus on contemporary events.

The research questions formulated earlier are "how" and "why" questions. This would call for an experiment strategy, a history strategy or a case study strategy. Since I have no control over behavioral events and the focus is on contemporary events, case study emerges as the preferred research strategy. As Yin (2003, p. 1) says, "cases studies are the preferred strategy when "how" and "why" questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context." Also Perry (1998) supports the view that case research is an appropriate approach when studying contemporary events where little academic research on the topic exists.

3.2 Units of analysis

The units of analysis are related to the research questions in the way that studying an appropriate set of units will provide answers to the research questions posed. The units of analysis in this research were *marketing related initiatives involving the use of social media platforms*. By studying these initiatives and the context they are undertaken in depth, I was able to explore how brand owners were using social media, why they are using them and what seems to make the initiatives successful or not.

It is possible to do both single-case studies and multiple-case studies. Multiple-case studies have distinct advantages and disadvantages, but often the evidence from multiple cases is more robust (Yin 2003). It was therefore decided to a multiple-case study research with 5 cases. According to Perry (1998), a multiple case study research needs minimum 2 to 4 cases and maximum 10, 12 or 15. 4-6 groups form, according to Hedges (as quoted in Perry 1998), a reasonable minimum for a serious project.

3.2.1 The selection of units

The basic principle underlying the selection of cases is recommended to be *replication* (Perry 1998; Yin 2003) and by using this approach, the issue of external validity is addressed. Random sampling to select cases is in fact considered inappropriate by several authors. One especially appropriate purposeful sampling method in marketing is "maximum variation" which means that one chooses very extreme cases (Perry 1998). In this research the maximum variation sampling has two implications. Firstly, both successful and unsuccessful cases involving social media were studied. The successful cases illustrated some of the same success factors discovered in the review of previous literature about social media. This is a selection process called literal replication. The unsuccessful case produced contrary results, showing an execution that has followed principles denied by the theoretical review. This is called theoretical replication. Secondly, the initiatives should be varied in terms of social media tools and objectives. For example is Starbucks specially designed website to generate ideas for product development a different kind of initiative then Blendtec's entertaining series of videos on YouTube. This procedure is also aligned with grounded theory proposals that advocate the use of constant comparisons (Glaser and Strauss 1967).

3.2.2 Deciding if an initiative is successful or unsuccessful

One important question that arose when selecting the units of analysis was how one defines a successful or unsuccessful initiative. As with all marketing, measuring can sometimes be difficult to carry out.

A good starting point for finding successful examples was to look to initiatives launched by companies traditionally considered frontiers within marketing. Second, in depth information search about different initiatives encountered helped determine the degree of success the initiatives have reached. Useful indications of this were for example be best marketing initiative awards, or positive buzz among re-known industry bloggers and newspapers.

Unsuccessful initiatives were chosen based on information which obviously placed the initiatives in this category. Examples are managers confirming through interviews that the initiative was a failure or like in the opposite case, news articles and other buzz, but now with a negative connotation.

3.3 Sources of evidence

According to Yin (2003) there are 6 sources of evidence that is viewed as the most commonly used in case research: documentation, archival records, interviews, direct observations, participant-observations, and physical artifacts. The main sources in this research will be documentation and interviews. By using multiple sources of evidence the issue of construct validity is addressed (Yin 2003).

The documentation used was mainly magazine articles, news articles, video presentations, press releases and other information from companies and discussions among experts in the blogosphere.

When using a case study approach the interview candidates are usually people related to the specific cases. In this research this is not the situation. The cases are mainly taken from the US and the UK and to get access to companies and consultants working with these cases were not considered to be possible. Therefore the interviews were done with consultants based in Norway and Spain, which are the two countries where the candidate were resident during the period of the research. Instead of interviewing them about the cases (in which they had little or no knowledge about) the topics were related to the research questions.

This deviation from Yin's recommended case study approach does not undermine the validity or reliability of the research since in-depth interviews in themselves are proven to be an appropriate approach to explore unexplored fields. An alternative way to look at the

methodology could therefore be that there have been undertaken in-depth interviews and for the sake of triangulation, case studies based on documentation are also carried out.

3.4 Data collection: interviews

It was carried out 8 interviews (figure 20). Saturation was reached with the last interviews and therefore it can be assumed that the number of interviews was sufficient (Strauss and Corbin 1998). The interview candidates were found after an extensive search for people holding positions as consultants or managers in companies with considerable experience in social media. Recommendations from the interview candidates first interviewed were an important information source in finding new candidates.

Candidate 1	Candidate 4	Candidate 7
Position: Director, online advertising agency	Position: New Media Manager, Pharmaceutical company	Position: CEO of consulting company
Country: Spain.	Country: Norway.	Country: Norway.
Date: 15. July 2009	Date: 9. August 2009	Date: 11. August 2009
Candidate 2	Candidate 5	Candidate 8
Position: Co-founder, social media agency	Position: Advisor at a digital consulting company	Position: Managing Director at digital marketing consultancy
Country: Spain.	Country: Norway.	Country: Norway.
Date: 21. July 2009	Date: 11. August 2009	Date: 13. August 2009
Candidate 3	Candidate 6	
Position: General Manager of Word-of-Mouth agency.	Position: Consultant, social media PR company	
Country: Spain.	Country: Norway.	
Date: 28. July 2009	Date: 11. August 2009	

Table 4: Anonym overview of interview candidates
Source: developed for this research

The original interview guide used can be found in appendix 4. The questionnaire changed a bit as the different interviews provided new and interesting topics to be explored further in the interviews to come. The interviews were recorded with a sound recorder.

3.5 Data collection: case studies

The data collection of the documentation forming the case studies was carried out with extensive information search on the internet. Search through databases like Datamonitor, WARC, Emerald and Business source premier combined with news and articles from trade magazines were important sources of information. Other really good insights were retrieved from video presentations and interviews with company managers responsible for the different social media initiatives studied. Also blogs written by marketing experts were explored to further understand the different aspects of the cases.

The relevant parts of the information were summed up in a case study report on 2-5 pages for each case, and these reports are presented in the thesis. The reports contain some information about the company involved, but the main emphasis is on the motivation for the initiative, how it was carried out, the results and success factors.

3.6 Data analysis and interpretation

The interviews were transcribed for further analysis and later the information were structured by topics. The process of structuring the information was done in an excel-sheet with topics on the horizontal axis, and interview candidates on the vertical axis. This made it easier to compare the results from the different interview candidates and to draw conclusions. A similar approach was taken to analyze the information found in the cases.

After this procedure, the analysis from the interviews was compared with the analysis from the case studies in order to further understand the topics under investigation. Finally, a

comparison with the findings in the literature review is done in order to confirm, enrich or question existing literature (figure 19).

Interview 1	Case 1
Interview 2	Case 2
Interview 3	Case 3
Interview 4	Case 4
Interview 5	Case 5
Interview 6	
Interview 7	
Interview 8	

Findings from interviews	Findings from case studies	Findings in litterature review	Theory: Confirmation - Enrichment - Questioning
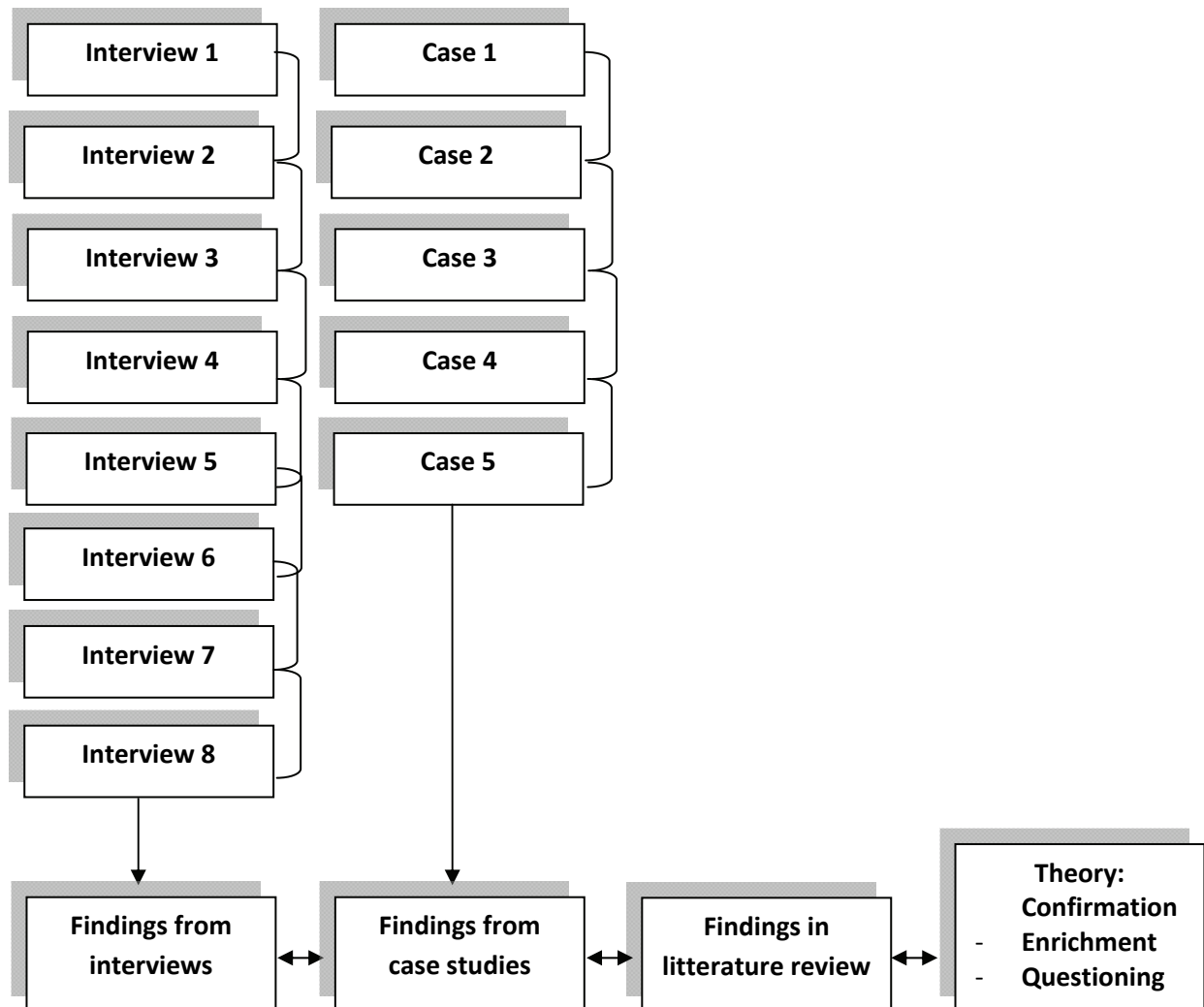
Figure 19: Illustration of the process for data analysis
Source: Developed for this research

3.7 Conclusion

This chapter has given an overview on how data was collected in order to answer the research questions posed in the previous chapter. It started with advocating the use of a case research strategy before it described how units of analysis were selected. Lastly it described the process for data analysis and interpretation. It also touched upon how validity and reliability issues were addressed. In the next chapter the findings and analysis of these findings are presented.

4 Analysis of data

4.1 Introduction

In the previous chapter the methodology for exploring the research questions was explained. In this chapter the findings retrieved using this methodology, and the results from the analysis are presented.

During both the construction of the cases and during the interviews, some topics emerged as more relevant than others seen in the context of the research questions. An overview over the topics that emerged and how they relate to the research questions can be found in table 5.

Research questions	Research questions deconstructed	Topics
How and why are social media used by brand owners to build their brands?	To which extent?	- Interest - Knowledge - Willingness to spend
	How?	- What platforms are used? - How are the initiatives measured? - Do they integrate with offline strategies?
	Why?	- What are common objectives?
How can brands thrive with social media?	N / A	- Success factors

Table 5: Emerging topics and how they related to the research questions posed
Source: Developed for this research

In the following are the case studies presented as 2-5 pages reports. Then, the findings are discussed and summarized under each topic. Further are the findings from the interviews, also structured around the presented topics. The chapter finishes with a discussion and summary of the findings from the interviews.

It is important to note that the findings from the cases and the interviews are not compared with each other in this chapter. Neither is the existing theory taken into account. Both these operations are done in chapter 5.

4.2 Case studies: findings

4.2.1 Blendtec – raising awareness with viral videos

About Blendtec

Blendtec is the commercial blender division of K-TEC based in Orem, Utah. The company has around 180 employees and manufacture and sell blenders. They sell both to consumers and to businesses. Their main business is blenders, but they also sell some other products like mixers and grain mills.

The problem

Blendtec had difficulties selling blenders to the consumers. They are supposed to have great blenders, but suffered from very low brand awareness and accordingly, low sales. As director of marketing and sales at Blendtec said on the Biztechday-forum "People cannot buy your products if they do not know that those products exist".[i] This basic issue was the problem for Blendtec. The solution to the awareness problem was the "Will it Blend?"-campaign.

What Blendtec did

Wright one day saw the remnants of wood in the demo-room where the CEO Tom Dickinson had been testing the blenders by putting a two-by-two board into a blender in full speed. He thought that this is cool, and this is probably something that other people would think is cool as well.[ii]

With no or little history of marketing, the first thing Blendtec did was to clean up the brand identity to make sure everything they were looking like one cohesive company. As Wright put it "You definitely want to clean up your inside before you go external, and that is exactly what we did before we started with marketing here at Blendtec."[iii]

They filmed 5 videos of the CEO Dickinson blending strange things as a rake, a handful of golf balls, and marbles in a Blendtec blender. The company had a history of shooting videos for product demonstration and had already an internal video producer who could make the videos, and an internal web-developer to develop the website www.willitblend.com. They posted the videos on the website and uploaded them to YouTube and some other video sharing sites. Also they sent them to their employees and some of their customers and asked them to pass it along if they found them shareable.[iv]

The results

The videos started to spread with incredible pace. The first day it had around 5 views, but within two weeks they could track more than 5 million views. According to Wright the real number was probably much higher. With this buzz, traditional media started to write about the videos as well.[v]

Within the first 10 months there was a 500% increase in sales.[vi] In March 2009 Wright said in an interview with Mark Ragan, CEO of Ragan Communications, that the sale was up 700%, a number that was sustainable, and that they could now track more than 200 million views. Also, the campaign helped the sales in the professional market.[vii]

It can also be mentioned that they have more than 200 000 subscribers on their YouTube account (34th most subscribed channel of all time) and got a lot of media coverage including

- National TV including the Today show, iVillage, Live, The history Channel, the Discovery Channel, The Big Idea, Food Network and the tonight show.

- Local TV, print magazines (Internet Retailer Magazine, Weird) and Blogs (Engadget, Forbes, AdAge, NyTimes, WSJ, BusinessWeek).[viii]

Blendtec have now blended more than 80 different things and they get tens of thousands different propositions for what to blend through the "Suggest stuff to blend"-section of their website.

SEO strategies and viral videos

Another less known aspect of the story is how Blendtec by purpose picked themes and titles that have a broad appeal on the internet and made videos related to these concepts. Examples of this kind of terms are: "golf clubs", "video cameras", "IPod", "IPhone" and "Chuck Norris". When they were able to achieve high rankings on some of these terms they got a lot of extra viewers and the spread became even stronger.[ix]

Viral videos as a revenue generator

In addition to the fact that the viral videos have created an incredible boost in the brand awareness, Blendtec have also started making money on the videos themselves. First of all they were posted on a video site called Revver. Here sponsors can pay to get their advertisement at the end of the videos and the content provider and the website owner share the money. Secondly, they are selling accessories like DVD's and T-Shirts related to the "Will it blend?" concept. Thirdly, and more important, Blendtec is making custom videos for corporations like Nike and Novell. Like this the videos generate revenues themselves and spread further through new postings on websites, or even in traditional media where the company buying the video also has bought air time.[x] [xi]

Success factors

Wright has given several interviews and speeches regarding the success story of the "Will it blend?" campaign. He has several opinions on why the campaign succeeded like it did. First of all, he underscores the importance of making something that is authentic. The CEO Tom Dickison is actually the same kind of person he seems like in the video. They do blend the

things they blend. Of course they do some editing to make the videos short and entertaining, but the blender does blend the golf balls and the hockey pucks.[xii] Second, he points to having a clear objective to what you are going to do: "Understand what you are doing before you do it. Even though there are tools out there it does not necessarily mean that you should use them."[xiii] For Blendtec the objective was to raise brand awareness, and viral videos posted on social media sites was the tool used to achieve it. Thirdly, it has to be so interesting, entertaining or relevant that they are willing to open their address book and share the content. If it is, then it can succeed. He adds also that the awareness that you want to receive, is the one you get if you in addition to spread the word can demonstrate the nature of your product.
[xiv]

4.2.2 Dell Outlet using Twitter

About Dell

Dell is a multinational technology corporation designing, manufacturing and selling PC's and related products. Dell is based in Texas, employs more than 75000 people, and is traditionally most famous for their business model where they were only selling direct to both businesses and private customers using Internet and telephone.[xv] Being ranked as the 34th-largest company in the Fortune 500 list in 2008, Dell is one of the significant companies in the world and the second largest in their industry, only surpassed by HP.
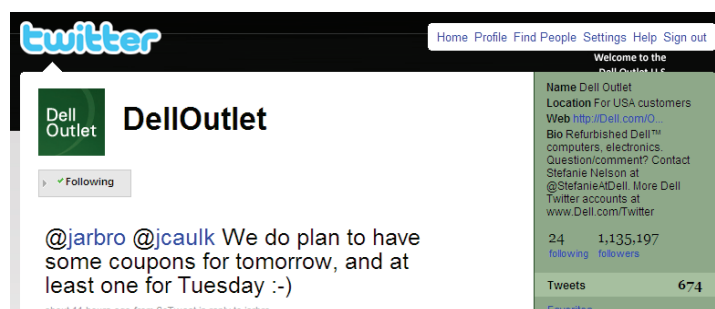
About Dell and Social media

A study by analyst Charlene Li of the Altimeter group and Wetpaint ranks Dell as the second most engaged brand in the world in social media, only surpassed by Starbucks. They are

present in more than 11 channels including the established platforms Facebook, Twitter, Linkedin,, YouTube, and Flickr. Also they have blogs and the crowd sourcing tool IdeaStorm.[xvi]

According to Andy Lark, VP of Global Marketing at Dell, social media is at the core of the company's marketing strategy. Most important among the different efforts is the way the company is connecting with the customers. He considers the traditional marketing efforts as more and more transactional and tactical, while the social media efforts are the more strategic ones.[xvii]

About Dell Outlet and Twitter

If a customer experience problems with a Dell system he or she can decide to return it to Dell. The system cannot be resold as a new system, however after the problem is fixed and the system tested, it is available for sale through Dell Outlet (www.dell.com/outlet) for a lower price than the original one.[xviii] Like this Dell Outlet does not have its own inventory, and what they have in stock is relatively unpredictable: sometimes they know weeks ahead of time what they are going to get and then they can prepare a big e-mail campaign, but more often they open up the truck and find a thousand more PC's than expected.[xix]

Manager of demand generation at Dell Outlet, Stefanie Nelson got a tip from colleague Ricardo Guerrero about Twitter, and thought the short lead time would let Dell Outlet communicate promotions effectively.[xx] Thus, early in 2007 Dell Outlet established a Twitter account. Initially the tweets were one-day promotions leading to a webpage which had a coupon code. By organizing it like this Dell could track more precisely than if they just used the promotion code directly in the tweet. The response was rather lukewarm, and after a while they did two changes: they tweeted the promotions codes directly, and prolonged the time the promotions were valid.[xxi] This would later prove to be a much more effective strategy. Certain

offers are exclusive to the Twitter accounts and the amount of tweets sent out is limited to a few each week.

From monologue to dialogue to advocacy

Surprisingly for the people at Dell, people also started to respond to the tweets. "They wanted to ask questions. The wanted to share their experiences, good and bad", says Nelson.[xxii] In order to have a conversation with the people, a responsible person was assigned to the account in order to add a human element that felt naturally to respond to. According to chief blogger at Direct2Dell, Lionel Menchaca, the human element is what really helps to drive the interest and amount of followers among all social media efforts Dell are doing.[xxiii] According to Nelson, this has also a positive impact on the relationship with the customers, "when we respond to people on Twitter, they get really excited, and we gain advocates".[xxiv]

Raising awareness

In addition the twittering has helped to raise the awareness for the Dell Outlet brand. A month after the launch and also in December that same year (2007) Dell undertook surveys among the followers, and it turned out that 25-30% of them not heard about Dell Outlet before joining the twitter account.[xxv]

Sales figures

In June 2009 Nelson wrote in the Direct2Dell blog that they have surpassed 2 million dollars in revenue in terms of Dell Outlet sales through the Twitter account. Also they could see that one additional million dollar in sales of new systems elsewhere on Dell site came from the @DellOutlet on Twitter.[xxvi] However, according to blogger Tim Walker, claiming that this is success story based on the sales may be an exaggeration because of two reasons:

- Dell had in 2008 61.1 billion dollars in revenue – thus 3 million may be considered a drop in the bucket

- Increased revenue is not necessarily incremental revenue, meaning that they do not know how big part of the sales would have been sales without the twittering.[xxvii]

Direct2Dell chief blogger Menchaca discusses the issue of the value the twittering for Dell Outlet in one of his blog posts. His opinion is that looking to the generated revenue is too simplistic and that sales is just a part of the value Dell is getting from being in Twitter. According to him, the 1 million in sales from other parts of the Dell website and the way the Nelson connect with customers are of bigger interest. He designates Twitter as a precursor to a tighter linkage between the Dell community, e-commerce and the broader social media efforts.[xxviii]

Dell' Twitter engagement in numbers

Dell operates more than 80 Dell branded twitter accounts. In addition there are more than 100 employees encourage by the company twittering. Many accounts are used for customer service and to reach out to other people who are twittering about Dell.[xxix] The biggest account is definitely Dell Outlet with more than 900 000 followers. [xxx]

Twitter best practices for Dell

Stefanie Nelson held a presentation at the 30th of April 2009 for Dell executives about their experiences so far with Twitter and could give following advices[xxxi]:

Have an objective: Dell's objective was to "increase reach for offer messaging to help rapidly move bubbles of inventory."

But be flexible: social media is still evolving; be prepared to evolve with it. Dell began twittering promotions, but found a good way to engage customers and improve customer engagement.

Be relevant in your tweets: know your target audience and speak to them.

Be local: speak to your audiences in their individual languages. Dell has for example twitter accounts in both Norwegian and Chinese.

4.2.3 My Starbucks Idea – Starbucks crowd sourcing ideas and joining conversations

"What would make your Starbucks experience perfect? We know you've got ideas - big ideas, little ideas, maybe even totally revolutionary ideas - and we want to hear them all. That's why we created My Starbucks Idea. So you can share the ideas that matter to you and you can find out how we're putting those ideas to work. Together, we will shape the future of Starbucks".[xxxii]

Company background – Starbucks Corporation

Starbucks Corporation is the world's leading retailer and roaster of specialty coffee. It has more than 16000 stores in more than 40 countries and has just recently expanded into big potential markets as India and Russia. The majority of the stores are owned and controlled by the corporation, but in many foreign markets local operators or international hotel operators are responsible to operate branded outlets in its behalf.[xxxiii]

The corporation also supplies branded coffee and tea for distribution through foodservice channels, supplies coffee in bulk to foodservice companies, has partnerships with Kraft and PepsiCo to market Starbucks-branded consumer products and operates in the entertainment business (music, books, DVD's).

Starbucks experienced during 2007 a rapid slowdown in growth. Chairman Howard Schultz resumed his former position as President and CEO in January 2008 and My Starbucks Idea was one of several actions aimed to get the corporation back on track.[xxxiv]

My Starbucks Idea – the concept

My Starbucks Idea is a community website that was launched in March 2008. At the website one can submit ideas about Starbucks products and services, vote for or against them, and discuss other peoples' ideas. In the Action blog monitor what becomes of the different ideas. There are no payments or tangible rewards if an idea is implemented; the satisfaction of participation works as the motivating factor.[xxxv]

48 specially trained Starbucks partners, called idea partners, moderate and act as hosts for the discussions on site. They are also the people who are advocating the different ideas inside the organization. Based on the most popular ideas (most votes and comments) and their own expert opinion the idea partners choose which ideas that should be considered further.[xxxvi]

In addition to being a customer facing site, My Starbucks Idea is also an employee facing site. In the employee facing site, employees, or partners as they are called, do the same things as the customers do at the customer facing site: share, vote, discuss and observe.[xxxvii]

Motivation and background for My Starbucks Idea

One of Starbucks problems during the last years, according to CEO Howard Schultz, has been that it had grown so fast that they have lost "the seeing culture" the company earlier had. The distance between the top management and the customer had grown too big. My Starbucks Idea is an initiative aimed at closing this gap.[xxxviii]

Alexandra Wheeler, director of digital strategy at Starbucks, claims that Starbucks is a company very well positioned for playing in the social media sphere for several reasons. First of all, they have a very strong history of co-creation together with partners and customers. It was the partners who came up with the Frappuchino and the idea about music in stores, and the customers who have inspired the thousands of different coffee variants created. Second, people have a tendency to care and have an interest in the Starbucks experience. As a Starbucks partner people often come to you with opinions and suggestions. Thirdly, the store footprint is strong in the communities where they are present and this makes people more engaged in the business. In addition, there were already tons of conversations about Starbucks on the web. The problem for Starbucks was that they were not a part of that conversation. One example is the Facebook page "Addicted to Starbucks" which had tens of thousands of members and which Starbucks had nothing to do with. Another one is the blog "Starbucks Gossip" which is a blog where one is "Monitoring America's Favorite Drug Dealer".[xxxix]

The discussions had been several inside the company about how to engage in social media, and for a company with a culture which is extremely sensitive about who act as the company spokesperson it was big step to take to engage in a way like this.

The challenge – bringing the corporation into My Starbucks Idea

The costs and the effort related to the construction of the website were not so high, and the launch of the website was done in about 7 weeks. The main challenge, according to Wheeler, was to bring the corporation behind the idea. As she put it: "it was an amazingly huge mindset shift for Starbucks". Even though it was involvement from top level with CEO Howard Schultz, it was several other executives who were more skeptical to the fact that partners from all levels in the organization would officially act as spokespersons for the brand. To deal with this, the top level executives were involved in the selection of the idea partners. The basic requirements an idea partner have to fulfill are that they have to be great communicators, with

skills to vet the ideas inside the organization and, of course, they have to be passionate partners. They went through several training programs such as media training, corporate communications training and legal trademark training. This training made the executives more comfortable with the idea that these people where to speak on behalf of the company.[xl]

According to Wheeler, all the effort put behind the initiative has shown the organization that My Starbucks Idea is more than a website. It is the customers' voice in the meeting rooms. The different ideas and discussions are now referred to internally and actively used in discussions. It seems like Starbucks has achieved what chief technology officer, Chris Bruzzo, claimed was going to be done in an interview with Jeff Jarvis, journalist in BusinessWeek and author of the blog Buzzmachine: "We're truly going to adopt it into our business processes, into product development, experience development, and store design".[xli]

The critics

Several critical voices have been observed among more and less influential bloggers. Julia Kirkby, senior editor at Harvard Business Review, suggest that asking customers for management input is problematic because customers have their own agenda and are not share the organization's mission. Even worse, she claims, it can undermine the respect the customers has for the business. She propose that it is more reasonable to expect agenda alignment from employees and that a better approach for Starbucks could have been to ask internally for suggestions and ask the customers to react and rate them. One positive effect is that this would provide suggestions more aligned with the company's mission, another one is that it would uncouple the idea and its originator and therefore an idea would get traction or not based on it's over merits, irrespective of the popularity of the manager proposing it.[xlii]

Former Starbucks marketing employee and author of the blog Brand Autopsy John Moore is critical to the big leap Starbucks has taken into social media. He is specifically concerned

about the culture that does not support this kind of an initiative. A better solution could, according to him, have been taking the blog-route to social media. Here they could have entered into a dialogue by asking focused questions about their ideas on improving various aspects of the Starbucks business. The main advantages of this approach would have been that it would be easier for a company with no meaningful social media experience to manage, and also it would be easier for the Starbucks customers to follow-along; the website mystarbucksidea.com was unwieldy already after a short while.[xliii]

Another point repeating itself among the critics is the idea that listening to customers could be dangerous since the customers do not always know what they want. A famous Henry Ford quote illustrates this point quite well: "If I had asked my customers what they wanted, they would have said a faster horse".

Best practices and results

From a best practices perspective Alexandra Wheeler points to reaching out to the key influencers. It is easy to pick up who are the active users and one should focus on these. Also, another important learning is that by leading the conversations, not in a forceful way, but getting ahead of the messages, the conversations goes in a much better direction.[xliv]

Matthew Guiste, one of the idea partners at MyStarbucksIdea, writes at the websites blog that the website has been welcomed very much by the customers. Traffic has been enormous from the start. Participation has also been significant: almost 75000 ideas submitted within 6 months.[xlv] According to Informationweek, 25 of the ideas have resulted in new company initiatives.[xlvi] However, Guiste points out that the main benefit to Starbucks decision making is not necessarily from brilliant ideas, but rather from prioritization that could be done based on the activity and discussion around certain ideas. Also, another key benefit is the tight dialog they now have. Starbucks can get immediate feedback on every change they do, and

also the site works as a channel to give complete and contextual information back to the community members most interested in a given issue or product.[xlvii]

MyStarbucksIdea was awarded the best initiative in within the category "embracing" in 2008 by Forrester Research. The vast number of ideas and how this actually has affected the way Starbucks does business stands out as the rationale behind the award.[xlviii]

4.2.4 Wispa re-launch

"This is the first time that the power of the internet played such an intrinsic role in the return of a Cadbury brand[xlix] – Cadbury spokesman Tony Bilsborough

Cadbury UK launched The Wispa chocolate bar in 1981 as a competitor the chocolate Aero from Nestle. In 1995 launched Cadbury the line extension with caramel filling, Wispa Gold. In 1997 were Wispaccino with coffee flavored filling and Wispa Mint with a mint layer introduced, and finally in 2000 the Wispa Bite with caramel and biscuit filling.[l]

In 2003, due to declining sales and as a part of a rationalization process where a Master Brand strategy were to be followed, Wispa was eliminated from the Cadburys portfolio of brands. A similar chocolate was launched under the Diary Milk brand, more precisely the Diary Milk Bubbly. The shape of the chocolate changed so the bar was more similar to the other products endorsed by the Diary Milk brand. [li]

The 8th of October 2007 the original Wispa was re-launched for a limited period after an extensive activity on different social networking campaign demanding the return of the

chocolate bar. The re-launch resulted in a huge sales success and 4th of August 2008 Cadbury announced that the original Wispa bar was back for good from October the same year.[lii] In July 2009 Cadbury announced another re-launch: the Wispa Gold.[liii] Like with the original Wispa, Wispa Gold is going to be re-launched for a limited period of time.

Understanding the scope of the online petition

Cadbury knew that there was a movement on social networking sites asking for the return of the Wispa, but they did not know the scope of this online petition. As Cadbury's spokesman Tony Bilsborough put it, "Our challenge is whether there is a genuine desire to see it come back. If the internet reflects what the public are thinking, we will bring it back permanently."[liv] To sort this out they hired Marketing Senitel, a marketing consultancy specializing in online monitoring and response. Early 2007 they started monitoring and the task was to figure out:

- Who were demanding the return of Wispa?

- Where the conversations where taking place and where it was strongest?

- What was being said and in which sentiment?

- What was Cadbury's position in all of this?

- The scope of the petition; how many people weere involved?

The consultancy identified that students and young people where the main actors, supported by some nostalgic people in their thirties and forties. Facebook grew to be the strongest place for conversation and it was possible to see that the people had strong positive associations with the brand. Cadbury was not invisible inn all of this and the talk gave a halo effect also for the parent brand. There were also identified thousands of individual petitioners up and down the UK. In total they found 5 campaign groups in existence. [lv]

In March 2007 Borkowski started fuelling online rumors of the return of Wispa.[lvi] In august 2007, when it was made official that Wispa would return later that year, there were 13,799 official supporters of Wispa on Facebook and 93 "Bring Back Wispa" groups across different social networking sites.[lvii]

A PR-stunt?

Some bloggers and writers in trade magazines suspect that the return of Wispa was a planned viral campaign by Cadbury from the very beginning.[lviii] [lix] [lx] The alarm clock is supposedly the sudden emerge of support groups and members. True, or not, looking to the biggest Facebook group today it has more than 700 000 members. This indicates that there really is a big group of people out there who are genuine Wispa fans.

PR agency Borkowski was behind the re-launch of Wispa, but denies having anything to do with the initial online campaigns that demand the return for bringing Wispa back. As they say in their blog: "This organic desire, fuelled by nostalgia and empowered by a sense of fun, could not have been created by any PRs. Manipulation of the social networking sites by PRs cannot be achieved without being found out." [lxi]

The re-launch

When the decision was taken to re-launch the Wispa, social media was again utilized to create word-of-mouth to boost the re-launch. PR agency Borkowski PR was behind the award winning campaign that "expertly harnessed social media to great sales effect."[lxii] The PR efforts undertaken were based on insights provided by Marketing Senitel, both with regards to where to focus the efforts and with which language to use.[lxiii]

The objective this time was to create media hype about the return. According to Borkowski presentation about the Wispa case they got phenomenal coverage across all media outlets

including high-profile media including BBC News 24, Radio 1, The One Show, Daily Mail, The Guardian and others. In total the return of Wispa got more than 260 pieces of coverage.

Some business facts:

- Best Selling Chocolate Singles launch in last 4 yrs (Nielsen data)

- In 7 weeks, Wispa had sold 90% of total volume produced, significantly ahead of the 14 week target

- At week 5, Wispa was No.1 selling product in Chocolate Snacking Cash ROS is 3.5 times higher than No.2 in category – Mars bar[lxiv]

The PR work done by Borowski was praised by Accenture as one of the best online campaigns engaging with social networks.[lxv]

Mixing offline and online elements

Including the already mentioned online monitoring by Marketing Senitel and PR work by Borowski, Fallon advertising agency sat up a website called www.theloveofwispa.com and used press ads in the National Metro and London Lite, boards at bus stops and on the side of buses to encourage people to donate effects like costumes, helicopters, balloons and even themselves to a video shoot in order to produce a video ad. The video as was meant to be the final expression showing peoples love for Wispa. The final 2 minute video starred more than 300 Wispa fans and was run once on ITV and it has had more than 500 000 views online.[lxvi]

4.2.5 Sony failing in the blogosphere

"Please, while you're removing this comment and the 200 other negative comments above it (again), have the decency to do one honest thing in your life and inform sony of just how bad they screwed up by ordering this a_d. This is simply so insulting to anyone who truly loves games, the only reaction you will likely get is a decreased willingness to buy anything sony branded."(comment on Sony's fake blog alliwantforxmasisapsp.com)[lxvii]

About Sony

Sony Corporation was founded in 1946 and is one of the leading global consumer electronics companies. With over 150 000 employees Sony operates through five business segments: electronics, games, pictures , financial services, and "all other".[lxviii] Sony is one of the world's strongest brands and they consider their brand as their most important asset.[lxix]

All I want for Xmas is a PSP – a fake blog creating furor among Sony fans

In November 2006 Sony's advertising agency Zipatoni launched a blog called "All I want for xmas is a PSP" (www.alliwantforxmasisapsp.com). It was fronted as an independent blog whose authors supposedly had a friend called Jeremy that wanted a PSP for Christmas.[lxx] One of the most quoted blog postings explains the concept of the blog:

 "...we created this site to spread the luv [sic] to those like j who want a psp! …consider us your own personal psp hype machine, here to help you wage a holiday assault on ur [sic] parents, girl, granny, boss—whoever—so they know what you really want."[lxxi]

It did not take long before the suspicious visitors found out that the blog was registered on Zapatoni, an advertising agency with Sony Playstation on their website list of clients.[lxxii] Soon the visitors started posting critical comments about the blog being fake. The host, "Charlie"

on the other hand, was posting denials that the blog was a fake: "yo where all u hatas com from... juz cuz you aint feelin the flow of PSP dun mean its sum mad faek website or summ... youall be trippin."[lxxiii]

Below is the registration information for the website[lxxiv]:

Registar's info for alliwantforxmasisapsp.com

Registrant:
the ZIPATONI co.
Gregory Meyerkord
555 Washington Ave. 3rd Floor
St. Louis, MO 63101
US
Email: greg.meyerkord@zipatoni.com

Sony admitting that "All I Want for Xmas is a PSP" was a Sony initiative

On 13th of December 2009 Sony released a statement admitting that they blog was a Sony initative: "Sony Computer Entertainment America developed alliwantforxmasisapsp.com as a humorous site targeting those interested in getting a PSP system this holiday season. We've now added a posting that provides this clarification to consumers visiting the site."[lxxv] On the blog the authors wrote: "As many of you have figured out (maybe our speech was a little too funky fresh???), Peter isn't a real hip-hop maven and this site was actually developed by Sony. Guess we were trying to be just a little too clever. From this point forward, we will just stick to making cool products, and use this site to give you nothing but the facts on the PSP."[lxxvi]

The fake blog did not receive a warm welcome among marketing and gamer's websites, and Sony and Zapatoni learnt something about how to behave in the social media sphere the hard way. It also raised a discussion about ethics within viral marketing.[lxxvii]

4.3 Case studies: discussion and summary of findings

4.3.1 Interest, knowledge and willingness to spend

A weakness of the case methodology used, is the appropriateness of exploring this particular topic. We are only looking at 5 specific initiatives for 5 specific brands. This does not say anything about the general situation; these are extreme cases they are not appropriate to answer to which extent social media is prioritized within companies.

Having said this, it is worth mentioning that in the successful cases, one can see an interest among top executives for the social media initiatives. They are also controlled by managers in strategic positions. They show a good understanding for how to succeed with social media and the social media initiatives play an important role in the overall strategies. In other words, just taking this very extreme selection into account, the interest seems high, the knowledge good and the willingness to dedicate resources significant.

4.3.2 Platforms

Sometimes it makes sense to set up something totally from scratch as seen with willitblend.com or mystarbucksidea.com, but it is obvious that there is a lot gain from using established and popular platforms like YouTube, Twitter and Facebook. People are already there and they know how to use them. Dell used Twitter, Blendtec also posted on YouTube and other video sharing sites and Wispa's main focus became on Facebook – both when monitoring and when later establishing the official Wispa fan page.

Also, it seems like using more than one platform is useful. Blendtec uploaded their videos to at least three places: YouTube, willitblend.com and Revver. Wispa created fortheloveofwispa.com and official Facebook page, and Dell Outlet are present on several social media platforms including Twitter, Facebook and a blogs.

Another important perspective learned from the cases is the fact that it is in first instance not a question about the platforms. What is important is what you want to achieve. Sometimes the objective of the initiative is better fulfilled with an established platform, other times you need to make something new. As Blendtech's marketing director George Wright said: "understand what you are doing before you do it. Even though there are tools out there it does not necessarily mean you should use them."

4.3.3 Measuring

The cases show that the companies are focusing on both measuring numbers like mentions and impressions, and on sales. The first numbers are used to measure activity related to the particular social media activity and the latter is an example of integration of the activity in to the overall sales figures. In other words, measurements of social media initiatives can in many cases be done in the same way as with other marketing means.

It is important to remember that these cases represent successful cases with companies that have developed knowledge about commercial participation in social media. Even though they have integrated the activity in sales figures, this is not necessarily the truth among other companies.

4.3.4 Integration

Another interesting topic to consider is how the social media initiatives are integrated with the other relevant strategies. What can be seen is that the successful initiatives were all parts of well organized brand strategies. Dell Outlet had always focused on promotions and adopted Twitter as an additional channel for this (later it evolved), Cadbury used traditional advertising and PR together with their social media platforms, and Blendtec cleaned up their visual identity and used viral videos as the main strategy within awareness building and to communicate the strength and durability of their product. Starbucks wanted to again bring

back the seeing-culture the brand had lost, and My Starbucks Idea was one of the means in order to achieve this.

4.3.5 Objectives

These success stories give examples of other objectives than solely increasing awareness or increased short term sales. Starbucks is crowd sourcing ideas and interacting with their customers in totally new way. Dell planned to use Twitter as a promotional tool, but after a while the account has also developed into a customer service tool. Wispa wanted to learn about their consumers before doing anything. These best practices show that you can have other objectives than pushing more products with social media; you can forge stronger bonds with consumers, get ideas for how to develop your service or provide an alternative channel for customer service.

4.3.6 Success factors

The different cases illustrate a variety of factors contributing to the success of the initiatives. In the following, some of the most evident factors are presented.

Aligning social media initiatives with the brand identity: when Starbucks established My Starbucks Idea they built upon something which had always been a part of Starbucks identity: involvement and co-creation of the experience with customers and partners. Also Blendtec did something closely aligned with the history and identity of the brand: first of all, viral videos were chosen as a format. Blendtec had already a long tradition of making demonstrations of the blenders in video format. Second, one of the main goals was to demonstrate the strength of the blender; a key characteristic of the brand-as-product (or brand physique).

Crystallizing clear objectives: another important learning is that all the successful initiatives studied, had clear objectives when established. Blendtec needed to raise awareness, Starbucks wanted to put the customer at the center and give them a voice in the meeting rooms, Cadbury wanted first to monitor to understand and then boost the chatter to get attention and increase

sales. Dell Outlet started with a clear objective, but also they changed their objective coherent with how the users used the technology. It may be common sense that you should have an objective with what you are doing, but with phenomenons like social media that get so much attention and buzz, it is extra important to underscore exactly that.

Focus on giving relevant content: all the successful cases show examples of companies giving something of value to the audience. Blendtec gave hilarious movie clips that people could share and increase their social status, Starbucks gave people a tool to communicate both with the company and with other people with an interest in Starbucks. In addition are customers being listened to and changes are made in accordance with their proposals. Dell Outlet gave unique promotions through Twitter, but more important another channel where customers can get answers to their questions and help with their problems. Cadbury gave the fans the chocolate Wispa back. Sony gave a fake blog with no interesting content. In social media people can choose what they want to spend their time on, if the content is boring and dull none will listen.

Strategic roots: Howard Schultz supported strongly My Starbucks Idea, the main actor in the Blendtec videos is the founder and CEO, and social media is at the core of Dells marketing strategy. The successful cases indicate that having strategic support and involvement is important in order to achieve success.

Have a long term perspective and build relevant networks: all the successful cases demonstrate elements of long term thinking and acting from the brands behind it. Blendtec did not stop after 5 videos; they now have more than 80! They are connecting with the community by letting people suggest what to blend next and gain advocates through this. Starbucks has integrated their initiative in their service development processes and Dell Outlet is designated as a precursor to a tighter linkage between the Dell community, e-commerce and

the broader social media efforts. Cadbury is managing their communities and are soon releasing Wispa Gold. Probably no network is more relevant for sharing information about Wispa Gold than the community forming the official Wispa Facebook fan page. Sony's "All I Want for Xmas is a PSP" was released in November, had focus on how cool a PSP was, and was obviously a campaign just for selling more PSP's for Christmas. This quick, aggressive and irrelevant attempt gained little credibility and was a complete failure.

Be human and authentic: Dell's chief blogger underscores the importance of the human element, not just for Dell Outlet and their Twitter account, but for all their social media initiatives. Blendtec's George Wright points to the authentic character Tom Dickinson as an important success factor and Starbucks involved 48 partners as moderators in the My Starbucks Idea. Humans like to interact with humans in an authentic way. Sony's blog represented something human, but people became suspicious and when it was found out that the blog was fake people became furious.

Interaction and involvement: In all the successful cases involvement and interaction have played a central role. Blendtec did not need it in the first place, since the content was great, but have made it sustainable with involving people to suggest what to blend. Both Dell and Starbucks are interacting with people everyday regarding their business and also in the case of Wispa involvement is playing a role in order to keep the community alive; when the Wispa Gold production started, three of the most active community members were invited to press the start button in the factory.

4.4 Interviews: findings

4.4.1 Interest, knowledge and willingness to spend

The interviewees' were very in harmony regarding the companies' interest, knowledge and willingness to spend money on social media. Nearly all the consultants experience that

companies are really interested in hearing about social media and what can be done within this area. The knowledge however, is usually really low.

Company manager 4: *"People are interested, the companies are really interested, but the activity is not so high. They do not know how to exploit it commercially"*.

Consultant 5: *"Knowledge in the companies is relatively low….the attitudes to us as social media consultants are positive, it is fairly easy to book meetings, and many companies have already discussed the topic internally"*.

Consultant 6: *"Everybody understands the importance and possibilities, but they do not how utilize it"*.

Due to this high interest, the willingness to spend money on social media is not very high. They also think that the amount of the marketing budget dedicated is extremely low.

Consultant 1: *"They are really not interested in spending money on that yet. It is a little bit like it was with the internet 5 years ago….I think they are a little bit afraid of doing it."*

Consultant 2: *"Almost no money is spent on it; for a big company maybe 1% of the marketing budget"*.

Consultant 6: *"Social media stands for some few percents and this is probably on the more opportunistic scale of the marketing budget"*.

4.4.2 Platforms

With regards to platforms to use the focus is mainly on utilizing existing platforms like Facebook, Twitter, YouTube, Flickr, Digg and so on. The arguments for using them is that these platforms are already established, the cost of using them is nothing or very low, and people are already connected and know how to use them. Also one consultant emphasized

how these platforms are starting to integrate with each other and are making publishing and sharing much easier.

Consultant 1: *"We establish new micro-sites or do things on the existing websites, but what is interesting is using established platforms like Facebook since everything is already there; the tools to register, to become a fan, to spread the message on the walls. Everything is there".*

Consultant 2: *"Facebook is good, it's big, it's easy, you can chat, you can use it as your e-mail, you can use it as your Flickr, you can use it as your YouTube, I mean you can get everything. And as a company you can customize it a lot.*

Also it was mentioned that more than one channel was important to create engagement.

Consultant 6: *"I think you need to be present in many channels with the same message…if you have more access points, more people are likely to join in.*

4.4.3 Measuring

Normally, when measuring social media initiatives one has parameters like number of fans, followers, or views available. This is often where to focus is with regards to measuring social media activities.

Consultant 1: *"We set different KPI's to measure. The number of fans a site has, the number of people registered, number of contributions or uploads. Sales are impossible to measure, since you do not know where the sales are coming from."*

Consultant 2: *"We look at the number of impressions on YouTube and number of registered fans on Facebook for example".*

Some consultants claimed that this could be integrated in the established measuring strategy, and that this is partially done. With regards to measuring the soft things like for example reputation, it is more difficult.

Consultant 6: *"It really depends on the project, one can look at number of followers on Twitter or fans on Facebook…the best ones however, are measuring how the activities are affecting the activity in their marketing funnel".*

Consultant 7: *"The marketers say that activities in social media can be measured like other activities, it is click to page and next step conversions..This is for people who are selling something. What about for example public institutions that provide some kind of service, how do you measure the initiatives for them?".*

4.4.4 Integration

Several of the interviewed consultants underscored the importance of integrating the social media initiative, and to see it as a part of the marketing mix. Supposedly companies tend to forget this.

Consultant 5: *"Of course, social media has to be part of the overall strategy. It is not an isolated thing like some people treat it as. Neither is it the only thing that matters. It is a part of the mix."*

Consultant 6: *"If you have commercial message you have to make sure it is tightly knit to the product, and I think you need to be present in many channels to have a real impact."*

4.4.5 Objectives

Regarding how social media is used and with what objectives the interviewees' were quite in harmony. The overall perception is that it is used mainly for creating awareness and increased sales on short term.

Consultant 2: *"They want to get coverage. They want to upload a video and then to get 100 000 people to see this video. This is what they want. Awareness. At the moment."*

Consultant 3: *"With the viral campaigns they are focusing a lot of attention to building awareness".*

Some of the consultants expressed that they felt that many companies are way to narrow in the way they use social media and that the focus is wrong.

Consultant 6: *"I think it is mainly used for mass marketing and that it has a lot of unused potential further down in the marketing funnel."*

Consultant 7: *"Many still use it to send their press releases. To inform about the company…I think social media is not about push, it is about building trust with people who are interested in you and which you are interested in".*

Consultant 8: *"A lot of people are focused on humor and to gain awareness. Often they forget the relevance with regards to the product, and this is really bad".*

4.4.6 Success factors

One of the more important points of research was to explore how to succeed with social media. The focus of the interviewees' varied and propositions were many. One often mentioned aspect is related to behavior and attitude. Important keywords are honesty, transparency and authenticity.

Consultant 2: *"In order to succeed in social media you have to be really honest, you have to listen, and you have to answer people personally…also you have to be really natural.*

Consultant 3: *"In our projects we try to make sure people in the community feel that they have been listened to. And that their ideas and opinions are really important for the brands".*

Consultant 7: *"Be transparent! Don't lie! Be and identify yourself!"*.

Another advice is to listen first. Understand what role you can take in the social media and focus should on giving and sharing, not receiving and pushing information.

Consultant 5*: "with regards to social media and be humble, to have a learning approach and to listen. It is very easy to get people against you if you enter social media with the starting point: "what can I gain?!" If you go around and push things uncritically, you can become in the line of fire."*

Consultant 7*: "You have to understand that social media is not an advertising- or press release channel…take your time. Build relevant networks! You have to give, share and promote others! It is like when you are dating, you have to be worthy! And of course, you have to listen and understand first."*

Either it is a viral campaign or another kind of initiative the presence has to add some kind of value for the customers. This is a very central point in order to have a successful presence in social media.

Consultant 1: *"You need the good idea, the thing that makes it relevant for the customers."*

Consultant 2: *"…and when you talk you have to have something really cool to say, if not you should not say anything.."*

Consultant 8: *"To succeed you need focus on the receiver of the message and to dear to give something that is relevant. No one is interested in your 20% growth last month!"*

Another aspect mentioned is the simplicity. It should be simple to understand, sign up or share.

Consultant 1: *"When it comes to execution it needs to have low friction and be simple to share.*

Consultant 6: *"..it is important that it does not become too complicated..and in the end you have to make it some kind of activity, you are not only informing, you need to activate"*

Also the communication is suggested to have a different style in social media; more personal, but still professional.

Consultant 2: *"You should talk in a more informal way, and answer personal to people. Social media is a lot about one to one communication."*

Consultant 7: *"It is interesting to discuss on how one should communicate in social media. I think one should be more personal and informal, but still remain professional. However, there is a boarder to becoming private that should not be crossed".*

4.5 Interviews: discussion and summary of findings

4.5.1 Interest knowledge and willingness to spend

Overall the interviewees' spoke with one voice regarding this topic. The interest seems to be high, brands want to learn how to handle their social media presence. One thing which is important to remember when saying this is the fact that the majority of the interviewees' are working in companies with focus on and knowledge about social media. They are probably approaching customers, and more importantly, being approached by customers that have more interest in, and positive attitudes towards social media than the average company.

The knowledge is thought to be quite low, and often it is an ardent soul within an organization that may understand some things and want the organization to participate. This is not strange taken the novelty of social media's wide expansion into account.

The willingness to spend is experienced as relatively low. Some of the interviewees' explained this with either fear of losing control or the lack of good business cases showing results. Another mentioned aspect is that many advertising- and media agencies have no or little interest in initiating social media engagement since there is much more difficult to extract big amounts of money or creativity awards from this.

4.5.2 Platforms

There is not one answer to which platforms to use. However, what is clear is that choice of platform must be seen in relation with the objectives of the initiative. Companies are succeeding with building both own micro-sites and blogs, and using already established platforms. The most common platforms are naturally enough the ones that are most popular also among the consumers. This is the platforms like for example Facebook where people already are present, trust and know how to use. Also, the cost of use is usually very low or nothing. However, it is assumed that companies earning money on Twitter or Facebook, with time, will need to pay for the service or parts of it.

Another aspect mentioned is the importance of having more than one access point. If you have a Facebook group, also a Twitter account should be considered. This gives more opportunities for people to engage, and some prefer to visit the Facebook group while other prefers to receive a tweet.

4.5.3 Measurement

Many of the interviewees' suggested number of views, fans, friends or followers as an important way to measure the success of an initiative. Others where pointing to the importance of taking it further and integrate the social media initiative in the existing measurement strategies. I think both are right. Number of fans, registered or uploads are interesting as basic measures for measuring how engaging the initiative is, and these deserve

attention. However, in order to make social media a part of the way to do business they must be integrated in the suitable measuring strategies like other activities.

4.5.4 Integration

It may seem obvious that the social media initiatives should be a part of the other relevant strategies, but it is anyhow underscored by some of the consultants. For many it has not found its place in the relevant mix (is it marketing, or service mix), and this may be due to the lack of clear objectives with many social media initiatives.

4.5.5 Objectives

Many of the interviewees' suggested that the objective usually is creating awareness, increasing short term sales or informing about the company. These objectives can be valid in themselves, but there were also comments regarding an unexploited potential for this medium and that the way it is used can be considered a bit immature. The brands could benefit more if they take an approach which focus on building long term relationships with relevant networks. If they do this, they learn, earn trust and put themselves in a better position to reap benefits from the community in the long run.

4.5.6 How to succeed

There are different advices on various levels regarding how to succeed with social media. Some are one the level of brand management and organizational involvement, while others pointed to things as attitudes, behavior or choice of technology.

Honest and transparent presence: nearly all the interviewees' focused on the importance of identifying yourself as you, being honest, humble and acting like a human being. Fake initiatives will be discovered by savvy consumers, and this can hurt your reputation.

Listening first: the importance of listening was also heavily emphasized. Social media is already there and it is normal in most social situations to start with listening before talking. This makes it easier to understand the potential role you could take in the social media sphere.

Give something of value, something relevant: also it is crucial to give something of value in this media because people can easily choose not to listen to you. To end a friendship on Facebook or quit following anyone on Twitter can be done with a click. Social media should not be treated as a one-way communication channel where information or offers is pushed uncritically. As mentioned when discussing objectives: participating in social media is a long term commitment and to really achieve success this should be remembered.

Low friction technical solutions: the last idea mentioned by the interviewees' is the importance of using technological solution which has low friction. This means that it should be easy to sign up for, share or other actions that you want people to do. People will not adopt difficult to use tools and in relation to this the established platforms have an advantage since people are familiar with them.

Communication: It is suggested that a more informal and personal communication style is adapted. It is emphasized that one should still remain professional, and that the line to privacy should not be crossed.

4.6 Conclusion

In this chapter the findings and the results from the analysis of the findings have been presented. The chapter first presents five cases that describe a successful or unsuccessful social media initiative. The findings are discussed and conclusions are presented topic by topic. Further, the findings from the interviews were presented and supported with quotes. Lastly, the conclusions from the interviews' were structured around the relevant topics. In the next chapter the conclusions from the findings are compared with each other, and seen in the

context of existing literature. The result is the thesis proposed answers to the research questions formulated.

5. Conclusions and implications

5.1 Introduction

In this part I will provide the main conclusions from the research undertaken. These will be presented as possible answers to the two research questions posed. The goal of the research was first to explore how brand owners utilize social media today, and then to construct guidelines for how to succeed with social media. More specifically were the research questions formulated as:

How and why are social media used by brand owners to build their brands?

Deconstructed this forms three sub-questions:

- To which extent are they prioritizing social media?

- How are they using social media?

- What are usually the objectives behind their social media initiatives?

How can brands successfully thrive with social media?

In the following, the proposed answers to the research questions. Further, two end notes discussing the importance and relevancy of social media is provided, before managerial implications, challenges and suggestions for further research ends the chapter

5.2 How and why are social media used by brand owners to build their brands?

One of the main objectives with regards to this thesis was to try and get a deeper understanding to which degree brands today prioritize social media, their objectives when engaging and how they do it. Degree of priority, type of objective and process for social media initiatives varies of course from brand to brand, and would be better and more precisely answered by a quantitative research strategy. However, since very little information exists with regards to the questions asked, the chosen qualitative research strategy undertakes makes sense. Only like this is it possible to discover the different variables that in later research could give a more precise answer.

5.2.1 Interest, knowledge and willingness to spend

With regard to which extent social media was used within companies, three main topics emerged: Regarding to which extent social media was used within companies, three main topics emerged: how interested are the companies? How much do they know about possibilities and codes of conduct? How much money is more or less dedicated to social media?

The impression after the studying the cases and, more importantly in this case, analyzing the interviews is that brand owners seem more and more interested in social media. The buzz around many of the platforms like Facebook, Twitter and YouTube has made many people within the companies aware that this is something important. They want to learn, they understand it is important and they are curious about what to do. The knowledge however seem to be rather low. They do not know how to exploit it commercially or how to approach this new territory. Budget wise, the prioritization of social media is still low, but increasing according to the consultants interviewed.

As seen in the literature review, also Forrester Research (2009) found that little resources and priority are dedicated to social media. The situation is understandable due to the novelty of the phenomena, but considering the rapid increase in the usage (IBM 2007; Mangold and Faulds 2009; Universal Mccann 2009; The Nielsen Company 2009;), it is kind of a paradox. Brands have always focused on being where the consumers are, but in the case of social media it seems like brand owners are in arrears.

The cases show brand owners that prioritized and gained knowledge about social media, have reaped significant benefits from this. This may be a signal to brand owners insisting on staying out of social media.

Another perspective related to spending which is worth mentioning is that many of the social media initiatives are cheap in terms of direct investment. The investment is more in human resources, both with regards to learning how social media works and also concerning keeping the social media initiative alive. This is often a different budget and a different calculation, and this must be remembered when allocating resources.

5.2.2 Platforms, measuring and integration

Regarding how social media is used, three main topics distinguished themselves as particularly interesting: what kind of platforms is commonly used? How are the results measured? How are social media initiatives integrated with other strategies?

Platforms

With regards to platforms there is not one truth. Sometimes you will need customized micro-sites, other times a Facebook profile is sufficient. It is seen that established platforms such as Facebook, Twitter, Flickr, and YouTube are common and provide an advantage for three

reasons: low costs, user friendliness since consumers know how to use them and the presence of many people who have already signed up.

What was seen both in the cases and in the interviews is that you should look for possibilities to establish your social media presence on multiple platforms. This is coherent with McCann's guidelines which suggest to "allow them to engage via their preferred platform of choice – create multiple interfaces to your community." (Universal McCann 2009, slide 37).

Another important learning that sometimes is forgotten, is the importance on focusing on objective and not technology. The technology chosen is just a means in order to achieve a goal. This reminder is also supported by Li and Bernoff's POST-method (2008); their advice is, as described in the literature review, to first focus on people (P), then objective (O), then strategy (S) and lastly technology (T)

Measuring

Measuring is not very developed in the area of social media yet. Still, some of the consultants interviewed, who work professionally with social media, had the main focus on number for impressions or fans in order to measure the social media initiatives. Only some pointed to the importance of including the social media activities in the overall measuring strategies. Also the cases show that this is possible. Due to the novelty of the wide expansion of social media is it not particularly surprising that rigid measuring has suffered lack of attention both in the literature and in practice. Also Universal McCann (2009) point to the importance of measuring and optimizing the social media initiatives, but does not point to variables to be measured.

Integration

The successful cases show, as described earlier, well integrated social media initiatives. It is natural to assume that this is an important factor of the initiatives' success. Some consultants however, were worried that many brand owners today treat the social media initiatives' as isolated experiments which are not integrated in the overall strategies. This observation is coherent with the Forrester Research report described in Adweek (2009).

Integration of brand activities in the overall brand strategies is a basic principle seen in traditional brand theory. Integrated Marketing Communication is, as mentioned in Mangold and Faulds (2009), the guiding principle organizations use to communicate with their target groups. Both Universal McCann (2009) and Mangold and Faulds (2009) suggest to integrate the social media initiative with offline elements, and this is also supported by looking to the cases and interviews.

5.2.3 Objectives

When discussing why social media is used, the interviews were focused on the objectives for the social media initiative. According to the consultants objectives so far have usually been related to creating awareness and short-term sales, but both the cases and the interviews reveal that there are other possibilities which companies are starting to take advantage of. With regards to branding we have seen examples of brands working on forging stronger bonds with the consumers. Also there we have seen social media initiatives that successfully have interfered with both product development processes and customer service. This is coherent with Li and Bernoff (2008) who describes how social technologies successfully can interfere both with research, marketing, sales, customer services and product development.

5.2.4 Summary

The first research question aimed at exploring today's situation with regards to how brands are using social media. This is done and the result is summarized in the column in the middle in table 6. When discussing these topics with consultants, looking at cases and considering

existing theory, suggestions arise with regards on how it should be. These opinions are presented as suggestions in the same table and are also taken into account when trying to answer the next research question: how can brand thrive with social media?

Topic	Description of today's situation	Suggestions
Interest	High. Many see the possibilities and want learn and understand.	N/A
Knowledge	Low. Few know how to exploit it commercially.	N/A
Willingness to spend	Low, but increasing.	Suggested that more resources are dedicated to social media.
Platforms	The majority of brands are using established platforms where people already are connected.	- Focus on objective - Consider the advantages of using established platforms - Use several platforms
Measuring	Underdeveloped in general. Focus on impressions, number of fans and so on.	Integrate in overall measuring strategies.
Integration	Many initiatives are stand alone experiments with little integration.	Integrate social media initiatives with other relevant activities.
Objectives	Majority of efforts is about awareness and short term sales.	Utilize the potential of social media to forge stronger bonds with customers and improving products and services.

Table 6: Overview over the situation at present and suggestions for development
Source: Developed for this research

In conclusion it can be said that, based on the interviews, the overall use of social media among brand owners seem relatively immature and not very developed. The cases do not work very well to explore these questions since they are extreme cases, but can they can help to pinpoint best practices.

5.3 How can brands successfully thrive with social media?

The second research question was aimed to explore how brands successfully can utilize social media. Li and Bernoff (2008) suggested a POST-method in order to guide strategic thinking of social media initiatives. Universal McCann (2009) and Mangold and Faulds (2009) proposed a number of things to remember when wanting to succeed in social media. Taking these contributions into account and adding what the cases and interviews have given of insights, a framework for how to evaluate and successfully activate social media initiatives is proposed. The framework has two main parts. The first part, the Social Media Strategic Evaluation Wheel (figure 20), is a tool for evaluation social media initiatives strategically. Here, a social media initiative is screened against three elements: strategy, brand and organization. The screening process works as a checklist for what requirements the social media initiative should fulfill before it is activated.

Figure 20: Social Media Evaluation Wheel: strategic evaluation criteria for social media initiatives
Source: Developed for this research

The second part, the Social Media Engagement Pyramid (figure 21), propose recommendations for different aspects related to activation of social media initiatives. At the bottom are more abstract considerations touching upon topics like value base and perspective,

and at the top are more concrete recommendations like how to communicate and technological matters. In the following is an elaborated explanation of the framework.
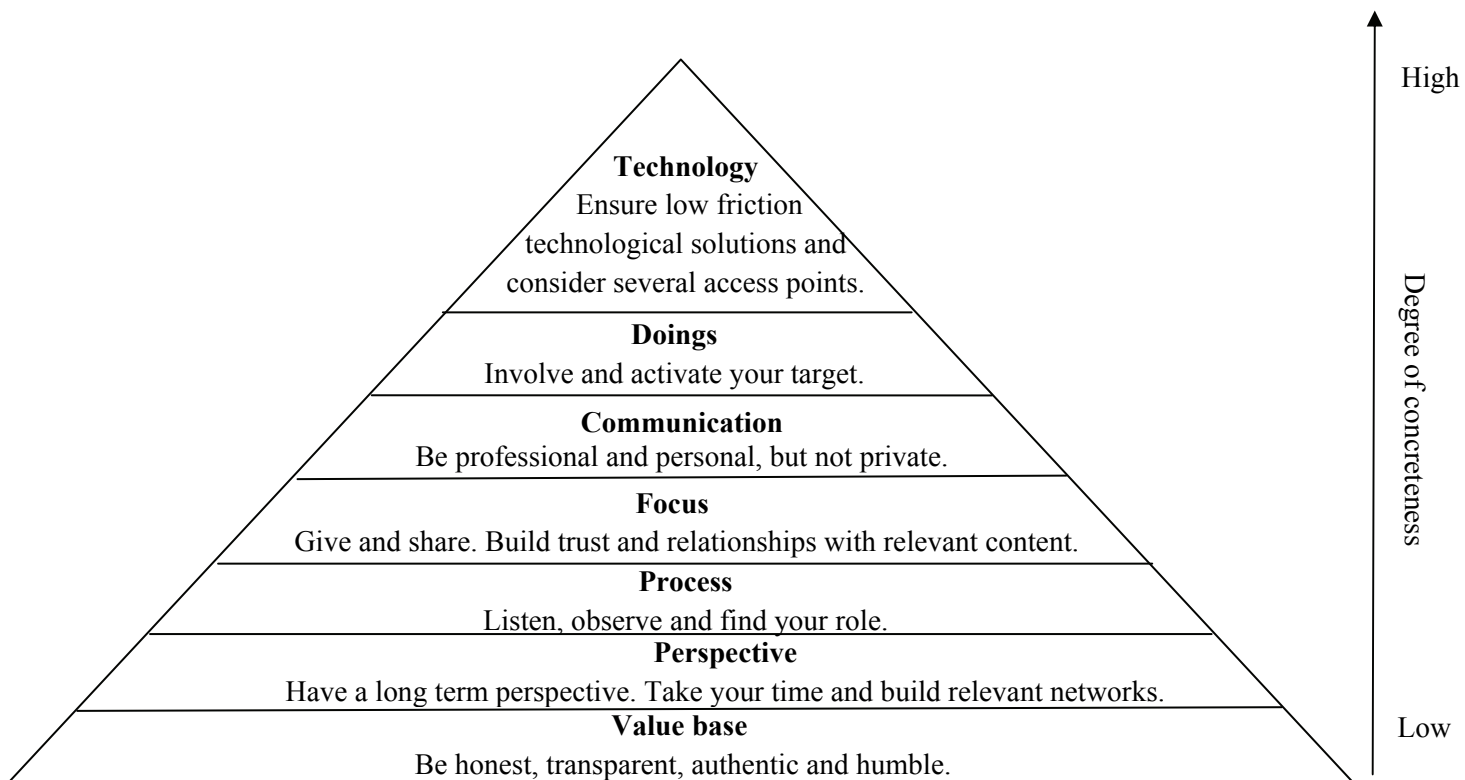
Figure 21: Social Media Engagement Pyramid: guidelines for social media engagement
Source: Developed for this research

5.3.1 Social Media Evaluation Wheel

The Social Media Evaluation Wheel provides guidance to strategic considerations to be done prior to activation of social media initiatives. The research has suggested that many of the elements provided in the framework tend to be missing in many brand owners social media initiatives, and therefore it is included as the first part of the framework. In the following is each element explained in detail.

5.3.1.1 Brand

As seen, brand management has changed and you do not have the same control over the brand anymore. Despite this fact, be sure that the initiative is aligned with the brand identity both with regards to choice of platform and the concept behind the initiative. There are several arguments for this.

First of all is this aligned with traditional brand theory as described by Aaker (1991), Keller (2003) and Kapferer (2004); being true to your defined brand identity is one of the core elements in successful branding. Second, the findings from the research undertaken support this; the social media initiatives from Blendtec, Dell and Starbucks had, as described earlier, all evident alignment with their brands identities, and it was also pointed out by some of the consultants. Third, it is supported by existing social media research: Universal McCann (2009) suggest to: "create a "social object" that is relevant to the brand and of genuine interest" (slide 37).

5.3.1.2 Strategy

Objectives: like with everything, also the social media initiatives should have clearly defined objectives. In all the successful cases, this was, as described earlier, the situation. Also Li and Bernoff (2008) underscored this when including objective definition as the second step to take when considering entering the social media sphere.

Also, remember that social media has possibilities for other things than increasing awareness and short-term sales: it exists successful examples of crowd sourcing ideas, learning about consumers needs, improving customer service or sharing knowledge.

Target audience: defining objectives helps to crystallize the target audience. Explore if and where your target audience is present and adapt to this. If they are not active online, it will be difficult to engage with them. If they are blogging about topics related to you, maybe a blog is

a good technology to choose. Both Starbucks and Cadbury knew that their target audience where discussing their brand, but was not a part of the conversation. They saw where the conversations took place and then took decisions for what to do. It was not a coincidence that they Cadbury sat up an official Facebook fan page, the people where already discussing the brand on other Facebook pages. P for People is the first step in Li and Bernoff's (2008) POST-method: know what your target audience is ready for, before you try to engage.

Integration: social media initiatives should not be stand alone initiatives, they should be integrated as a part of the overall strategies either it is marketing strategies, customer service strategies or product development strategies. This is seen in the successful cases and underscored in the interviews. Also, it is supported both by Mangold and Faulds (2009) and Unviversal McCann (2009) guidelines for succeeding with social media and traditional brand theory.

Measurement: social media initiatives should be measured like other activities and also integrated in the overall measuring strategies. Number of fans, members or downloads are relevant criteria, but it does not stop there. Find ways to integrate in with sales figures and components of brand equity. The successful cases show that this is possible, and some of the consultants interviewed also focused on the importance of this. Universal McCann (2009) also points to the importance of measuring in order to optimize.

5.3.1.3 Organization

Involvement from managers high up in the organization is shown to be important to ensure that the engagements long term support and the credibility it needs. As described, this was the situation in the successful cases, and specifically underlined by Alexandra Wheeler in Starbucks as critical element for the success of My Starbucks Idea. It is not mentioned in the

theory, most likely since these kind of organizational obstacles often are taken for granted and not considered directly relevant.

5.3.2 Social Media Engagement Pyramid

When the social media initiative fulfills the criteria set by the Social Media Evaluation Wheel, the company is ready to bring it alive in the social media sphere. Based on the interviews, cases and existing literature, seven guidelines for how to engage in social media are proposed. These guidelines are forming the Social Media Engagement Pyramid and are presented in detail in the following.

5.3.2.1 Value base: be honest, transparent, authentic and humble

Brands have values that guide their behavior and actions. Social media does not change that, and brands should always be true to their values. However, in social media certain kind of behavior is appreciated a lot more than other. Honesty, transparency, authenticity and humility were words repeatedly mentioned in interviews and in the cases. Sony tried a different approach and people found out. People will find out. Brands should remember this when entering this sphere. I most cases you can be honest, transparent, authentic and humble, and still stick to your defined brand values.

This topic is not discussed in the existing theory, but as described in the analysis part, both the cases and the consultants strongly indicates that this is important for succeeding in social media.

5.3.2.2 Perspective: long term

Don't think of social media mainly as a marketing campaign or a promotional tool. The real benefits can be reaped from this when you take your time and build relevant networks. We saw clear examples of this with both all the successful cases and this issue was also discussed

with two of the consultants. The existing theory does not mention this, so also this could be considered a new contribution to the theory.

5.3.2.3 Process: listen first, talk later

In most cases a listening and learning approach is recommended. The social media sphere is already out there and the behavior in social media should be like behavior in other social contexts: listen, then talk. Nobody appreciates a person interrupting a conversation starting talk about something totally out of the context. Learn what is talked about, how it is talked about it and find your role. There may be a lot of social communities discussing your brand already. If so, monitoring and contribution with valuable information in this context could be a better solution than for example starting your own community.

Both Cadbury and Starbucks took exactly this approach as described in the two cases. Cadbury monitored the online conversation before doing anything, and Starbucks knew a lot about the conversations about the brand before starting My Starbucks Idea. Also the consultants underscored the importance of having a listening approach and Universal McCanns (2009) first advice is: "Listen to / observe what the target audience is doing in social media" (slide 37).

5.3.2.4 Focus: give and share, build trust and networks

Do not think that this is an advertising channel well suited for pushing press releases and promotions. People appreciate relevancy and good content, not being sold to. Social media is all about giving or sharing something which is relevant to people who are interested. Like this you can build relationships with trust that also favors your business if exploited in the right way.

This point is strongly supported by the findings in both the interviews and the cases, and also Mangold and Faulds (2009) and Universal McCann (2009) underscores the importance of giving something relevant or something to talk about.

5.3.2.5 Communication: personal and professional, not private

Communication in the social media sphere should, like all communication, be professional and representative. The difference however, is that the communication usually needs a more personal touch than through traditional communication channels. The language in the social media sphere is in general more informal. People do not want to talk to a carefully constructed corporate answering machine; they want to talk to people. There is however, a border between personal and private that should not be crossed. Becoming private in corporate communication can undermine the credibility of the brand.

Dell Outlet's tweets, Starbucks Idea Partners way of communicating and Tom Dickinson's behavior can all support this point made by some of the consultants. Even though no theory I found touches upon this, it can be seen in relation with De Chernatony's (2000) suggestion to present information in a different way on the internet.

5.3.2.6 Doings: activate and involve

The successful cases show brand owners that have involved and activated their target audience. This is especially true for Starbucks and Dell which have customer involvement at the core of their social media initiative. Wispa and Blendtec started out without much involvement and interaction, but developed their social media activities and involved their target audience. Also in this case one of the consultants pointed out this a key to success. This is not directly addressed in the social media literature, but both de Chernatony (2000) and Ind and Rinodino (2001) speaks in favor of involving and welcoming the consumers' active participation on the internet in general.

5.3.2.7 Technology: low friction technology and several platforms

People are impatient and want easy-to-use solutions. If you want to spread a viral video, you have to make sure it is easy to spread. If you want people to register for a brand community it should be really simple to register and participate. Often this favors doing things on already established platforms where people already are present and know how to use it. If you want a community where you want to share news, videos and photos related to a brand, maybe Facebook is the perfect tool. Your target group may be there already, and they know how to use it. One effective mean to do this is to provide several ways to engage, so people can chose their preferred alternative.

Simplicity and low friction was mentioned as a key point among some of the consultants interviewed. None of the existing theory addresses this specifically, but Universal McCann (2009) touches upon this issue when suggesting optimizing the content for sharing, and giving people the opportunity to engage via their preferred platform.

5.4 Final notes

In addition to answering the two research questions, two other very relevant recognitions have to be done. One, is the fact that social media is more than a significant media channel, the other is that social media is not just for high involvement and by nature interesting products. These two recognitions arose after interesting discussions with the interviewees' and they make it possible to easier understand the scope of the social media impact.

5.4.1 Social media is more than a significant media channel

As we have seen, social media technology is not bright new; message boards and chat rooms have existed for years. The important part is that the use has not exploded until now. It has become a significant media channel. But it is more than that. Usually one could choose to be present in a media channel or not. In social media one cannot choose. If you are not present,

someone is going to represent you. It can be a satisfied customer or it can be an unhappy customer, an employee or the wife of the employee. It is not possible to control what is talked about, but it is possible to learn, participate and affect the conversations.

One example of this could be how the website Tripadvisor affects the brand awareness and associations of for example hotels and restaurants. Tripadvisor is an online travel guide based on reviews from travelers. People can register for example a restaurant and then write and publish a review of it. Searching for this restaurant in Google will in many instances lead you into the Tripadvisor website (due to high rank) where people have given their opinions. This can significantly affect people's perceptions of different restaurant, and the brand owner can do little to control it. What they can do however, is to study what kind of reviews they get and take this into account when trying to improve their offer.

5.4.2 Social media is relevant for the majority of brands

Some brands provide more interesting products and services than others. High involvement products are by nature easier to create something around in the social media sphere than a low involvement one like for example toilet paper. However, if you try to look to related topics you can find ways to create involvement. One example of this is orange juice. The product is not very interesting or engaging, but it is considered healthy, and health is something people really can gather around. You can connect to a network of people potentially interested in your product by looking to other, but related topics with more potential for involvement.

These two recognitions forms the basis for the argument that social media is relevant for almost any brands and that you, at least in the long run, cannot ignore it.

5.5 Theoretical implications and further research

From an academic point of view, this research has several contributions. First of all, it describes how social media is utilized by brand owners and this both confirms existing

findings from Forrester Research related to spending and lack of integration in overall strategies (Adweek 2009), and adds new insight on how brands are utilizing social media (e.g. narrow focus on measuring, unused potential with regards to objectives). Like this it adds to a better understanding of the present situation and gives a foundation for carrying out other research related to this. Second it adds a more comprehensive and structured theoretical framework than the ones that exist. Regarding the specific advices on how to succeed with social media, it both adds new dimensions (e.g. communication style, importance of low friction technology and a transparent and honest presence) and confirms what other researchers proposes (e.g. focus on giving relevant content and listening first). Lastly, it can be mentioned that since the majority of the data have European roots (all the interviews) it gives a rare contribution, since the majority of research on social media at the moment is only based on data from the US.

The research also opens up for further research with both qualitative and quantitative methodologies. For example would it be interesting to do a quantitative study to undercover what the defined objectives for brand owners are when engaging with social media: is it used for marketing or product development, increasing awareness or building loyalty? Also types and number of platforms used should be possible to study in a quantitative way. Both qualitative and quantities methods could also be used to test the proposed framework for social media engagement. One example of this would be to explore how the brand image is affected when adapting the recommended informal tone in communication versus sticking to the more traditional and formal way of communicating. Another example of an interesting study could be done on how corporate Facebook profiles affect the image of different brands.

5.6 Managerial implications

For managers the exploration of the first research questions give insights on how the state of social media exploitation is today in general among companies. This could help them to give a perspective on their own situation and how it maybe should develop.

The most valuable contribution for mangers is indeed the proposed framework how to succeed with social media. The first step of the model can work as a checklist for managers to evaluate their ideas for social media engagement, and the second step provides very concrete guidelines on how social media initiatives can be carried out.

5.7 Challenges for managers

There are different challenges depending on company characteristics. For examples are the challenges in many ways bigger for larger companies than smaller ones. Larger companies have established systems and strategies adapted to traditional media channels, and social media does not always fit in these systems due to the hybrid nature of many social media initiatives. This hybridism is also relevant when it comes to involvement from different departments. Quick and informal communication does not always gain a lot of support among the law department, and both the communication, pr and marketing departments will often have an opinion on how, when and what should be said. Managers need to find the place for social media initiatives and assign someone responsible for coordinating it.

Another challenge could be to get strategic support from the necessary people. This is due to rather low knowledge in general about social media and the benefits participation can bring. TV ads and press ads are accepted as ways to market a brand; social media is new and unknown and good business cases are rare. This way to overcome this challenge is to carefully educate the necessary people in order to gain this strategic support. Also carefully measuring the effect the social media engagements has on brand equity and market performance could make it easier to gain this support in the long run.

5.8 Limitations

In addition to the delimitations specified in chapter 1.6, two other limitations should be pointed out. First, it should be mentioned that the cases are only based on secondary data. The data accessible on the internet, like for example video interviews and film shoots from seminars, are often arranged and tend to have a one sided focus. By not interviewing people involved in the projects myself, I miss out on possibilities to dig deeper into how the cases related with regards to the specific research topics. However, having to choose between studying less famous and less successful cases from smaller brands based on primary data, and the ones that were selected based on secondary data, the latter stood out as a more appropriate alternative. Second, it must be pointed out that this is a qualitative study, and that the results can therefore not be generalized. Even though it has support in some of the existing literature, it is an early development and needs further testing.

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Appendixes

Appendix 1: News from WARC June and July 2009. Brands owners' interest in social media thrives

Starbucks, Unilever team up on Facebook
Data sourced from BrandWeek/Forbes/Reuters; additional content by WARC staff,
        08 July 2009

SEATTLE: Starbucks, the coffee house chain, and Unilever, the consumer goods giant, have teamed up to promote their jointly-produced ice cream brand on Facebook, using an application that encourages consumers to download coupons via the social network.

It has been argued that the current financial crisis has forced Starbucks to reassess its priorities after years of growth, and the company has also come under increasing pressure from rivals such asMcDonald's.

By way of a response, it has not only sought to move into the retail space, but also to utilise social media like Facebook and Twitter to connect with consumers.

Unilever signed a licensing agreement to produce an ice cream range based on some of Starbuck's most popular coffee flavours, such as Caramel Macciato, Mocha Frappuccino and Java Chip Frappuccino, last year.

Simon Clift, the FMCG giant's chief marketing officer, has also previously championed the use of social media as a means of engaging a broad audience.

Running for two weeks, the two firms' current Facebook campaign will see 20,000 pints of Starbucks ice cream being given away each day.

Some 280,000 pints will be available overall, with members of the social network being required to download a voucher which they can then send on to a person of their choice.

According to a statement from the companies, "participants can treat others or – if the temptation is too great – indulge themselves by claiming one of just over 800 coupons available at the top of each hour."

Other brands that have recently been active on Facebook include Volkswagen and General Motors, which have used "widgets" – applications that feature on "profile pages" – produced by RockYou.

Gap has similarly employed some of the company's products, which vary from games and quizzes to video and tools that allow users to "decorate" their personal profile.

Microsoft and Experian are also among the major advertisers that are now using Facebook's own "engagement ads", which appear on user pages and contain interactive features.

Marc Andreessen, a board member of the social networking pioneer, has predicted that the company will make "over $500 million (€357m; £309m)" in revenue this year.

Furthermore, he added that "if they pushed the throttle forward on monetization they would be doing more than a billion this year."

"There's every reason to expect in my view that the thing can be doing billions in revenue five years from now," Andreessen concluded.

Coca-Cola looks to social media

Data sourced from New Media Age; additional content by WARC staff,
25 June 2009

ATLANTA: Coca-Cola, the soft drinks giant, plans to increase its use of social media around the world, as it seeks to put consumers "at the heart" of its business, according to Jonathan Mildenhall, the company's vp of global advertising strategy and creative excellence.

Speaking at the Cannes Lions International Advertising Festival, Mildenhall said the chance "to have consumers genuinely at the heart of our business is something that truly excites me."

However, he added that like many other major advertisers, Coca-Cola was initially reticent about using the rapidly-expanding range of social media tools available to advertisers, meaning it has fallen behind some of its rivals.

"We've been really nervous about user-generated content and, in terms of other brands in the space, we're playing catch-up," he argued.

Despite this, the company has enjoyed considerable success on Facebook, the social networking website, via a "fan page" that was set up by two brand advocates, and now has over 4 million "friends".

While the rules of the portal demanded some official involvement from the company in the administration of the page, Coca-Cola decided to "partner" with its creators, and then take a hands-off approach.

Speaking about this development, Mildenhall argued that "at first we were unsure, but we've seen another world in the sense of the creative community love for the brand."

Indeed, Coke's popularity on Facebook has "helped build confidence in handing over brands to user-generated content and we're putting that into a lot of our plans," he said.

One example of this is an initiative in Mexico where consumers can make 60-second TV ads and upload them to the web.

Internet users in the country can then watch these spots and vote for their favourite, with the most popular being broadcast on television.

Mildenhall also said that should he be presenting at Cannes "in three years' time, I'll have UGC from all over the world to talk about."

With regard to broader changes across the advertising industry as a whole, he predicted that "we'll see a lot of consolidation as traditional agencies merge with digital agencies."

"From a Coca-Cola Company perspective, trying to manage different silos between creative, planning, digital and the big idea is too cumbersome for brands," he continued.

As such, "we'll end up with a one-stop-shop model with everything except media planning and buying, which I think will always be separate."

Twitter helps Dell boost sales

ROUND ROCK, Texas: Dell, the world's second biggest computer manufacturer, has made $3 million (€2.2m; £1.8m) in revenues through its activity on Twitter, the online microblogging service, and argues the "immediacy" of the social media site has been key to driving these sales.

While many brands have been attracted to social media websites like Twitter as they try and engage consumers, it has been observable that few have successfully demonstrated that such activities have produced a financial return.

Having established an official presence on the fast-growing web portal in 2007, Dell has since started to sell returned or refurbished PCs and equipment through its *@DellOutlet* channel.

According to *Stefanie Nelson*, one of the IT giant's Twitter administrators, it has recently "surpassed $2 million in revenue in terms of Dell Outlet sales" in the last year, including $1m in the last six months.

This has built on a further $1m taken prior to this period, and Nelson added that "we're also seeing that it's driving interest in new product as well."

The company makes between six and ten "tweets" each week, varying from offering web-only discounts to answering questions from customers, who can also click through to its own website to buy products.

Richard Binhammer, Dell's director of corporate communications, said that "if all of a sudden I have 15 new flatscreens that have popped into Dell Outlet because they've been returned … I can now move them very quickly on Twitter."

"It becomes a very effective way to move the inventory very quickly because of the immediacy of Twitter," he continued.

Allen Weiner, an analyst at Gartner, argued that Dell's example "demonstrated one of the ways Twitter can begin to think of itself as a money-making operation."

If the social media site can effectively build such a service into its overall offering to corporate users, it could then charge them to distribute coupons or facilitate transactions, he said.

Microsoft in Facebook, Twitter tie-up

Data sourced from Reuters/Cnet/Wall Street Journal; additional content by WARC staff, 03 June 2009

Microsoft REDMOND, Washington: Microsoft has announced a tie-up with Facebook andTwitter that will allow gamers to access these websites through their *Xbox*consoles, as part of the computing giant's broader strategy of creating "the definitive social network."

Under the terms of the agreement, Xbox users have access to an application that will enable them to update their status, post messages and browse photos on Facebook, and a similar device via which to post "tweets" and follow threads on Twitter.

Using *Facebook Connect*, through which members of the social network can log in to a variety of web properties with their password for the portal, Xbox owners will also be able display the results of their recent gaming activity on Facebook.

Electronic Arts, the computer game manufacturer, is already exploring utilising this feature in forthcoming titles, according to the two companies.

Microsoft has also reached a similar deal with *Last.fm*, the online radio service, as well as enhancing its video offering in the US, and offering owners of the Xbox 360 in the UK the chance to view content shown on Sky, the satellite broadcaster.

John Schappert, corporate vice president of Microsoft's interactive entertainment division, said "we are always asking ourselves how to make the TV more social."

He similarly posited that by "bringing Facebook, Last.fm and Twitter to the Xbox 360, we're not only extending the walls of your living room beyond your home to your friends in different corners of the world; we're creating the definitive social network."

The launch of the Facebook features on the Xbox is scheduled to come into effect later this year, and also forms part of the social networking pioneer's three-pronged strategy across mobile, the internet and the gaming sector.

Ethan Beard, Facebook's director of platform marketing, argued "we want people to be able to share from anywhere to anywhere."

This approach will ultimately across "all the consoles and platforms," as the company focuses on "making games more social."

Social media boosts Indian sales for P&G
Data sourced from eConsultancy; additional content by WARC staff,
03 June 2009

P&G

MUMBAI: Procter & Gamble, the consumer goods giant, used social media to boost sales of its Gillette razor brand in India after ten years of static growth, a result the company attributes in large part to starting a "conversation" among consumers.

According to a presentation given by *Lucas Watson*, global team leader for Procter & Gamble's digital business strategy, at the *The CM Summit* in New York, the Cincinnati-based firm used a "mix of paid media, earned media and social elements all working together" to grow sales.

However, Watson also argued that "it was adding the social mix that unlocked the value add" after a decade of negligible expansion in the country.

When P&G bought Gillette in 2005, the company was the market leader in India, but 90% of consumers used double-edge razors, or did not shave at all.

This meant that was a gap in the market for Gillette's *Mach III* triple-edge razor, but the product was sold at a considerable premium, and the category was considered to be low-interest by most men.

Procter & Gamble first commissioned a survey about shaving from Nielsen, which reported that clean-shaven men were both more likely to be promoted at work, and regarded as being more attractive by members of the opposite sex.

Based on these findings, the company created a Facebook page that allowed consumers to discuss these findings, based on the idea that to "debate, discuss and argue is in the blood of Indians."

As well as generating strong coverage in newspapers, on television and on the internet, Mach III sales increased by 40% in the first few months following the launch of the campaign.

Watson argued that the last of these results is by far the most important, as if "I tried to take my Facebook fans to the bank ... they wouldn't take them."

CORRECTED: Brands adopting mixed social media strategies
Data sourced from USA Today/Media Guardian; additional content by WARC staff,
02 June 2009

NEW YORK: Major advertisers including Tropicana, Volkswagen and Adidas are adopting a range of social media strategies, from boosting their activity on established services likeFacebook to launching their own branded portals, as they seek to engage with consumers.

While many brands have attempted to employ social networks, online groups and other tools as they adapt to the evolving Web 2.0 universe – a move encouraged by Unilever, among others – the developing nature of the medium means most have taken a unique approach thus far.

Tropicana Trop50 has teamed up with BlogHer and iVillage to launch "The Juice", a new online community where women can share "and exchange practical advice and tips on how to get more of what they want, and less of what they don't."

The group currently has around registered 150 members, and will focus on a new subject every week, as well as featuring videos, and offering money-off coupons for Tropicana.

"Everyone is time-crunched these days and we wanted to make it easy for women to share ideas and advice with each other so they can focus their time on more of what they want and less of what they don't," said Andy Horrow, chief marketing officer at Tropicana.

Bonin Bough, PepsiCo's director of global social media, added that the company is "allowing open conversation in branded areas, and we are encouraging dialogue good, bad or ugly."

This is part of an overall trend, he argued, of marketers "moving from impressions to building connections and from campaigns to conversations."

Volkswagen, the German automaker, has also launched its own new blog, and a complimentary Facebook page, encouraging users to "dare to learn the fascinating truth about TDI clean diesel."

Not only did the blog record hits from some 35,000 visitors in its first three weeks of operation, but its Facebook page also has 60,000 "friends".

Charlie Taylor, the company's general manager of digital marketing and events, argued that this approach amounted to "open sourcing for a brand."

He added that in the "new world order, it boils down to consumer control" rather than marketers restricting the brand message."

Furthermore, rather than focusing on sales, Taylor said VW is attempting to "create relationships and dialogues. We believe that consumers are the ones selling cars for us."

Sharpie, the marker manufacturer, is also launching its own social media service, which will include blogs, an application allowing users to "draw" online, and examples of work submitted by consumers.

The new service will be promoted by TV and print ads, and Sally Grimes, Sharpie's vice president of global marketing, posited that "it's what consumers say about us that matters. It's about being a part of that conversation and inspiring others."

Adidas Originals, the fashion and sportswear brand, has also introduced a new section to its Facebook brand page which targets content at various users depending on the country they live in.

The "Your Area" site of its Facebook site contains bespoke material relevant to 13 different countries, including France, Germany, Italy, Singapore, South Africa, the US and UK.

It offers targeted links through which to buy goods and locate information, and the company also plans to expand its offering to countries in Latin America, and possibly individual cities in time.

Overall, the page has over 1.9 million users signed up to its page, and has also teamed up with the social media site and MTV to run a range of competitions through its page.

Debra Aho Williamson, senior analyst at eMarketer, argued that many brands "are creating social networks that have lots of legs. They have one in Facebook, one in Twitter that links back to a corporate site."

This is a result, she argued, of the fact that "don't expect to do all their social networking in one site."

Appendix 2: Famous brands failing with social media

Coca-Cola Hunts for Social-Net Formula

(Retrieved from:
http://www.adweek.com/aw/content_display/news/digital/e3iac100babad132e4dfb55c7000a2ca70
9 20-05-09)

The company's online marketing highs and lows show an old brand learning new tricks

NEW YORK Back in June 2006, a now-famous Coca-Cola video began making the rounds. In it, two men made a geyser out of bottles of Diet Coke and Mentos candies. Coke representatives were not pleased.

Later, another Coke-themed video appeared, this time from France, showing young men throwing cans of the soda into the garbage from impossible angles. It was a neat trick, entertaining enough to draw millions of views on YouTube. But this time around, rather than wringing their hands over their brand literally being thrown into the trash, Coke rushed to embrace the consumer-generated content. It even collaborated with the Lyon-based youth to make another video.

"The biggest takeaway [from the Diet Coke-Mentos video] was consumers own our brands," said Carol Kruse, vp of global interactive marketing at Coke. "We had absolutely nothing to do with it, but we were the beneficiaries. [We] needed to embrace that."

The schizophrenic responses show the uncertain embrace Coke's made of social media as it tries to translate its over 50 years of success in the traditional marketing world to the new terrain. The pitfalls the company has faced and concessions it's made highlight the challenges faced by big brands navigating the new marketing playbook.

The Diet Coke-Mentos experience was only one of several missteps Coke made in its forays into the world of social media. Months earlier, its Coke Zero blog was discovered to be a fake (generated not by consumers, but in-house), while the remake of Coke.com into a YouTube-like site for consumer-generated content (dubbed The Coke Show), launched in July 2006, initially provoked brickbats from outsiders and failed to generate much in the way of submissions or traffic. Even Sprite Sips, Coke's first application on Facebook (the brand was a "landmark partner" on the social net's Social Ads platform) fell flat. Currently, it has just 12 daily active users -- and they're not afraid to voice their opinions. On the comment board, one user described Sips as "crap to the power of suck."

"Coke is throwing a lot of money at trying different things out versus deeply understanding how their customers want to express their experience with the Coke brand," said Denise Shiffman, principal of marketing consultancy Venture Essentials and author of*The Age of Engage*. "They're used to having these high-production value, high-quality marketing activities. In this marketplace, it doesn't have to be this way."

Coke may not have found its winning online formula, but that hasn't stopped it from trying. Other efforts have included promotions on YouTube to send video holiday cards, a promotional stint on Second Life and an ongoing virtual world called CC Metro. It also has rolled out three more Facebook applications, including a nightlife-themed app, Burn Alter Ego, to promote its energy drink sold in the U.K.

According to Kruse, while some of the company's efforts might not have had the results they'd hoped for, the company has benefited from its experimentation, using what it's learned to adjust future projects. The Burn Alter Ego, for instance, takes its cues from the popularity of social gaming apps on Facebook, such as Scrabulous. The avatar goes clubbing at night and then blogs about it the morning, and playing with it more unlocks additional options. Unlike the Sips application, which was mostly static, the Burn Alter Ego is meant to be dynamic, Kruse said. Additionally, she noted, the branding is done with a light touch.

"We're learning in the social media space what level of branding is appropriate," she explained.

Other challenges are knowing just how much participation a soda brand should expect from consumers, and figuring out what triggers the interest in the first place. Take the contests offered on the relaunched Coke.com's Coke Show. One, for instance, asked consumers to express themselves as a brand, and the entries were all over the place, said Lars Bastholm, ecd at AKQA in New York, Coke's digital agency. Yet a narrower contest, which asked people to create a new sport, led to much higher-quality entries. "User-generated content can work [when] it's really, really targeted," Bastholm said.

One of Coke's latest ventures is its CocaCola Conversations blog (coca-colaconversations.com), launched last January after two years of blog monitoring to see what was being said about the brands. (On a typical day, per Adam Brown, director of digital communications at Coke, the company's products would be mentioned 2,000-2,500 times.) Intended to be the hub for consumer interactions with the company and its products, the blog has started out with a focus on Coke memorabilia and brand history -- topics identified after execs saw enormous interest for company items online; eBay alone has about 30,000 Coke items for sale.

Company director of archives Phil Mooney, a 30-year Coke vet who often leads discussions on other blogs, lends the company blog an authentic voice, Brown said. Other employees will be added to the site as well.

"We want to make sure it's interesting and sustainable," noted Brown. "It's a long-term commitment."

"One of the principles crucial to this space is adding value to the conversation," said John Battelle, CEO of Federated Media, a social-marketing advertising company. "It means oftentimes underwriting content or creating a service people actually want. That shifts a brand from being a declarer of values and lifestyle to being a provider of one. That's very different."

Outraged at Deception

Nor do companies want to be caught doing anything that smacks of deception. In December the blogosphere discovered that Sony had created a fake blog and YouTube video about an amateur hip-hop artist whose cousin desperately wanted a PlayStation Portable for Christmas.

Posts featured over-the-top hip-hop lingo, and Sony was forced to come clean. But bloggers were outraged at the deception, and the company endured a litany of negative comments and at least one angry video response.

"Marketers will game the system, but I think that will be short-lived as we see more people putting out elements for people to play with," says Cynthia Francis, CEO of Reality Digital, a software company that helps businesses enhance their online presence through the use of user-generated content.

The medium carries plenty of other potential pitfalls. Companies that dabble in online video need to give up some control over the message and be prepared for an audience that talks back. "Marketers have to get used to people telling it like it is," says Suzie Reider, YouTube's chief marketing officer. "If they want to engage in user-generated environments, they will hear from the user community."

Extract from Business Week article:

(Retrieved from
http://www.businessweek.com/technology/content/jan2007/tc20070116_610501_page_2.htm 25-05-09.)

Appendix 3: Methodology for Universal McCann surveys

Methodology: How we did it

The research has retained a consistent methodology throughout Wave 1, 2 and 3. All surveys have been scripted and hosted on Universal McCann's in-house online research system, Intuition. All surveys are self completion and the data collected is entirely quantitative. Every market is representative of the *16-54 Active Internet Universe*. In this Wave 17,000 internet users in 29 countries were interviewed. To be included you need to be using the internet everyday or every other day.

THE ACTIVE INTERNET UNIVERSE = I use the internet everyday / every other day

Power to the people - Social Media Tracker Wave 3

7

Why the Active Internet Universe?

- As they are the key leaders of social media and drivers of adoption, they are the most important consumer to understand.

- They are the most important consumer to understand the adoption of social media who are key to growing the internet.

- They make up the vast majority of social media adopters. If you're not using the internet regularly, you're not blogging.

- Over time, all users increase the regularity of usage. Eventually everybody will be an active user, as they have been with television.

In the past Waves there has been occasional mis-understanding about what the results represent, due to the fact that smaller less economically developed countries lead the way.

The reason lies in the focus of the study, which is to understand usage of social media among internet users. Emerging Internet markets tend to have a demographical profile that fits the early adopter as opposed to the mature internet markets such as Japan and the US. This can be a factor in lower levels of adoption in penetration terms.

It must also be considered that emerging markets have lower levels of internet penetration, so the impact of social media among the country as a whole will be more measured.

Internet Penetration by market

Internet Penetration, all adults. Figures sourced from Internetworldstats.com
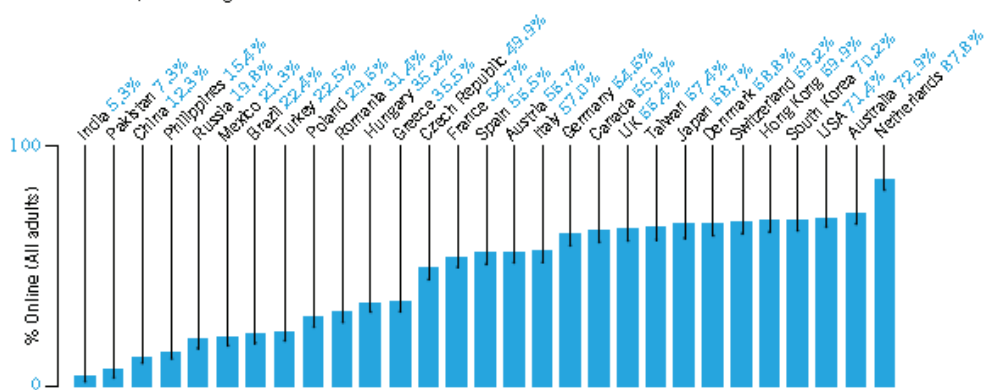
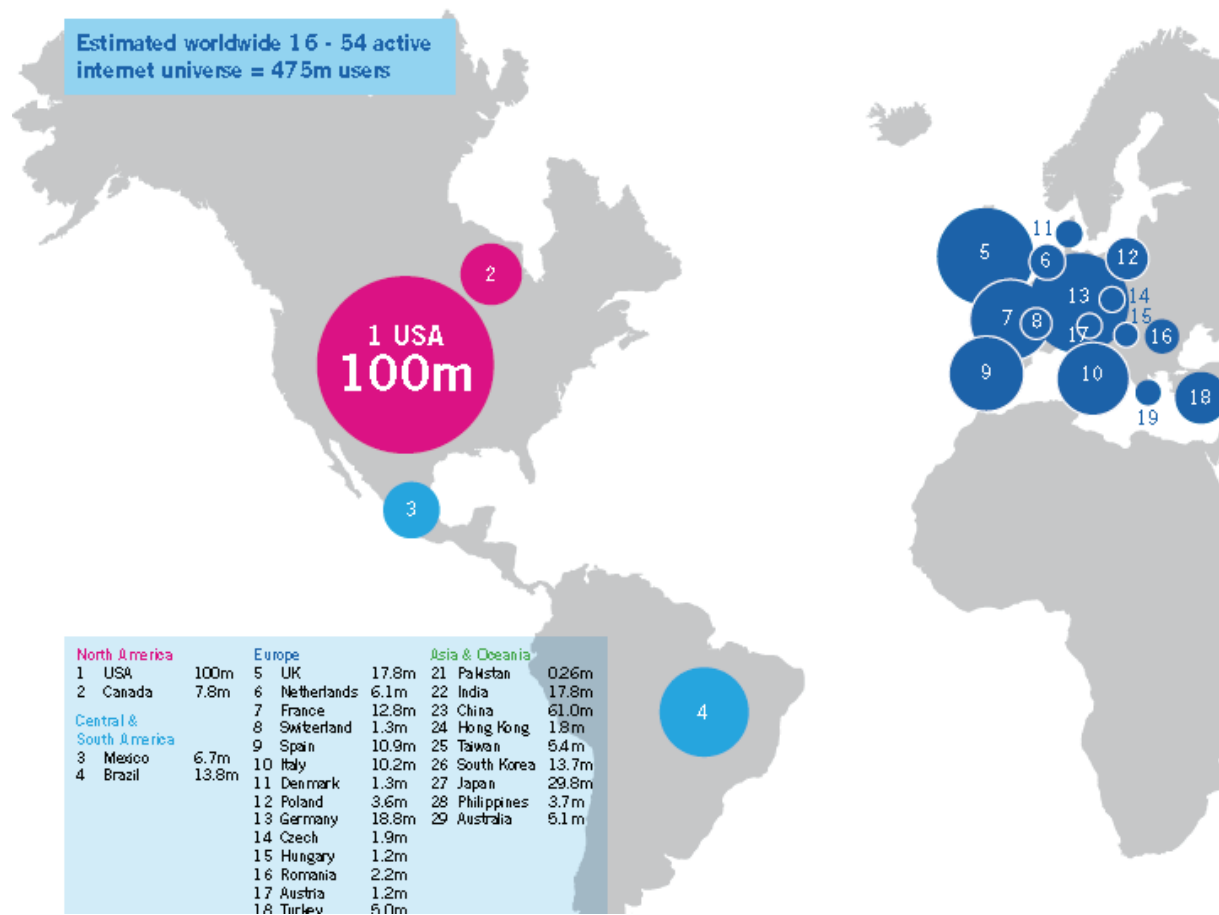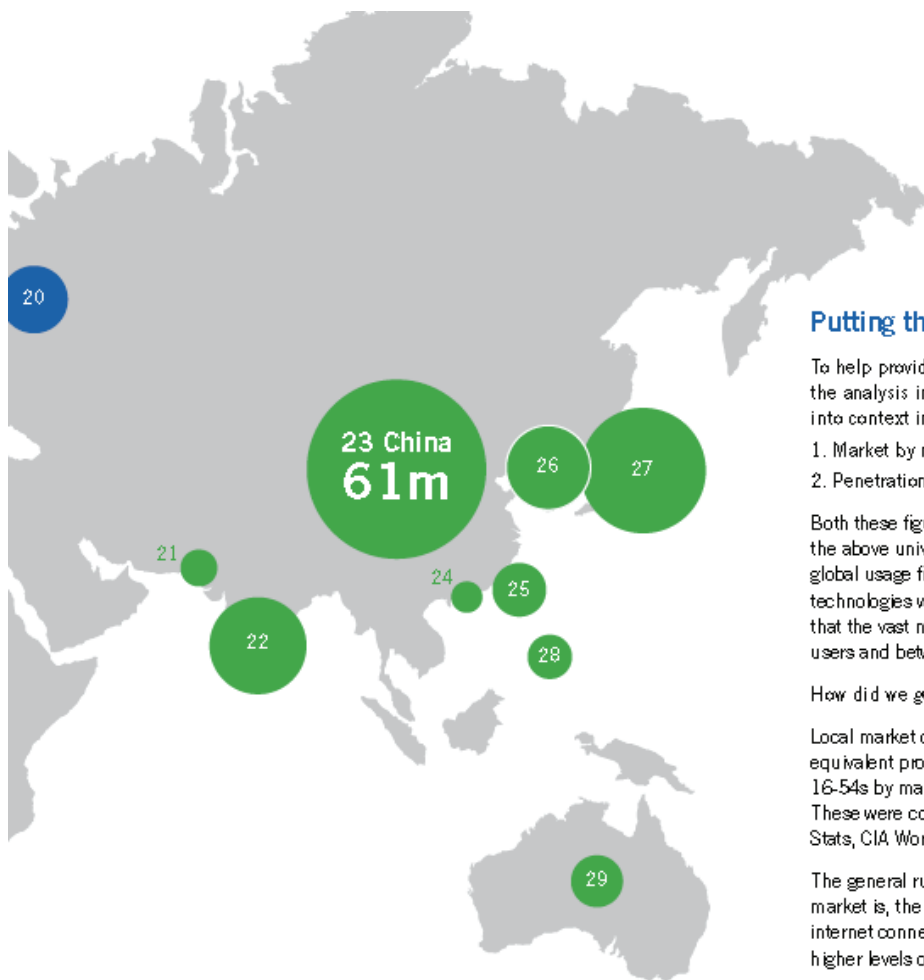# Methodology: Universe sizes – putting it into context

Estimated worldwide 16 - 54 active internet universe = 475m users

1 USA
100m

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North America			Europe			Asia & Oceania		
1	USA	100m	5	UK	17.8m	21	Pakistan	0.26m
2	Canada	7.8m	6	Netherlands	6.1m	22	India	17.8m
			7	France	12.8m	23	China	61.0m
Central & South America			8	Switzerland	1.3m	24	Hong Kong	1.8m
			9	Spain	10.9m	25	Taiwan	5.4m
3	Mexico	6.7m	10	Italy	10.2m	26	South Korea	13.7m
4	Brazil	13.8m	11	Denmark	1.3m	27	Japan	29.8m
			12	Poland	3.6m	28	Philippines	3.7m
			13	Germany	18.8m	29	Australia	5.1m
			14	Czech	1.9m			
			15	Hungary	1.2m			
			16	Romania	2.2m			
			17	Austria	1.2m			
			18	Turkey	5.0m			

9

Putting the results into context

To help provide a more complete picture, the analysis in this report puts the results into context in two ways;

1. Market by market universe estimates
2. Penetration of usage among all 16-54s.

Both these figures are estimates based on the above universe sizes. When estimating global usage figures of different social media technologies we make the fair assumption that the vast majority of users will be active users and between the ages of 16-54.

How did we get to these universe figures?

Local market data from TGI, Simmons or equivalent provided penetration figures for 16-54s by market and levels of active usage. These were correlated with Internet World Stats, CIA World Factbook and Comscore.

The general rule is the more developed a market is, the higher in home and at work internet connections are, which leads to higher levels of active usage.

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Appendix 4: Interview guide

Introduction

- Start with giving my thanks for participating in the interview
- Secure confidentiality
- Ask for permission to use recorder
- Explain briefly about the thesis and the purpose of the thesis

Remember

- Probe!
- Don't be leading!
- Get answers to all questions!
- Never interrupt!
- Remember non-verbal communication, nod and say yes!
- Only write down new topics / questions.

Opening: a question to get started

Q1: "Can you tell me a little bit of your experience with social media related to marketing?" (flexible question, adapt to respondent).

Theme 1: How are social media implemented in brand owners marketing mix?

1. "What is you impression when it comes to in which extent companies are using social media as a part of their marketing mix?"
2. "Thinking in terms of budget allocation, what would be your guess regarding the amount of the budget used on social media?
3. "Which social media platforms do companies seem to prefer, and why do you think these are the popular ones?

Theme 2: Why are social media implemented in brand owners marketing mix?

1. "Why do you think companies engage in social media?"
2. "Do you recommend your clients to engage in social media and if yes, why? "
3. "By your experience, what are usually the main objectives behind social media campaigns?

Theme 3: How can a company maximize the opportunity for succeeding with the social media efforts?

1. "What have your experience with the use of social media been with regards to results?"
2. What do you think are the most important factors for succeeding with social media?

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