

CHALMERS



Customer impact on brand identity

- How should brand managers actively work to keep control of the brand identity on social media?

*Master of Science Thesis in the Master Degree Program,
Business Design*

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Gothenburg, Sweden, 2011
Report No. E 2011:078

Abstract

This thesis investigates how companies and brand managers have less control of the brand identity due to social media. Branding used to be a one-way communication and the brand managers had to a large extent control of what the brand communicated to the customers. Social media has enabled customers to share information and speak very freely with each other online and businesses have less control about what is said about them. Brand managers are now more of observers watching comments about their products posted by customers.

The purpose with the thesis is to answer the following research question:

How should brand managers actively work to keep control of the brand identity on social media?

This is done by answering the following three sub questions:

- 1. Are there any frameworks today helping companies to stay in control of their brand identity on social media?**
- 2. What areas should be included in a social media strategy?**
- 3. How can brand managers work towards having a corresponding brand image and brand identity and influence customers purchase decisions?**

In order to answer the above questions a thorough literature study have been conducted of books, articles and blogs relevant for the field of research. These findings have provided the foundation of the chapter “Theoretical frame of reference and literature findings” where theories, concepts and frameworks are presented.

Moreover, ten interviews with industry experts and professors have been conducted as well as one deep interview with the Internet marketing manager of the company in the case study.

The project resulted in two new frameworks that describe how brand managers can work in order to stay in control of the brand identity. The first framework, the “*Social media brand identity control puzzle*” describes nine areas that a brand manager need to be active within and the “*Action based consumer decision journey*” describes how to influence the customers through out the consumer decision journey.

Acknowledgement

This work is the Master Thesis of Therese Larsson and Ida Muncker at the program Intellectual Capital Management at Chalmers University of Technology.

The project has been carried out at the company Organic Spread Media in New York within the subject; how social media affect brand identity. We would like to thank Fahad Khan who has been our mentor at the company for great help and encouragement!

Göteborg, 2011-06-14



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List of abridgements and definitions

WOM – Word of mouth

CDJ – consumer decision journey

FMCG – Fast moving consumer goods

ROI – Return on investment

UGC – User generated content

Like – “liking” something by pushing the like button on Facebook

Post – Write or contribute with something on social media

Retweet – Replicating a tweet on Twitter

Follower – people reading your tweets or reading your blog.

1. Introduction

This chapter aims to introduce the reader to the field of research and explain more in depth, why the subject is important, why it was chosen and what the delimitations are. It will also provide the reader with a brief presentation of how branding have changed due to internet and social media.

1.1 Background & Problem formulation

Branding has traditionally been marketers sending out well-formulated messages to targeted customers through traditional media channels such as: TV, newspapers and radio. Companies used to have close to full control of their brand identity and the power to decide what it should represent. Internet and social media have instead empowered the customers and provided them with vehicles to spread their opinions widely (Radziewsky, Y, 2006). This leads to brand managers having less control of what is said about their brand in public forums and these conversations highly affect the brand identity (Li and Bernoff 2008).

There are a number of different forums that customers can use to share and spread their opinions about different brands, products and services such as Facebook, Twitter, Forums and blogs. The power of word of mouth has increased due to the large number of people that social media can reach, compared to the “traditional offline word of mouth” (Li and Bernoff 2008).

It is apparent that Social media and new technology have affected customer behavior. Many customers are nowadays evaluating their products both pre- and post purchase and share their experience with their online network. This affects and influences the purchase decision and behavior of customers and they seek information online and are more active than ever before (Court et al. 2009). This changes the game of marketing since customers trust and listen to recommendations from their own network, rather than information they receive from subjective sources like commercials and products web pages (Kapferer, J-N, 2008).

The existence and wide usage of social media have therefore provided markers with a number of challenges. There is an increased risk that the customer’s brand image does not correspond with the desired brand identity. Many companies are approaching social media without having a strategy, internal structure or aligned outward communication. This can create confusion among customers who get mixed messages when interacting with the brand and thus this affects the brand identity. It is crucial that companies reach the customers with the right information and message at the right time in the decision making process, to make sure that the brand image corresponds with the brand identity and influence them to choose the brand. There are no widely used frameworks that provides companies with strategic recommendations for how to work with social media in order not to loose control of their brand identity and how to be present and influential throughout the decision process. The phenomenon social media is fairly new, the challenges are rather unexplored and needs more research.

This report is written for the company Organic Spread Media that develops marketing campaigns integrated in social media. The company wants an academic report that captures the challenges discussed earlier and takes a holistic view of the subject.

1.2 Purpose of this study

The purpose of the study is to provide strategic recommendations for how companies should actively work to be in control of their brand identity on social media. This includes high level recommendations how to influence customers at the right time in the customer decision process. The aim is to draw conclusions from literature findings, interviews and a case study in order to provide frameworks for how brand managers can work with social media methodically in order to be in control of the brand identity.

1.3 Research question

The following research question has been identified together with the CEO of Organic Spread Media after conducting a thorough literature study of the latest publications in the field. The performed research has shown that this is an unexplored topic and highly relevant problem that many companies are facing today.

Customer impact on brand identity

- How should brand managers actively work to keep control of the brand identity on social media?

This research question has been broken down in the following sub questions in order to get a holistic view of the subject. Each question covers different aspect that needs to be explored in order to answer the research question.

4. Are there any frameworks today helping companies to stay in control of their brand identity on social media?

When answering this question the current situation for companies will be determined and the answer will show what to build on in the recommendation.

5. What areas should be included in a social media strategy?

This question will be answered based on the interviews and case study and the answer will provide brand managers with a recommendations about how to actively work with social media.

6. How can brand managers work towards having a corresponding brand image and brand identity and influence customers purchase decisions?

The answer to this question is highly interlinked with question number two and will specify when and how to provide the customers with information about a brand and products. This is important since if the right information is available the chances are bigger that the brand identity and brand image corresponds.

1.4 Delimitations

The delimitation of this report has been further narrowed down to the following:

- **Different forms of social media**
Social network sites is the main focus in this report but also blogs, content communities and collaborative projects are included. Social media types such as virtual social worlds and virtual game worlds are outside the scope of this report.
- **Infrastructure**
There are no limitations of geographical areas, but there is however a limitation of infrastructure since there must be internet access and a culture of using social media for applying this research. The thesis is mainly focusing on North America and Western Europe since the most studied social media forums are highly used there.
- **Industry limitations**
This research is limited to business to consumer products with a utility. Business to business and consumer-to-consumer industry, luxury brands, products and services are excluded from this report.
- **Customer impact**
The thesis is only focusing on how customers can affect the brand identity, how employees can affect it on social media is excluded form this report.

2. Method

This chapter describes the methods used in the literature study, interviews and the case study. This chapter will follow the structure of the working process that is presented in the figure below.

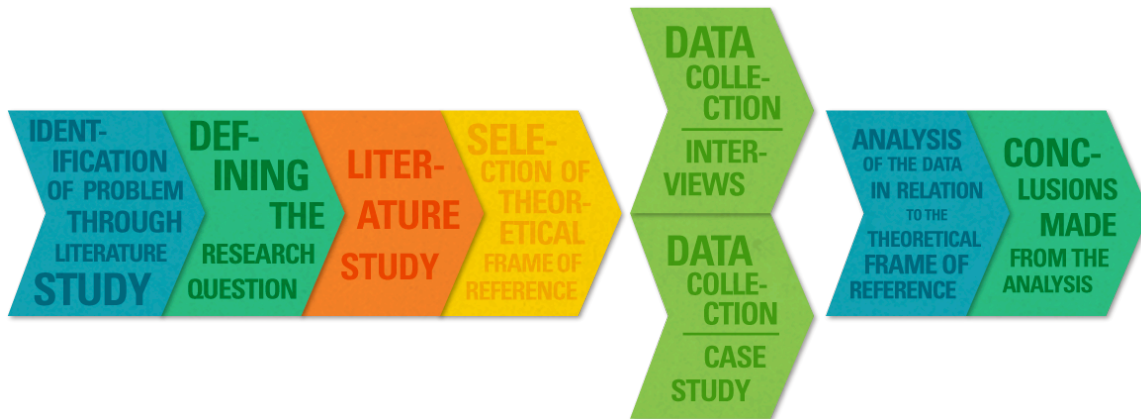


Fig 2.1 presents the working process and it presents the different parts of it

2.1 Identification of the problem

The problem identified is that brands are losing control of their brand identity due to social media. Customers now have vehicles to spread their opinions widely, the online WOM highly affects company reputation and thus brand identity (Word of mouth marketing 2010).

The problem has been identified by reviewing a large number of articles, reading blog posts and talking with knowledgeable people in the area. One of the mentors for this master thesis also pinpointed that he currently is dealing with this problem.

2.2 Defining the research question

The research question has been narrowed down and defined in cooperation with the CEO of Organic Spread Media. The experts in the field that was interviewed all stated that keeping control over their brand identity is a big challenge that companies are facing today, this confirms that the identified research question is highly relevant (See appendices (See Appendices 2)).

2.3 Literature study

The basis for the theoretical framework is an extensive literature study of books articles, reports, websites, blogs and video clips in the field of branding, marketing and social media. This scope has been chosen since the research question is rather unexplored and therefore not much literature can be found in the exact same area. The purpose has therefore been to create a foundation with the latest knowledge in the field, but also classic branding concepts that are crucial for social media. The book *Groundswell* (Li and Bernoff 2008). describes how to use social media in reference to marketing with their concepts of: Listen, Speak, Energize,

Encourage & Embrace in a good way, however they do not include how to keep in control of brand identity. Also the book “*Auditing social media*” (Jacka and Scott 2011).that came out during the work process, has been a source of up to date input. The thesis will therefore take a standpoint in this together with the “ new” version of the purchase funnel that is adapted after internet and social media and developed by McKinsey & Co.

Information regarding traditional branding/marketing theories have mainly been obtained through course books in the field written by recognized authors and articles have been to a large extent as possible chosen to the ones with a lot of citations. The Articles have mainly been found in databases accessed through Chalmers library or New York public Library of Science and business. Databases such as E–marketer, Ad Age, Business source premier and Emerald have been used in order to find recent articles and reports about the area. Blogs have also been used, since this is where the most recent information can be found. The reliability the authors of sources such as websites, blogs and video clips have been verified.

2.4 Selection of the theoretical framework of reference

The literature study has resulted in identification of a number of concepts and frameworks important for social media. The following list will present the chosen concepts and frameworks and explain why they are important and how they relate to social media.

Working with social media and branding:

The chapter includes different actors and activities on social media. It also describes how companies can enter, listen, speak, encourage, embrace and energize social media. This section provides up-to-date advice for how to work with social media and marketing and it provides the most recent thoughts in the field.

Brands online and intellectual property – this section covers some of the legal aspects of how to keep control of a brands identity on social media .

Concepts important for social media:

Social network theory – this concept is important since it provides information of what part of networks to influence and why it should be influenced. This is important for communicating messages to customers and allowing it to spread and affect people. Providing customers with information is a crucial part of keeping control of a brand identity.

WOM – Messages spread on social media through WOM, it is the reason why the customer voice has strengthen due to social media and the reason for the companies facing the problem with their social media brand identity today. The concept explains why people share experience on social media, which is crucial for identifying opportunities for companies to drive WOM.

Trust – This concept provides information about who people listen to the most and why they do it. This concept is highly connected to WOM and it provides insights of what party or

person companies should try to influence, it is important for companies to know who to reach out to when providing incentives and drivers of WOM.

Brand image – Is important to include in the theory section because it explains the differences between brand identity and brand image. The two concepts are usually confused with each other and there is a need to make a clear distinction between them.

Frameworks important when working with keeping control of brand identity on social media:

Brand Identity – This framework is crucial for the thesis, since it explains what parts of the brand identity that can be affected by customers and how it can affect the brand identity negatively.

Consumer Decision Journey – Since the CDJ is a development of the purchase funnel adjusted to be suitable for internet and the social media space it is highly relevant for the thesis. The framework also defines when the customer can be reached and influenced the most, which is crucial for providing the right information and keeping control of a brands' identity.

4 pillars of I-branding – This framework is important because it pinpoints the four most important parts of branding online. These parts can be directly applied on social media and they can help a brand to keep in control over its brand identity.

These theories will be analyzed and compared with the results of the empirical study, which will provide a foundation that the conclusions will derive from and based on.

2.5 Data collection - Interviews

Since the field of study is relatively new it is very applicable to perform interviews in order to obtain empirical data in form of new information and though leadership in the field. Gathering of information can be done in a qualitative or quantitative way or by mixing the two approaches (Strauss et al, 1998), the main difference is that when doing qualitative studies the information is transformed into numbers and quantities that can be used for statistical analysis. The qualitative approach do on the other hand allow more in depth knowledge to be extracted and it provides a deeper insight to the subject. This study has therefore taken a qualitative approach to obtain more in depth answers where fruitful analysis can be made and conclusions can be drawn upon.

The total number of the interviewed people is ten and in-depth interviews have been carried out with them. The size of the sample is big enough to represent the thoughts of the experts in the social media sphere, which is why this sample size has been chosen. However the size of the sample also allows different profiles of the people being interviewed. Both Professors and industry experts have been interviewed in order to get a good mix of the thoughts in the field of research. The validity of the sources has been confirmed in different ways and by different sources. The professors chosen are indirectly confirmed by the University that they are

performing the research to. The industry experts on the other hand have been validated by looking on their profiles, previous experience, knowledge of expertise in the field, but also by listening to recommendations from other people in the industry such as our mentor and the CEO of the company that the research is performed for.

The number of professors interviewed is however larger than the interviews performed with industry experts and this due to three reasons. First of all it is a fairly new topic and therefore it is hard to find “real industry experts”. Secondly professors are in general more interested in research and they like to contribute to it. Lastly people in academia are currently exploring the field of research themselves, and therefore a lot of valuable insights can be obtained from them.

Ten interviews have in total been conducted. Seven professors from New York University, Rutgers and University of Nevada have been carried through. While the interviews with industry experts have been limited to three, however they did all have a lot of experience within social media and social media strategy.

The choice of interviewees has been carried out by going through the university websites and contacting professors knowledgeable in the field. Whilst the industry experts have been identified through Organic Spread Media and through contacts received from the mentors at Chalmers. The process of setting up interviews has been very time consuming and required a lot of effort to reschedule and confirm different appointments.

An interview guideline containing open questions have been developed in order to pinpoint the most important areas but that also lets the interviewee elaborate and discuss freely about the subject and give their personal reflections. This can open up to new lines of thought that were not considered before. However, the risk with this approach is that the interviewer steers the interview with further questions and that this affects the obtained information. (Remenyi et al, 1998) The questionnaire was sent to the interviewee before hand for them to prepare their answers. Many interviews were held over phone due to time management and geographical reasons and every interview took 45minutes up to an hour. The interviews always ended with the question if they wanted to add something to the interview that were not asked and they were also provided with the possibility to add thoughts or answers by emailing if they did forget to say something during the interview. The interview was always held and conducted by one person, with the other one taking extensive notes of the answers provided by the interviewee. The tasks of performing the interview and to take notes were changed after each interview.

2.5 Data collection - The Case study

The aim with the case study was to get insight of how a global company works with social media to keep the control of their brand identity. The aim has therefore been to study the strategy of the company to get an idea of how companies can work with it and also to see if they are using any frameworks to develop their strategy with. The aim of the thesis is not to

provide them with hands on recommendations of how to work with social media, but rather general frameworks that they can use in order to develop their social media strategy.

The chosen company is a global electronics company with their base located in Japan. The company has got an American division, which is the part of the company that the research has focused on. This company was chosen due to a number of reasons. First of all the aim was to interview a company that was in the business to consumer industry that has operations globally. Secondly a company that provided a bit more expensive products was highly desired, this since people put more thought into choosing and evaluating these products compared with for example FMCG. The last reason this company was chosen was also due to the fact that Organic Spread Media already was in contact with them and it was therefore easier for the authors to get in contact with them. The validity of the source has also been easier to confirm, since the person interviewed was known by the company before.

An extensive interview has been carried out with the internet marketing manager at the company (the case company will be referred to “the company” from here on). The interview focused on getting an idea of how they are working with social media and if they had a social media strategy in place and what it was built from. The interview findings were studied and complemented with e-mails, online research on websites and social media sites where the company has been active.

2.7 Analysis

How the data would be analyzed was determined before collecting the data. This was in order to make sure that the data extracted from the interviews would be relevant to the research. The answers from the interviews have been compiled and the empirical data have been analyzed in reference to the theoretical frame of reference. This has been done for both the interviews and the case study. The analysis aims to provide a good foundation to start from when developing the frameworks for the conclusion and it is therefore very important to evaluate the reliability of it. To be able to do this the reliability of results and validity of the data should be further explored. This means that the research should be able to provide the same data by following the same procedure again. To make sure this is possible extensive documentation of procedures and work methods need to be done. The research question is valid if the research measure and explores it (Bryman & Bell, 2007).

2.8 Conclusion

The conclusions are drawn by taking a standpoint in the analysis of the empirical data in reference to the theoretical frame of reference. The conclusion consists of two new frameworks that are developed based upon the analyses.

3. Overview - branding on social media

This chapter is an introduction to what social media is, how it can be defined and a classification of the different social media types. It will also cover the technology enabling social media, growth and trends as well as explain how social media affects company brand identity. In this section there are also examples of how brands can lose control of their brand identity as well as companies that have been affected by an event on social media.

3.1 Social media

The large growth of social media originates from the following three factors: people, technology and economics

- **People:** Humans have always had a desire to connect and find strength in each other. They have a tendency to rebel against institutional power and social technology has given regular people more power and a louder voice.
- **Technology:** A majority of the populations in North America and in Europe are using technologies that connect people; these numbers are growing all over the world. Technology enables people to be connected all the time and with the arrival of smartphones this is very flexible.
- **Economics:** Internet traffic equals money and online advertisement is growing so quickly that most sites that have significant traffic can get revenue from it.

These three factors are driving this new era where social media is taking a bigger place in people's lives and gives customers the possibility to spread their opinions in a very large scale (Li and Bernoff 2008).

Social media is extremely powerful in the branding and marketing context, this is the business area that social media has benefitted the most. One can argue that the power of publicity through social networks and the ability to measure and make analyses from data has revolutionized public relations and made it more important (Sorrell, 2011). Facebook can be compared to the third largest country in the world considering users and it is a growing mass media. Social media gives brand managers the possibility to announce a message in real time and interact, something that is close to impossible in other marketing channels such as TV, print and radio.

The number of people with internet access is growing and usage of Facebook, YouTube and Twitter is increasing fast (See section 3.3). Social media has taken over pornography as the number one activity on the web and people are talking about a Social media revolution (Qualman, E. 2009).

3.1.1 Definitions

There is no generic definition of the term social media, instead there are several interpretations of the concept. Below are a few definitions from different sources.

- “A group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content.” (Kaplan and Haenlein, 2010)
- “Consumer generated media” (Definition commonly used in businesses settings)
- “Blend of technology and social interaction for the co-creation of value” (Definition commonly used in businesses settings)
- “Social media are media for social interaction, using highly accessible and scalable communication techniques” (Wikipedia – social media)
- Social interaction encapsulated in software (Fahad Kahn, CEO Organic Spread Media)
- Social media essentially is a category of online media where people are talking, participating, sharing, networking, and bookmarking online.” (Ron Jones 2009)
- Web based broadcast technologies that enable the democratization of content, giving people the ability to emerge from consumers of content to publishers. (Jacka and Scott 2011)

3.1.2 Difference from traditional media

The media industry is changing and online channels have many qualities that can be considered favorable compared to traditional media. It is in general cheaper compared to traditional marketing channels if managed well and efficiently. It has the potential to reach a large-scale audience on a global level compared to local newspapers and national TV channels. There is no lag between launch of a new campaign until it reaches its target audience and it is possible to get response directly. It is easy to access and produce social media and anyone can do it, this is very different compared to many traditional media channels that only a few people can be part of creating. Social media is easy to use, anyone can access and operate most social media and it does not require any specific skills. Also, it is not as permanent as many traditional media channels thus it can easily be altered along the way.

3.1.3 Types of social media

It is not completely clear, among academic researchers or managers, what should be included in the term social media. The following is a categorization made by (Kaplan, A and Haenlein, M 2010)

- **Blogs**

Blogs are the earliest form of social media and the word originates from a truncation of the word weblog to blog. This was later used in the form of “we blog” which has created the term blogger or blogging (Kaplan and Haenlein, 2010). Blogs are usually managed by one person, interaction is made in the form of comments and the content can often be compared to a persons diary or a summary of information related to a specific field. The interlinking between blogs are often in the form of links, comments and citations of each other, this creates the “blogosphere”. Since the Google ranking is to a certain extent based on links, cross-linked blog posts are often placed high in the search result. The content on blogs are not regulated and sometimes opinion and fact can be mixed up.

The main risks that comes with blogs for businesses are unhappy consumers spreading negative information and employees that are blogging about the company and writes destructive comments with or without intention.

- **Collaborative projects**

Content created simultaneously by many end users (user generated content) are called collaborative projects and the main idea with is that the effort of a lot of people is a lot greater than what one individual could achieve alone (Kaplan and Haenlein, 2010). The most famous collaborative project is Wikipedia with more than 2 million articles. (Li and Bernoff 2008) and is available in more than 260 different languages (Wikipedia 2011). Open source projects such as Linux and Firefox belong to this category just as social bookmarking that enables users to rate links and media content applications. It also enables users to tag stories that you like and categorize them. Tagging can be done on Flickr, YouTube etc. and people can often create their own categories (Kaplan and Haenlein, 2010).

Wikipedia is an important source of information for a lot of people, it is the 8th most used site on the web and 22% of Americans are using the site at least monthly (Li and Bernoff 2008). Customers are getting a lot of information about companies and products from this source, despite the fact that there can be articles that are not completely true. Articles about companies can include scandals that companies would prefer to hide, the public decides how a company and celebrities are presented and they are not welcome to alter articles about themselves. The only way to do this is if they act very transparently. Companies can also create their own wikis where users can communicate about the products they offer (Li and Bernoff 2008).

- **Content communities**

The purpose with this social media type is for users to share media content and this kind of platform exist within many different fields such as Flickr focusing on photos and YouTube focusing on videos.

These can be harmful to some companies since occasionally copyrighted material is shared and people can upload content with unfavorable information, on the other hand companies can spread information and do advertising campaigns using content communities (Li and Bernoff 2008).

- **Social networking sites**

This forum enables users to connect and interact by having a profile page and sending messages to each other. These sites are facilitating relationships and enables people to find common grounds with each other and people also acknowledge relationship by “friending” each other. The largest networking site is Facebook with 600 million active users in January 2011, this can be compared to two times the American population. Also MySpace, LinkedIn falls under this category. These sites are very popular and used by many companies to build their brand and communicate with customers (Kaplan and Haenlein, 2010).

A lot of time is spent on social networking sites and 22% of America’s teenagers log in on a daily basis. Information that can boost, damage or hurt a brand can be spread extremely quickly. Companies can also create their own network where customers can connect and support each other (Li and Bernoff 2008).

- **Virtual game worlds**

On this type of platform users can make personalized characters and interact with each other in a similar way as in the real world. An example of a virtual game world is World of Warcraft with millions of users (Kaplan and Haenlein, 2010).

- **Virtual social worlds**

In this forum users can choose a character, interact with other participants in a way similar to reality and be an avatar alike the real personality. Second Life is one the most famous virtual social worlds, these kind of sites are extremely popular in Asia and less popular in Europe (Li and Bernoff 2008).

- **Forums, ratings and reviews**

Forums, ratings and reviews sites can be a mix between collaborative projects, content communities and social networking sites. Normally people can become a member and log on and make comments and respond to questions, these forms threads and people can follow conversations. Before brand owners could focus on reviews and opinions by experts and journalists but now anyone can communicate their opinion (Kaplan and Haenlein, 2010).

Categorization of social media types

In order to determine how different types of social media should be categorized in relation to each other, Andreas M. Kaplan and Michael Haenlein have created a classification scheme based on media research and social process theories.

Media research is divided in to the following concepts:

- **Social presence** – level of presence that can be achieved on the site. Higher social presence leads to larger social influence and level of impact that communication partners have on each other’s behavior.
- **Social richness** – level of how communication on the site can reduce uncertainty. Level of media richness is based on how much information that can be transmitted within a certain time interval.

Social process is divided in to the following concepts:

- **Self-presentation** – Level of the ability to affect other peoples perception of you, this is usually based on the universal desire to make a good impression and to create an image in line with ones identity.
- **Self-disclosure** – Level of, conscious or unconscious, exposure of personal information.

The two dimensions are combined and leads to the following classification:

Table 1. Classification of Social Media by social presence/media richness and self-presentation/self-disclosure

		Social presence/ Media richness		
		Low	Medium	High
Self-presentation/ Self-disclosure	High	Blogs	Social networking sites (e.g., Facebook)	Virtual social worlds (e.g., Second Life)
	Low	Collaborative projects (e.g., Wikipedia)	Content communities (e.g., YouTube)	Virtual game worlds (e.g., World of Warcraft)

Fig 3.1 Classification of Social Media by social presence/media richness and self-presentation/self disclosure

Source: Kaplan, A and Haenlein, M 2010

Focus in this report will primarily be Social networking sites but also blogs, collaborative projects and content communities. Virtual social worlds and virtual game worlds are excluded.

3.2 Impact of web 2.0 on branding

Technology and Innovations are transforming the way brands and customers interact. As technologies emerge and innovations enter the market consumers and brand managers have to find new ways to communicate (Radziewsky Y, 2006). The accelerating pace of innovation transforms the business environment and the global interest of internet related technologies makes this transformation even faster (Irvine, C, 2004). Customers are more in control of

brands than ever before because of new emerged technologies. Companies do therefore need to adapt their marketing and branding activities to prevent brand withering (Radzievsky, Y, 2006).

Social networks are constantly growing and much faster than previous innovations introduced to the market like for example radio, TV and internet. It took 38 years for the radio to get 50 million users, television 13 years and internet 4 years. The fact that Facebook is growing with 20 million users per month in (September 2010) and that Twitter is growing with more than 9 million new users per month (September 2010) provides an understanding and a belief that social media is impacting the society, people's behavior and the business environment (Carroll, J, 2011).

Facebook has over 600 million active users globally in January 2011, and 50% of their active users log on to Facebook every day. People spend over 700 billion minutes per month on Facebook in total globally (Facebook statistics, 2011). Social media have also changed the way people search for information. Facebook is today used for more searches than Google, and Twitter is now the biggest search engine in the world. This means that people turn to social networks to search for information about products and services instead of turning to the producers web page. This implies that companies need to develop new strategies for marketing and branding (Carroll, J, 2011). Technology have enabled empowerment of customers (Kapferer, J-N, 2008), especially Internet and Web 2.0, which have provided the required infrastructure for Social Networks to develop and grow. The following parts will explain the importance and impact of Web 2.0.

3.2.1 Web 2.0

Web 2.0 offers a set of tools that allow people to build social and business connections, share information and collaborate on projects online. This includes blogs, wikis, social-networking sites and other online communities and virtual worlds (Parise, Guinan & Weinberg , 2008). Web 2.0 is based on a belief and objective to mutually maximize the collective intelligence of the participants (Hoeg et al, 2006). The fundamentals of Web 2.0 is therefore sharing and creating of information. A very important characteristic of the collective knowledge is the transparency of the information creation and sharing process, this could for example be to rate or comment on posts or blogs enrich (Hoeg et al, 2006).

Web 2.0 represents a good example of network effects. This since the value of the community itself is very limited. The value is created over time through interactions between users, just like the telephone (Hoeg et al, 2006). The more users that participates, the more users are attracted and the quality do most of the time improve and the service gets more relevant.

Most of the people have become familiar with Web 2.0 through social network sites like Facebook, Twitter , MySpace and LinkedIn, which are enabled by Web 2.0 (Parise, Guinan & Weinberg , 2008). Web 2.0 have empowered the customers and internet has now become an easy, practical platform that offer a lot of services and information (Kapferer, J-N, 2008). The

truth is now the blogs, which is the true consumer magazine, while the brand websites is the “official truth”(Kapferer, J-N, 2008).

3.3 Marketing spending

This chapter aims to show the trends, development and forecasts of marketing spending and social media trends. The chapter will show data from previous years and forecasts for the future in a number of areas. The chapter will start with looking on the transition towards digital spending, how the marketing mix will develop, development of internet access globally, online marketing spending and the development of social media users and spending.

The data used is mainly from PWC’s Global entertainment and media outlook 2009-2013 and from the e-marketer database, which provides up-to-date data on a yearly to monthly basis.

Disclaimer

The economic crisis in 2008 has affected the result of the fourth quarter in 2008, which is the key quarter in marketing. The section will provide data from 2008 – 2013 (estimations built on data) this to be able to see changes over time to establish trends in the market.

Major changes in the market

Due to the fast digitalization of the society technology will become more and more common in all kinds of media (PWC, 2009). This will affect three major areas:

Economic – the financial crisis will speed up the pace of the transition to digital technologies, since it is economic beneficial for both the providers and receivers.

Consumer behavior – The customers have already changed their digital behavior and they control where, when and how they consume media. They will therefore also require higher value from the entertainment and make more critical media choices.

Advertising – More specific and targeted marketing will evolve together with new business and revenue models due to the technology driven transition. The marketing will encapsulate the new habits of the consumers.

3.3.1 Digital versus non-digital spending globally

The table on the left hand side below shows the spending in non-digital versus digital spending 2008. The companies will develop new business models that are adapted to the new digital environment, and which fit the new behavior of the customers. It will be important for companies to keep a low cost base, therefore new business models will emerge.

This will change the dynamics and competitiveness in the industry. Digital spending will be the main growth of the industry the next couple of years and it will spread to more industries in the future due to the high return on investment.

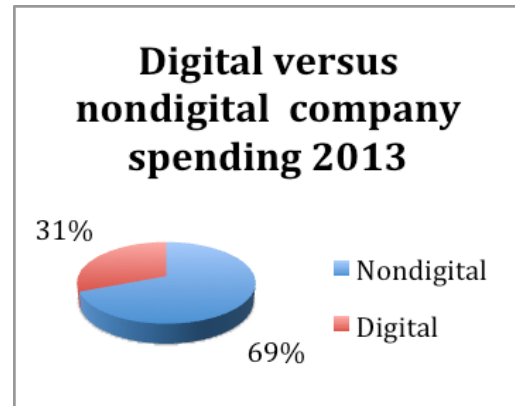
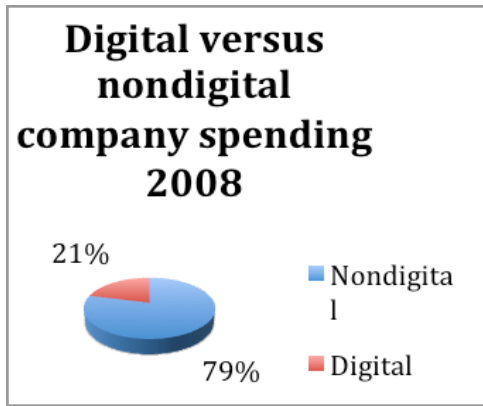


Fig 3.2 & 3.3 Tables showing advertising spending 2008-2013
Source: PWC 2009

3.3.2 Global Entertainment and media market share by segment

The technology driven parts of the marketing mix are the segments that stand for the largest growth of all the segments, where internet advertising stands for the in total largest growth from 2009-2013. The table below shows the spending growth from 2009-2010, and it indicates that the digitally driven segments will grow on the expense of the non-digital segments. The trend with growth in the technology driven segments will continue as the table below shows (PWC, 2009).

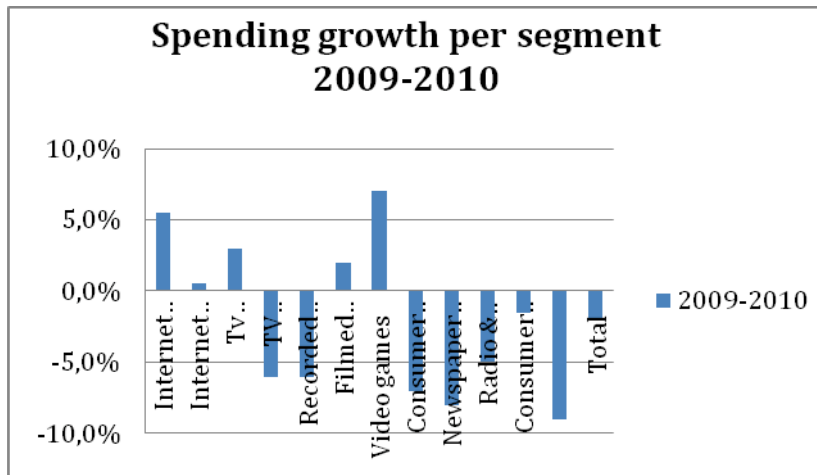


Fig 3.4 Spending growth per segment 2009-2010
Source: PWC 2009

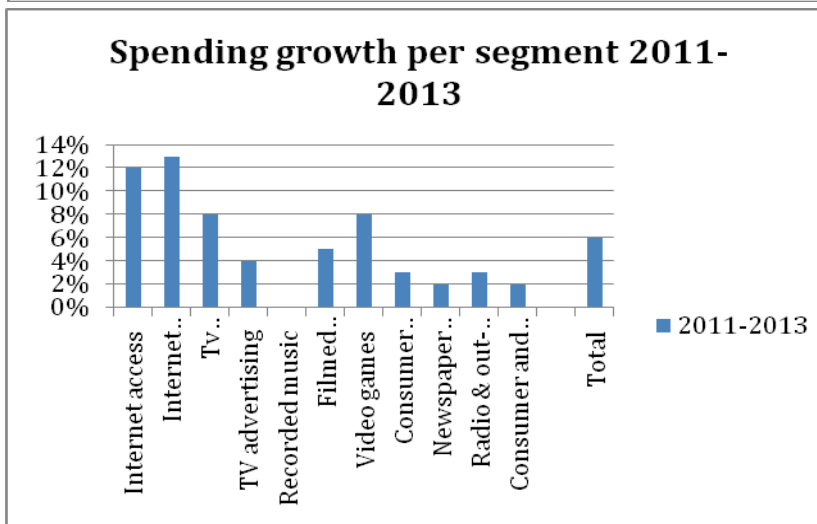


Fig 3.5 Spending growth per segment 2011-2013
Source: PWC 2009

3.3.3 Global Internet access

Digital marketing will be the segment that grows the most in the industry. The global internet access is therefore crucial. The internet access will mostly move from dial-up to broadband and wireless internet connections. The table below shows the annual growth of the internet access market by region (PWC, 2009).

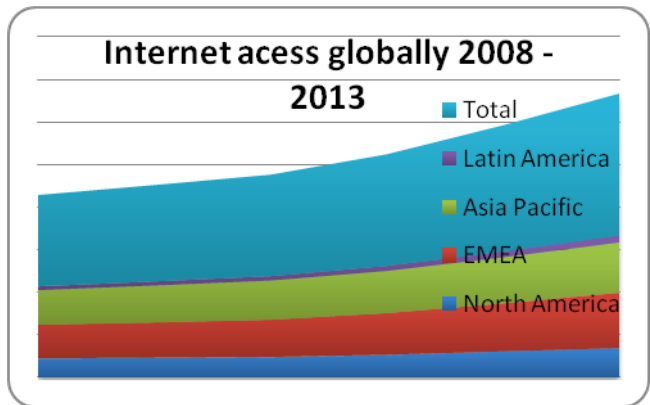


Fig 3.6 Global internet access 2008-2013
Source: PWC 2009

3.3.4 Growth of Internet advertising

Internet advertising includes: advertising on web sites accessed by computer and mobile sites that are intended for accessing through mobile phones. Global advertising as a whole will grow to 87\$ billion in 2013, with a compound annual growth of 7.7% from \$60 billion in 2008. The table below shows the growth of the internet advertising by region in million dollars (PWC, 2009).

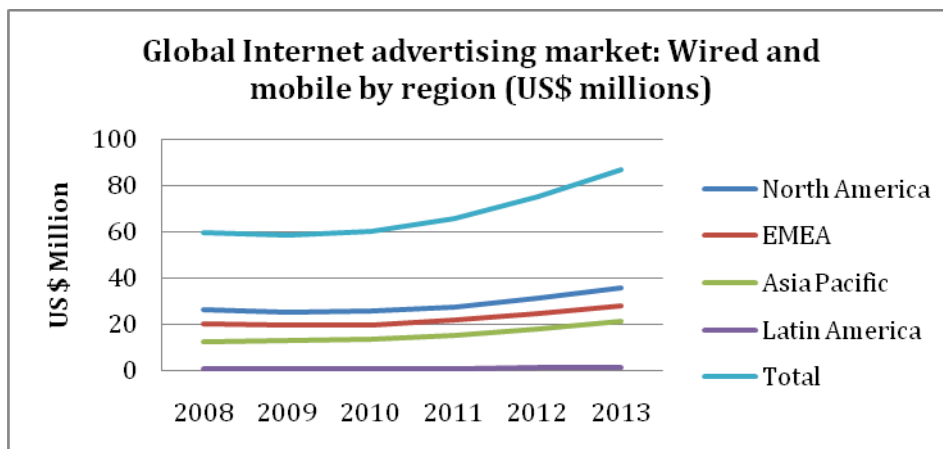


Fig 3.7 Global internet advertising market
Source: PWC 2009

3.3.5 Global Social network advertising spending 2009 - 2012

The global social network spending is predicted to increase with 71,6% in 2011. The key drivers for this growth are Facebook's strong international growth and the rising ad spending on social networks in Asia. Marketers are predicted to spend approximately \$6 billion on social network sites in 2011, which is an increase with 71,6% from 2010.

The growth will continue but with a lesser step curve until 2012 with \$8,1 billion, which is an increase with 35,6% from previous year 2011. The table below shows the global growth of the

ad spending per year on social network sites, where US represent half of the ad spending in 2011 (Aho Williamson, D, 2011).

The US represented even a bigger portion previous years, but since Facebook and other social media networks are growing globally is the global advertising spending (outside the US) increasing as well. The result is that markets outside the US will represent half of the social network advertising spending by 2012. This will however require that Facebook penetrate markets in Russia, China and Japan that have their own social network sites like for example: Vkontakte (Russia), Renren (China), Mixi, egenki (Japan) and will be able to increase usage and ad spends (Aho Williamson, D, 2011).

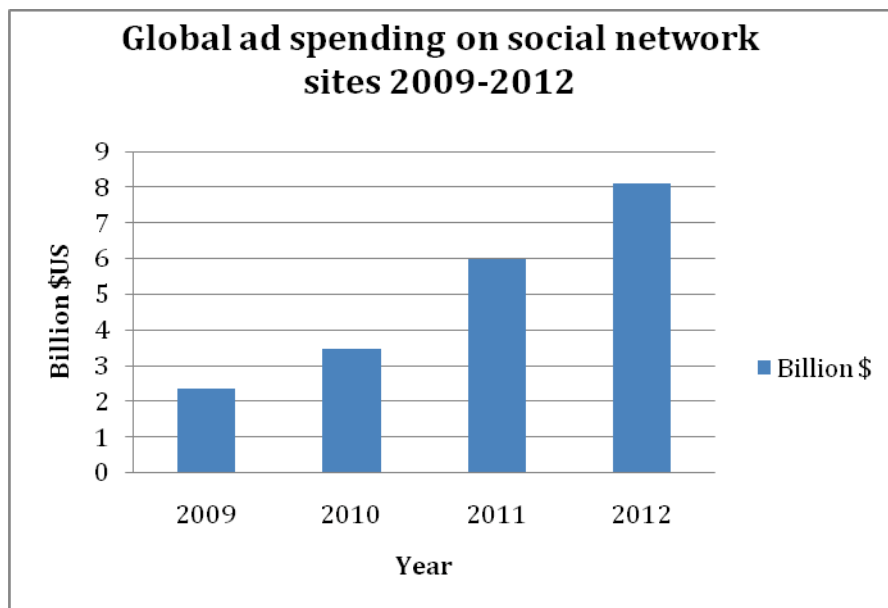


Fig 3.8 Global ad spending on social network sites
Source: Aho Williamson, D, 2011

3.3.6 Social network users worldwide by region 2010 - 2015

The table below shows the social network users worldwide today and the prediction for the future by region.

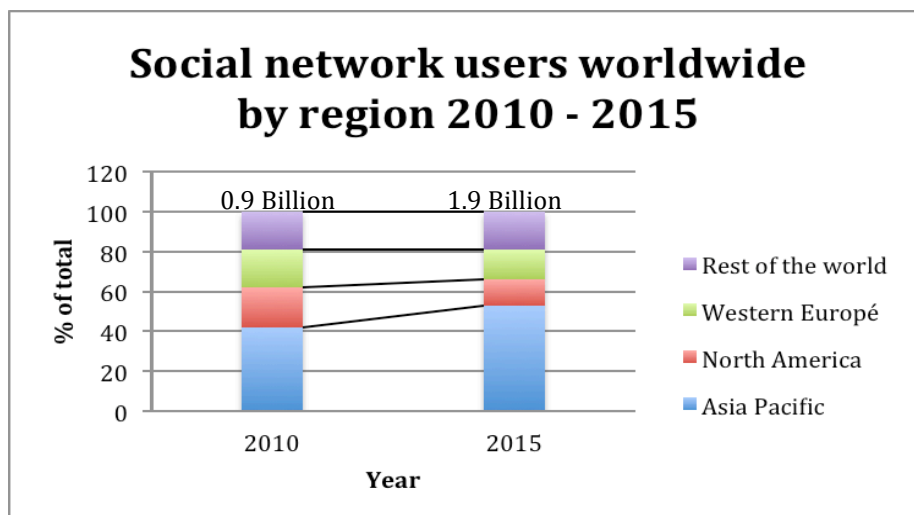


Fig 3.9 Social network users worldwide
Source: Aho Williamson, D, 2011

The predicted advertising spending is predicted based on a continuing increase in growth in users and usage of them, especially outside the US. The numbers are predicted to double outside the US between 2010 and 2015 and reaching 1.9 billion users. The US has represented a large portion of this but in 2015 will it only represent one-fifth of the user base 2010 (Aho Williamson, D, 2011).

3.4 Brand challenges

This section will discuss how brand managers are losing control of the brand identity in social media.

3.4.1 Losing control of brand identity

Branding used to be a one-way communication and the brand managers had nearly full control of the brand identity and what the brand communicated to the customers. They could control what information about their brand and company was available to the public and they managed the brand by campaigns and public relations. Now we are living in a world where customers can share information and speak very freely with each other online, thus businesses have less control about what is said about them (Kaplan and Haenlein, 2010). This can be called a power shift and the customers have been given the “virtual megaphone” by the existence and usage of social media. (Cohens, A. 2010)

Customers often have an idea about a brand that can differ from the brand identity that the managers are trying to communicate and aim for. A brand can be redefined and the message that a company have spend millions dollars to create can be ruined. Moreover, the old rule of thumb within marketing that customer in average tell three people when they are satisfied with a product or service and ten people when being dissatisfied, has dramatically changed. Now, with a few clicks on a computer customers can reach out to thousands of people (Caroll 2011).

This groundbreaking new trend has turned the brand managers to more of observers watching comments about their products posted by customers, often not knowing how or even having the right to change or remove them (Kaplan and Haenlein, 2010). This movement is global, it undermines control and there is nothing companies can do to stop this loud online voice. It affects most industries, both business-to-business and business-to-consumers, mainly within media, retail financial services, technology and healthcare (Li and Bernoff 2008). The social media technologies are enabling people to get information, help or advice from each other instead of from companies or institutions.

When a brand name is typed in to Google search engine the top five results do not only include the corporate website but often also the collaborative project Wikipedia. Here people can find information about a company but also less credible stories such as products that have

failed or companies being unethical (Kaplan and Haenlein, 2010). Companies are not allowed to participate or alter the content at this collaborative encyclopedia thus their control of what is said is close to eliminated. The top results of a Google search can also contain e.g. forums and blogs, information that is not created by the company and that has content created by users, customers or critics.

Opinions and information online cannot be stopped and people cannot be bought off or sued, instead people find strength in each other to continue. If a company demands that information should be taken down, there is a risk that it spreads even more instead. Since this phenomenon is unstoppable, the smartest thing a brand manager can do is to understand social media and to think through how their company can gain advantage from it (Li and Bernoff 2008).

3.4.2 Intellectual property and brands on social networks

The new opportunities social media brings regarding promoting a brand comes with challenges. The manner a brand is exposed on social networks cannot only be harmful for the brand, it can even be illegal.

Social network content

The constant increasing number of social networking sites, blogs, forums, customer review sites etc. is not only aggravating companies control of their reputation and brand but also their intellectual property assets. Many companies are not fully aware of what is said about them online and thus they cannot dismiss inaccurate information and counter intellectual property infringements. Unapproved use and misuse of intellectual property such as trademarks exists online and companies should try monitoring this usage. Mainly because it can affect perception of the company but also, in rare cases it can lead to losing the trademark due to dilution. As mentioned in section 4.8, companies have to listen and participate in the online conversation and try to influence what is said about their brand and products. This can help them find infringement such as trademark hijacking, libelous speech and counterfeiting (Thomson Hine 2009).

Examples of lost control

There are examples of brands where the brand identity has been harmed in illegal ways on social media, brands that have been infringed, hijacked or taken over by unauthorized people.

- A famous baseball team manager, Tony La Russa's identity was hijacked on twitter by someone giving the impression that the tweets came from La Russa himself. The comments were demeaning and hurt La Russa's brand, there was a lawsuit filed in the superior court in San Fransisco. (Fowle, A. 2009)
- An example of a corporate sabotage is a public relation firm that set up a twitter account under the name of a competing firm. Unfavorable tweets were posted for two months until the competing firm discovered their name had been hijacked.

These types of infringements can hurt reputation and cause major harm for a company, brand or person. There is sometimes a fine line between rumors and claims and illegal hijacking and infringements (See section 4.8) (Thomson Hine 2009).

3.5 Examples of social media events affecting brand identity

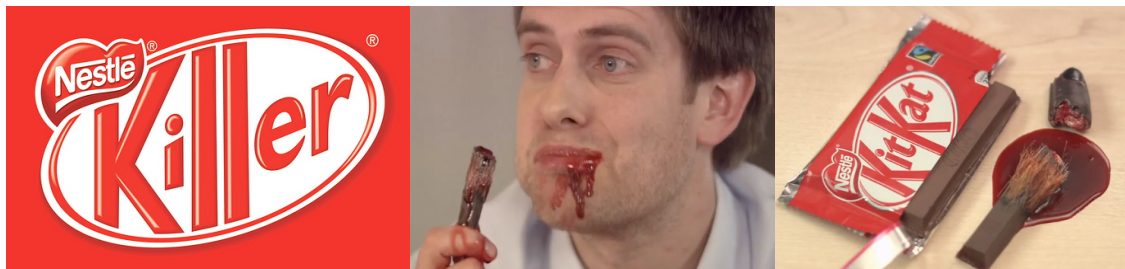
The following are examples of brands that have lost control of their brand identity due to an event happening on social media. Moreover, a successful response to a negative social media event and examples of successful campaigns using social media are described.

3.5.1 Lost control of brand identity

Below are examples of brands that have had problems due to social media.

Nestlé

In March 2010 Greenpeace posted a movie on YouTube showing a man having KitKat but instead of chocolate there are bloody orangutan fingers in the pack. Greenpeace wanted to communicate that when harvesting palm oil in Indonesia, used in Kit Kat chocolate, Orangutan habitat is ruined. Facebook and YouTube users started to post comments about the clip and it was widely spread online and Nestlé asked YouTube to remove the clip (Armstrong, P. 2010). People used the modified logo as their profile pictures on Facebook and Nestlé responded by telling them not to use the logo or else their posts would be removed, this statement was retracted within one day (Interview, Judy Strauss).



*Fig 3.10 Examples of how KitKat was illustrated in the Greenpeace YouTube clip
Source: YouTube 2011*

This can be called a failure in online reputation management and created a backlash for the company. They did not respond very well to comments and the modified pictures (Interview Idil Cakim) and they have now invested heavily in a social media team. They had not understood that social media is a lot about listening and that it is not recommended to tell user what to do (Interview Judy Strauss). Within hours the clip was spread over the world, this demonstrates the importance of a social media emergency plan and the importance of constant monitoring.

Chevrolet

In 2006 Chevrolet created a consumer generated media campaign including an advertising competition on YouTube. Instead of creating positive messages the participants made videos with the message “don’t buy a Chevrolet because you will harm the environment”. This user

generated content resulted in negative publicity and the company lost control of the campaign and canceled it. Chevrolet tried to down play it as a damage control since they did not want this non-green perception of the brand out there.

This can be called a failure of viral marketing and the brand lost control over the brand experience. However, communicating with facts was a successful strategy and Chevrolet started to communicate how much exhaustion different car models produced (Interview, Sengun Yenyurt).

Apoliva

A Swedish example is the Apoliva skincare commercial where a girl is singing in different types of bad weather trying to communicate that the Scandinavian climate requires extra special skin products. A Facebook group called “Jag är rädd för tjejen i Apoliva reklamen” (I am afraid of the girls in the Apoliva commercial) was created and almost 100 000 people joined it. People described it as “scary” and “dirty” and that it was “pure horror” and the group got a lot of attention. (Mosesson, M. 2010) This was a disaster and very surprising for the marketing team. However, they managed to turn the situation around and started to communicate with the group, send out samples of their product and asking them for help when creating their next commercial (Mosesson, M. 2010).

3.5.2 A successful response

In 2009 a video game enthusiast posted a video on YouTube showing a clip from the video game Tiger Woods PGA Tour 2009 where he does the “Jesus Shot”. The game had a bug and it was possible to make a shot standing on water. This mistake was turned into something positive when the video game company, Electronic Arts, replied by posting a video of Tiger Woods actually walking on water claiming that “he is just that good”. By making this video people saw the human and humorous side of the company and the clip has been seen by millions of viewers. (Radd, D. 2008) This is a very good and effective response that transformed a negative image to a positive one (Interview Sengun Yenyurt).



*Fig 3.11 Image from the movie responding the clip “the Jesus shot”
Source: YouTube 2011*

3.5.3 Successful campaigns

Below are examples of brands that have thrived from social media.

Blendtec

Blendtec is an American company that sells professional home blenders and in 2006 they launched the viral marketing campaign “Will it blend”. The campaign consists of video clips where the founder, Tom Dickson, blends



*Fig 3.12 Tom Dickson blending an I-phone
Source: YouTube 2011*

items in order to show the power of their blenders. He started by blending a box of matches in his garage and after that he has blended items such as I-phones, half a chicken (with bones), nutcrackers, lighters and toy cars. This campaign was very successful with more than 65 million video views (Blendtech Website). The campaign has been called marketing history (King, R. 2007) and is a frequent example of opportunities for marketers when using social media.

Dove

In 2004 Dove launched a new promotion called “Campaign for real beauty” that features real people instead of models promoting their products. The campaign is focusing on real natural beauty and the aim is to question unrealistic body ideals and to celebrate the physical variation of regular people. One part of the campaign is a movie clip showing an ordinary girl being transformed to a super model using makeup and computer programs. The company also started a self-esteem fund with the goal to make every girl and woman feel good about their body. This campaign is considered very successful and won prestigious rewards. The company highlighted a social problem, did social good and acted as an advocate and voice for ordinary people (Interview Bob Wright).

However, the brand owned Unilever got some criticism for being hypocrites since they display over sexually women with ideal bodies smelling perfume in their Axe campaign. (Semuels, A. 2007) The learning would be that campaigns do not exist in isolation and that marketers need a holistic view of all their brands.



*Fig 3.13 Examples of different parts of the Dove “Campaign for real beauty”
Source: www.dove.com 2011*

4 Theoretical frame of reference and literature findings

This chapter is divided into three sections, working with social media and branding, concepts and frameworks.

Working with social media and branding will provide the latest literature findings within the research field and it will cover: different actors and activities on social media, enter, listen, speak, encourage, embrace, energize and general advice. It will also talk about brands online and intellectual property.

The concept chapter will present all the concepts that are involved in keeping control of a brand identity on social media. The concepts covered in the section are: social network theory, WOM, trust and brand image.

Lastly, the frameworks section will provide frameworks that are highly relevant when working with keeping control of brand identity on social media. The presented frameworks are; brand identity, the consumer decision journey and four pillars of I-branding.

4.1 Working with social media and branding

This chapter will provide an overview of the latest literature findings in the area of branding and social media. The chapter is mainly based on two of the most recognized books in the area; Groundwell (2008) and Auditing social media (2011).

4.1.1 Different actors and activities on social media

As stated earlier in the report the customer voice online can be considered a huge threat for brands, the public is rating your products and it is very difficult to know what to do to influence them. They get support, information, ideas and bargaining power from each other and the customer online voice is getting louder. However, if a company understands this phenomenon they can work with it and thrive from it. The following section will discuss how brands can benefit from social media and how they can successfully work with it (Li and Bernoff, 2008).

New technologies enable this phenomenon and social media should be considered a vehicle of being social, however focus should be on people and relationships. Many companies are not aware of that technologies are shifting power from institutions to people and it is important to know who these people are, what they do online and why they do it (Kelly S, 2010).

There are different types of social media users and companies can benefit from data and analyses about who is participating and what their customer is base is doing online. The following six categories of people are identified (Li and Bernoff 2008).

- **Creators** are consumer who often publish a blog post, a review, maintain a website or upload material to e.g. YouTube.

- **Critics** react to other peoples creations, this takes less effort than being a creator thus there are more people in this category
- **Collectors** categorize information created by creators or critics by using e.g. social bookmarking
- **Joiners** are members of social networking sites and maintain their profile on e.g. Facebook.
- **Spectators** consume what the above groups produce, this requires little effort and is the largest group
- **Inactives** are not participating at all

These profiles can help a company understand their customers, how they act online, to what extent they use social media and what they are likely to participate in. Moreover companies can divide these profiles into age, demographics etc. and look more in to detail of a customer base or a specific target group and adjust the social media strategy in order to maximize return of investment when engaging in social networks. By understanding the target audience it facilitates developing a social media strategy that engages the right people at the right time in the right place (Jacka and Scott 2011). Companies such as Forrester research can deliver information about how active your customers are on social media and what they do (Forrester 2011).

Companies can also find out what kind of social networks their customers are involved in, this differs depending on part of the world but the universal desire to connect, stay in touch and help each other. The following is a list of why people participate, their motivation and what they get out of it (Li and Bernoff 2008).

- Keep up friendships
- Make new friends
- Surrender for pressure from friends that wants you to join
- Being noble– people volunteer to do something they believe in and that they think would help others
- Passing it forward, if you were helped by something someone else posted you might want to contribute also.
- Creativity- social media is a perfect place to show your work and express yourself
- Curiosity – people are fascinated and wants to find out things about other people
- Being validated- if you get response on what you post it is a confirmation that you exist and that our opinions count.
- Like minded – connect with people that share your interest and that you want to be a part of

Companies should see what motivators and drivers that can get customers engaged online and participate in company related activities.

4.1.2 How to enter social media

Many companies are aware that they should participate on social media but they don't know how, companies are often afraid of both participating and of missing out (Li and Bernoff 2008).

Companies should identify what their objectives are with engaging in social media, how they can use this tool to reach the goal of their business and how to measure the success of their engagement. They should ask themselves what their customers are ready for and not focus too much on what social media type to use. In order to facilitate how to approach social media in order to do marketing there is a systematic framework that can be used (Li and Bernoff 2008).

- **Customers** – a company should evaluate to what extent and on what types of social media their customers are likely to participate in, this should be based on statistics described in the previous section about what the customers are currently doing.
- **Purpose** – a company should evaluate what their objectives are with entering social media:
 - **Listen** to what is being said about the brand and company and take the information seriously.
 - **Speak** with customers in order to increase brand awareness.
 - **Energize** the brand by finding brand advocates and encourage word of mouth.
 - **Encourage** customers by giving them tools to interact with each other.
 - **Embrace** the customers by valuing their feedback and engage them in the social media activities.
- **Plan** – the company should consider what kind of relationship they want with their consumers. Question if the goal is that the consumers should spread your message, become more engaged in your brand etc.
- **Technology** – when the above factors are decided the company should evaluate what forum they want to use such as blogs, social networking sites, wikis etc.

It is clever to have a specific goal before entering social media despite the fact that it is fully possible to alter it along the way. Many companies are “jumping” in without any idea of what they do there and without a strategy (Jacka and Scott 2011).

4.1.3 Listen

Today a brand is what the customer says it is and social media enables them to talk to each other and speed up the definition process. Since it is nearly impossible for a company to own a brand anymore, it is crucial for companies to be aware about what is said about them on social medias. Even if a company decides not to engage in social media, the least they should do is to listen and learn (Jacka and Scott 2011)

It can be very expensive to get questions answered through market research services and these surveys only answers questions the company thought about asking. To have a focus group is an alternative in order to get spontaneous reactions but the most interesting people might not attend. However, by listening to what is being said on social media people can be observed in

their natural habitat and their interactions with each other and with companies. Not everyone is active in these forums and companies should be aware that not all of their customers are represented (Li and Bernoff 2008).

A very simple way to start to get a picture of what is being said is to make a search in Google on your company combined with words such as “sucks” or “awesome”. To get more empirical insight companies could set up a community or forum where people can discuss with each other that works as a giant focus group, companies can ask specific questions or just listen to what is being said. Also, there are tools and monitoring services compiling and making conclusions of what is being said on blogs, discussion forums etc. Below are examples of valuable information that can be obtained through listening (Li and Bernoff 2008).

- Notice changes in what is being said about your brand
- Decrease amount of money spend on market research
- Learn how to influence your market, who they are and how to reach them
- Become aware of problems faster and be able to act and manage a crisis in a better way.
- Get ideas about new products and marketing strategies from users and consumers.

The obtained information should be central in the company and in decision-making processes. Companies should value real time feedback and it enables measurement and quantifying of complains and comments.

4.1.4 Speak

Talking to customers through advertising and public relations has been the job of marketing departments for a long time, the difference now is that the communication can go two ways.

During the stages between a consumer is aware of a product until they have purchased it, it is unclear what is happening in the CDJ (See section 4.7). This is where social media communication and interaction can make the biggest impact. Before entering social media the company should valueate what is right for them depending on what their customers are doing in this phase (Court et al, 2009). To what extent customers are active on social media, if people like the brand and what is already out there. Campaigns are temporary but relationships and conversations can last forever (Li and Bernoff 2008).

Below are four examples of how a company can communicate with their consumers.

- Post a video
 - To be most efficient, the video must allow people to interact
- Engage in social networks sites
 - Give the participators an incentive to spread your message
- Create a blog and listen and respond to other blogs
 - Make sure that the person responsible really wants to do this and that the objectives are clear.
- Create a community
 - To do this your consumer should preferably have something to bond over.

It can be hard to value the return of investment in these activities and there are costs such as technology and time invested in training and content creation. However, most times the feedback and the amount of people that is possible to reach is very valuable.

Before entering every company should value what is right for them depending on what their customers are doing in the middle of the purchase process. A company should figure out what problem they have and what their goal is:

- Awareness, are people aware of that your company exists?
 - A good way to reach out is to create a viral movie, but your idea has to be superb.
- Word of mouth, does people talk about your products and brands?
 - Social networks are good channel and preferably include viral elements that fans can share.
- Complexity, is your message complex to communicate?
 - Blogs are suitable to solve this problem and can help people with their considerations.
- Accessibility, is it hard to reach your customers?
 - Some customers prefer to rely on each other and to reach them a company could create a forum where they can communicate with each other. However, this is a long-term commitment.

In order to succeed companies should be aware that this is a complex forum honest comments and sometimes harsh conversations. Therefore the people involved should be educated in how to talk, listen, respond and act as moderators and stimulate conversations. Campaigns are temporary but these relationships and conversations can last forever. (Li and Bernoff 2008).

4.1.5 Encourage, Embrace and Energize

The ideal for a company is not to only listen and communicate but also to motivate buzz and energize word of mouth. Engagement is the heart of relationship building and can make or break the success of social media activities (Jacka and Scott 2011).

One way to do this is to create a forum around a brand or product people post and write answers to questions. Often they enjoy helping each other and people often do it for the “psychic income” or due to the “culture of generosity”, others do it for recognition. Often these answers are not only addressing one person's question, they also help all the people searching for it and reading the conversation afterwards. This can save a lot of money for companies since the workload for customer service decreases (Li and Bernoff 2008).

Others use forums to find people with the same passion and create a culture for like-minded people. By opening up to collaboration with your own clients a company can gain a lot of insight and users can feel involved in the company. In these forums companies can ask their consumers various questions get answers. They could show pictures of new products, suggest product changes, new packaging and ask for feedback, response and opinions. Customers can help with product development and inspire to new innovations. This relationship can help companies develop better and demanded products quicker and the product development department should be involved. There could be an iterative development process with feedback along the way and millions of minds can think of the development and exchange

ideas. This only works if the customers are engaged and it does not reach everybody in your customer segment, however the information is still valuable. The customer need incentives to do this if pure passion of the product is not enough, such as choosing one comment and give that person a prize or reward. This could be called a form of crowdsourcing but companies should not let their customers become product developers, they should be inspired by the ideas provided but use their in-house experience and skills to sort out what feedback is useful and not (Li and Bernoff 2008).

4.1.6 Advice

It is crucial to always keep the consumer at the center of the social media activities and understand the target audience (Jacka and Scott 2011). Companies should start with small careful steps and not try to take the entire customer relationship online at ones. There should be a plan about what kind of conversations the company wants to have with their consumers, start with determining this before deciding what forums to use. Aim to find people that are passionate about the products, social media and that are strong and engaged leaders. The executives at the company should be educated in the field and convinced that this is not just a phase or something for kids, they have to understand that this is the beginning of social media integration in all companies (Li and Bernoff 2008).

The greatest risk for organizations is what they do not know is said about them and how that affects the brand. What social media can do to a company brand and reputation is something that should be discussed in the boardroom and a social media strategy should involve the legal, communication/PR, Compliance/Regulatory, Risk, Marketing, Human resources and IT departments. It is also important that all outward communications are cohesive (Jacka and Scott 2011).

4.1.7 Brands online and intellectual property

The part will cover some the legal aspects of how to keep in control of a brands identity on social media and are therefore important for being able to answer the research question.

It is not only brand managers that have to be involved in how a brand is displayed online and on social media. The following are guidelines proactive steps targeted to companies' legal team in order to detect and react to illegal use such as hijacking or infringement of their trademark.

There are some guidelines applicable for both the brand management and the legal department such as being present in social networking communities and having a branding strategy on social networks. However, the following guidelines are targeted more to the legal department.

- **Register name and trademark**
 - The company should own the domain name and have the trademark registered.
- **Be aware of terms of use of trademarks on the major social networking sites**

- Different sites can have different rules and different actions when detecting infringement and hijacking.
- **Use a monitoring program**
 - This should be done in order to discover intellectual property infringements and to see misleading, negative and inaccurate comments. This can be performed internally at the company using online sites (See appendices 3) or by an external consulting company. There are a number of companies offering this service and in addition to monitoring some of them also offer the service to rehabilitate a brand damaged by comments. One example is developing new positive webpages that will push bad publicity further down the search engine results. However, this should be done delicately in order not to break laws related to false advertisement (Thomson Hine 2009).
 - It is important to start by determining what content and what sites imply the biggest risks and what content and sites that is less significant. The most important content to monitor are trademark infringement, dilution, counterfeit sales of goods, and services, defamatory speech, impersonation of a company and employees or false or misleading advertisement (Thomson Hine 2009).
 - If content damaging the brand is found the company has to decide what action to take. If the content is clearly meant to hurt the brand actions should be taken but if the infringement is unintentional or innocent a company should be very careful. Sending a cease and desist letter to an unintentional infringer can cause the brand even more harm if it is published on a blog or if negative comments are created around it.
 - If a company finds that an external party have registered their company or brand name on a social media site the first thing to do is investigate how the particular social media site handles hijacking or trademark infringements and then file a complaint (Thomson Hine 2009). If the site owner is not willing to remove an infringing username the company could go to court. However, the current US trademark law is not always able to address this type of infringement on social media (Shear, B. 2010).

4.2 Concepts

The following chapter presents concepts that are used within social media in order to keep in control over a company's brand identity.

4.2.1 Social network theory

This theory covers how social network networks are constructed, how information is distributed and it provides vehicles that VOM are distributed with. This theory is very important for the research since it provides brand managers with information of who to influence and how to communicate with them. This is crucial for brand managers to know in order to provide customers with right information about their products.

Social network theory describes social relationships, the nodes are people or organizations and the ties are the relationship between the actors. The uniqueness with this sociological study is that focus is on the relationship between actors in a network and not the characteristics of the actors. People in a social network are often tied together in some sort of interdependency such as friendship, common interest, knowledge, belief etc. There are many different kinds of ties between two nodes and it can be on many different levels, from families or a group of friends up to national levels. The relationships are a critical factor regarding how problems are solved and how organizations work.

Social networks theory can also be used to study how companies interact with each other describing how the informal ties links employees together. This can be a way for companies to get information, find new employees and keep track of competitors.

Depending on the size and content of a person's social network one can determine what value it has - the actor's social capital. Instead of emphasizing on the individuals own capability to succeed, focus is on the structure and content of their network (Trusov M. Bodapati A. Bucklin R E. 2010).

Social networking sites facilitate creation and maintenance of social capital but it is hard to say what comes first. It enables a larger social capital since it facilitates communication and staying in touch with connections. Social networking sites also makes it easier to convert latent ties, people that are not "socially activated", into weak ties (Ellison N. Steinfield C. Lampe C. 2007). These ties can provide additional information and contact and in some cases lead to new opportunities and resources. Social networking sites have resulted in a more tolerant view on interacting with a wide range of people and it facilitates access to information about them (Ellison N. Steinfield C. Lampe C. 2007).

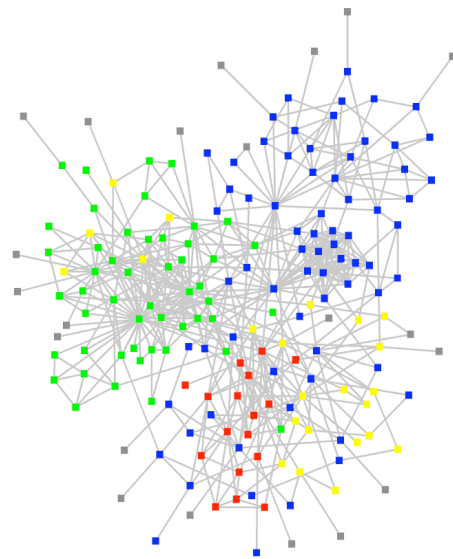


Fig 4.2 Map of nodes and ties in a social network

When marketers and brand managers approach this they have to realize that everything is based on conversation, not messaging (Bush M. 2008). This is the only way to be accepted in the environment, it is not possible to take general advertising material and put it on social networking sites. Frequency of messaging is not important, instead frequency of contact is crucial. A general tips for marketers is to try blend in and ensure that they add value (Bush M. 2008).

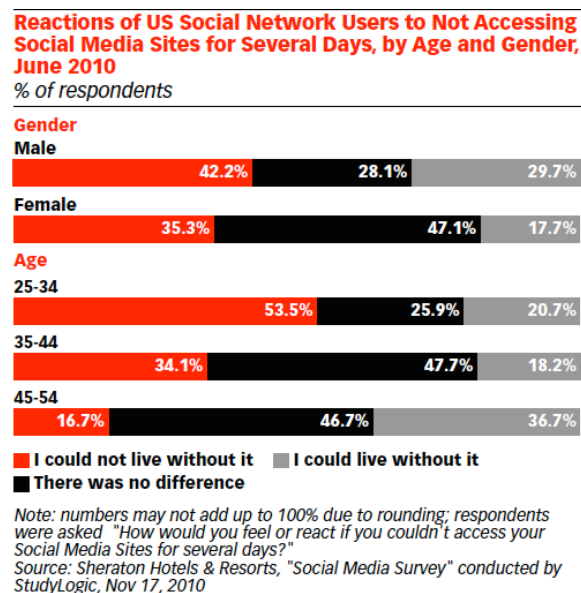
It is important for marketers to find and have a good relationship with people who have the capability to influence others. On social networking sites only one fifth of the users affect other peoples activity level on a site (Trusov M. Bodapati A. Bucklin R E. 2010).

Understanding who is keeping social networking sites alive and interesting for other users is vital for marketers when communicating their ad message. The more time that people spend on these sites, the more personal information that they share and the more numbers of pages they view the better for marketers. This information makes it possible for marketers to do targeted marketing to site members who get the most attention and enables influenced based marketing (Trusov M. Bodapati A. Bucklin R E. 2010).

Online social network statistics

Usage of social media will remain high and in 2011 63,7% (148 million people) of the US population will use these networks on a regular basis. There are no signs that usage would be declining although the growth rate is not as dramatic as a few years ago (US social network usage 2011). This will result in users becoming more sophisticated and more selective with what they do and what information they embrace and they are starting to get a behavior pattern and a routine for their usage.

The people most active on social networks are young and they are increasingly using their mobile phones for staying in touch with friends. Social networks are often a natural part of young peoples lives and they have higher levels of engagement and connectedness to social networks compared to other age groups (US social network usage 2011).

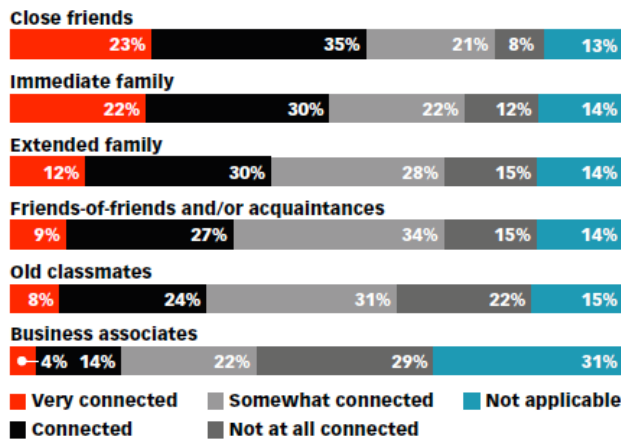


Updating status, sharing links and posting comments have become a routine activity for millions of people due to the popularity of Facebook. Social networking sites have a very strong emotional and psychological attraction and nearly two-thirds of internet users are actively participating in social networking. Young people are the most active and they are also the ones having the biggest drive to log in every day (US social network usage 2011).

Fig 4.3 Personal engagement in social media
 Source: US social network usage 2011

Feelings of Connectedness to Select Groups of People Through Social Media According to US Social Media Users, Sep 2010

% of respondents



Note: ages 18+; numbers may not add up to 100% due to rounding
 Source: Harris Interactive, "Harris Poll" as cited in press release, Oct 21, 2010

Fig 4.4 Feeling of connectedness to different groups on social media
 Source: US social network usage 2011

People feel connected to friends and family through the networks and this is a forum for people to interact and communicate. However, they do not feel as connected with people in the outer circle of their social network such as old classmates and colleagues.

The global presence of social networks is not only something that multinational marketers have to take into consideration, it is something that no marketer or brand manager can afford to ignore (US social network usage 2011).

4.2.2 WOM - Word of mouth

Some people say that social media equals WOM and it is therefore easy to realize that WOM provides the foundation of social media. WOM can be both positive and negative that affects the image of a brand and therefore hurt the identity of a brand. The concept of WOM is therefore crucial for answering the research question.

This is the most honest form of marketing and people have a natural desire to share experience with friends, family and colleagues. People believe in other people more than media and therefore WOM very powerful and can achieve results that no marketing campaign can. The value of an energized customer is high and can be taken as an indicator that the business is doing well. WOM is successful mainly due to the following factors (Li and Bernoff 2008):

- It is far more **believable** when other consumers state that a product is good than hearing it from any other source. It gives a feeling of trust, honesty and security. As soon as a consumer believes that the message is a sales tool they feel insecure and suspicious.
- WOM is **self-reinforcing** and the more people you hear it from, the more certain you get that it is true.
- WOM is **self-spreading** and grows exponentially.

Reasons for speaking and listening

Word of mouth is commonly divided into pre and post decision speakers; post decision speakers are more influential since they have a credible experience with the product or service. When studying word of mouth it is important to evaluate what motivates people to speak and what motivates people to listen (Dichter 1966).

Speakers

In most cases a speaker will not talk about a product if he/she does not have anything to gain on it. There are often personal reasons and underlying intentions summarized in the list below based on the articles (Dichter 1966) and (Verna 2010)

- **Involvement with the product**
People tend to talk about products that have affected them, that they are very enthusiastic or disappointed in.
- **Self involvement**
Talking about the product gives self-confirmation and assures that the person made a good choice. This category has the following subcategories.
 - **Getting attention** – a way to start or join a conversation and being heard.
 - **Proofing connoisseurship** – showing that you are knowledgeable within a field.
 - **Being a pioneer** – feeling of being a trendsetter.
 - **Have inside information** – gives a feeling of knowing more than the listener.
 - **Implying status** – a way to reach the same level of status as the product or service.

- **Spreading the information** – the talker can get a feeling that they are doing good by helping others making good purchase decisions.
 - **Wanting confirmation of own judgment** – if people follow the buyer it justifies the buyer's own decision.
 - **Claiming superiority** – it can give a feeling of power and also a test of how much the listener respects the speaker.
- **Friendly involvement**
A will to help other people and recommending the products could be a vehicle of showing friendship or love. It can also help people feel connected to others.
 - **Message involvement**
Not necessarily based on the speakers experience of the product, more of the message and brand image that is connected to it. People talk about funny ads and criticize bad ones.

Listeners

This part explains what motivates listeners to act on recommendations. The speaker's interest, the listeners need and the products have to match and it is important that the listener feel that the speaker is interested in his/her wellbeing. Below is a list of different influential groups with subgroups (Dichter 1966).

- **Commercial experts** – Social authority is developed when an individual or organization establishes themselves as an "expert" in their given field or area, this could be sales people or specialists (Edelman 2011).
- **Celebrities** – They have no direct connection to the product or service but still have authority.
- **Connoisseurs** – A consumer who knows a lot about the product, these people can both celebrate and criticize products.
- **Common interest** – Have something in common with the listener such as life situation or interest.
- **Family/Friends** – taking over patterns from each other.
- **People showing goodwill** – Someone who is genuinely interested in the listeners well being
- **Bearers of evidence** – The speaker has proof of how good a product/service is.

Word of mouth on social media

This section will talk about how companies can encourage and benefit from word-of-mouth on social media and how to encourage and energize customers. The idea is to turn customers into powerful assets that can spread the word about the product and provide marketers with new ideas. The dream would be instead of the sales man selling the products, the customer takes on this role to a large extent (Li and Bernoff 2008). Marketers have realized the potential with peoples growing amount of friends on Facebook, followers on twitter activities on blogs etc. As mentioned above consumers trust other consumers and it is argued that word

of mouth is the most important marketing channel for communicating a brand message (Williamson 2007).

There are different opinions about how to encourage and energize customers to talk about a product or service online. One example is rating and review sites, some people argue that any site where one could buy products should include a rating system and some are worried about negative reviews. Many online stores do not use customer feedback because “sellers fear they will lose control of their marketing message and lose sales” (Mulpuru 2007). However, 80% of the ratings are usually positive and the negative comments gives credibility to the site and makes it more trustworthy (Li and Bernoff 2008). Also, this helps the manufacturer to have a direct connection to the consumer.

Another example how to encourage customers is to start a community where people with similar interests can interact. However, it is better to wait starting a community until you know what to do with bad comments. Some products have fan communities developed by customers thus before starting a community companies should investigate if there are existing ones already. There are also other alternatives to engage and interact with consumers such as microsites on social networks, enable people to get an online product experience and giving rewards for entering and participating in an activity (Interview, Judy Strauss).

Before choosing a strategy a company has to consider what customer base it has and then provide them with suitable tools to extend the relationship and encourage word of mouth. The following list contains five recommendations for how a company can approach and energize their customer’s online voice (Li and Bernoff 2008):

- **Evaluate if it is desired for your company to encourage the online voice**
It works well for companies with enthusiastic customers but it does not work as well for all companies. It usually works better for brands that have consumers with a strong emotional connection. It is not certain that your customers want to talk about the product and if your company has a lot of dissatisfied customers then this could make things worse. If the company is not ready, a good start would be to just monitor what is said about the brand.
- **Evaluate who your customers are and what they do online**
If it is not natural for them to take part in social media then investing in communities, forums etc. is a waste of money.
- **Evaluate what problem your product solves**
Social media activities are often focused on finding answers and customers can give advice and help each other.
- **Choose a strategy that fits the customers online activities and problems**
If a community is the best option a company should check if there are any existing already before starting their own. Also, one should take in consideration that the costs for design, marketing etc. for online activities can become expensive.

- **Be prepared that this is a long term project**

When engaging in communities, rating sites etc. it takes a lot of effort and it requires constant work.

Key to success regarding word of mouth on social media is to energize your most enthusiastic customers. However, they expect the company to listen and to get something back since the relationship goes both ways. Ambassadors could be energized by e.g. getting free samples, information about future products, be included in the product development process or make them feel that their opinion matters. However, there is always a risk that the community turns against you and therefore it is crucial for companies to listen in order to notice change of behavior or attitude.

Influential word of mouth

Among frequent social network users surveyed 2007, 30% said they trust their friends opinions when making an important purchase decision, but just 10% trust advertising (Word of mouth marketing 2007). Regarding purchasing decisions 92% of the men and 95% of the women stated that their friend's recommendations affected their purchase decisions (Word of mouth marketing 2007). Young people and mothers are the groups most influenced by social media word of mouth and information travels faster among them than other groups of people (Word of mouth marketing 2010).

In the early phases of social media branding focus was on number of friends, followers or members of a network.

However, this is now questioned and the size of a network is not necessarily an indication of how influential it is. A way to measure this is e.g. to see how many people that "retweets" or "repost" a link or comment (Interview, John Lauro). WOM is very connected to trust and in general people are more influenced by family and close friends, thus marketers should focus more on quality instead of quantity of their network in order to increase reach (Word of mouth marketing 2010). People trust what is familiar and people tend to be suspicious about new marketing channels such as mobile ads and search banners and they listen instead to known and trusted people in their close network. It is not certain that a person with 500 twitter follower are more influential than a person with 50 followers, volume does not equal trust and influence (Word-of-mouth marketing 2010). A lot of influencing word of mouth recommendations are taking place face to face but they are often influenced by information found online and vice versa. However, word of mouth inspired by social media is expected to take a bigger place in

Type of Person Who Is Most Influential in the Social Media Space, Sep 2010
 % of marketers worldwide

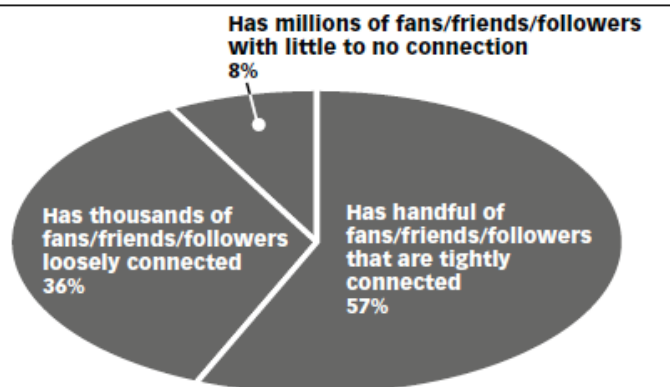


Fig 4.5 People influential in the social media space
 Source: Word of mouth marketing 2010

peoples lives, as they are being more and more active on these networks (Word of mouth marketing 2010).

Companies relationship with consumers and products

The most efficient word of mouth is a two-way communication when the advertiser is looking for a motivated reaction, the goal is that the receiver of a message gets an “aha” experience. The fact that the speaker does not gain any material gratification for talking about a service or product is what builds trust (Interview Bob Wright). That is why it is a challenge for brands to “speak” to its “listeners” and make consumers accept and act on a recommendation. The most important factor is to give the impression that there is no intention to sell and instead take the role as a noncommercial speaker, to be the listeners friend and proof that they have the consumers well being in interest. There are a few things a brand manager can think about in order to make the listeners accept their message, both regarding approach to consumers and relation to the product (How word-of-mouth advertising works 1966).

Approach to consumers

- Understate the sales message
- Proof that you and your consumers understand each other - by e.g. show that you have a similar taste, lifestyle etc.
- Create exclusive groups
 - Make the consumers feel special
- Be a friend
 - Small but original acts of friendship.
- Express personal experience
 - Communicate genuine interest and what role it has in consumers life

Relationship with product

- Act as a consumer
 - Talk about your real experience in your own words
- Highlight the producer
 - Show the genuine craftsman, engineer etc
- Company story
 - Emphasize on the original story or fans of the company
- Talk about the company climate
 - Show part of production or product that requires extra care and how much the employees care about their products.
- Describe an adventure
 - Make personal statements about an adventure involving the product.
- Customer statements
 - Someone with no monetary interests give their opinion of the product.

Creation of buzz

The following is a list of how a marketer can simulate word of mouth and encourage people to talk about their products. (*How word-of-mouth advertising works*)

- Invite listeners to make fun of you
 - Consumers will vary the fun and carry the message
- Give your message wings
 - Make your message easy to remember and quote
- Influence the customer experience
 - Tell them how to use it and suggest what benefit they might experience
- Newness
 - Change the angle of how the product is presented from time to time
- Give readers a possibility to get attention
 - Provide the customers with tools for being interesting while talking about the product.
- Exclusivity and secrecy
 - Give a feeling of being special and being someone who really knows, feeling like a pioneer drives the urge to talk.
- Friendship
 - Make it easy for the pioneers of the product to send samples to friends and family.
- Offer genuine recommendation
 - Make the consumer feel that talking about the product is an act of care and making a favor.
- Offer inside information
 - Give a feeling that the consumers knows something not completely official
- Connect product with trends
 - Make your product part of talk of the time
- Exaggerate reality
 - Use drama, comedy, poetry etc to add an extra twist
- Shock of uniqueness (with a plan)
 - Present the product from a different angle

Advertisers should use formal and informal ways to communicate, mass media is a good way to make the consumer aware of a product but more informal ways is good for communication (Interview Sunder Narayanan). This also depends on kind of product since behavior is different depending on if it is a high or low involvement product (Interview Judy Strauss). Word of mouth is the most powerful avenue of communication and advertising cannot be compared with personal influence.

“Marketers may spend millions of dollars on elaborately conceived advertising campaigns, yet often what really makes up a consumer’s mind is not only simple but also free: a word-of-mouth recommendation from a trusted source.” — (A New Way to Measure Word-of-Mouth Marketing. (2010)

4.2.3 Trust

In order to act on a recommendation by WOM, the listener has to trust the speaker. This section will discuss trust in business and people as well as discussing trends regarding trust. The concept of trust is therefore very important since it complements WOM and provides insights for the brand manager of what kind of WOM that people are affected by. This is can provide guidance of how brands should try to drive WOM, which is an important part of answering the research question.

Business

People are getting opinions about products by looking and listening to each other. Marketers should be present in this conversation in order to get feedback about products, influence communication and get early warnings if they are off track with a product or how it is marketed (Edelman trust barometer 2007). In EU, North America and Latin America “ a person like me” is considered the most reliable source of information about a company, this is sometimes called the new “you and me-dia”. This person is seen as the most credible spokesperson about a company in the US and among the top three spokespeople in every country where surveys have been made (Edelman 2007). There is also a dramatic increase in trust in friends and family. Consumers are communicating to each other how much they trust the brands they use and trust is often linked to the success of the brand. In order to stimulate word-of-mouth from “a person like me” and “friends and family” the brands have to deliver something that is worth talking about. In order to engage people in the discussion the message has to be genuine and highly relevant (The Dove campaign is a good example).

Peer-to-peer communication is dynamics and co-creation and social networking are often at the core of new brands. However, it can be challenging to find and communicate with people and encourage them to become advocates of a brand (Edelman trust barometer 2007).

The graphs are showing different statistics regarding trust. The first graph shows that people are more likely to trust technology and automotive companies than financial service companies, banks and insurance companies to do what is right (Edelman trust barometer 2007).

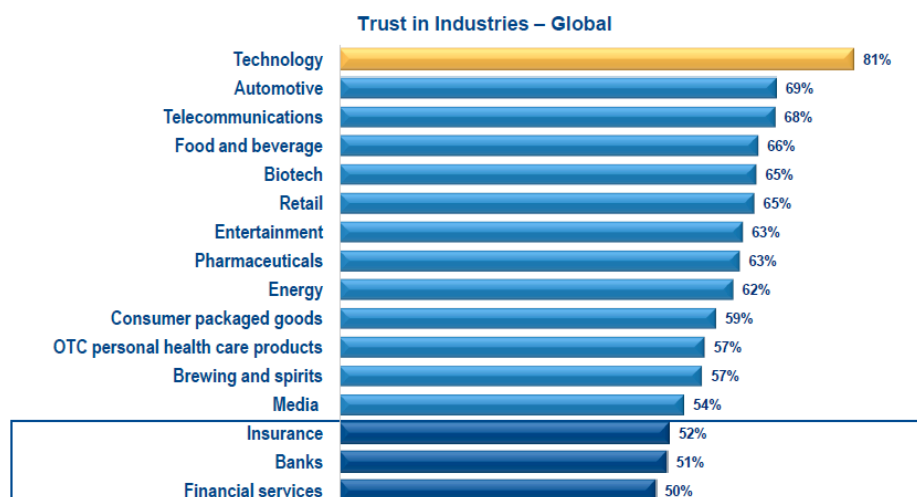


Fig 4.6 Peoples trust in different industries to do what is right
Source: 2011 Edelman Trust Barometer findings (2011)

Corporate reputation

For corporate reputation the most important factors are quality, transparency, trust and employee welfare.



Fig 4.7 How important different factors are to corporate reputation
Source: 2011 Edelman Trust Barometer findings (2011)

Finding information

When people want to find information about a company the first sources they go to are online search engines and online news sources. Social media is on seventh place with 5% of the people participating in the survey going there as their first source and 7% going there as their second source in 2011 (Edelman 2011).

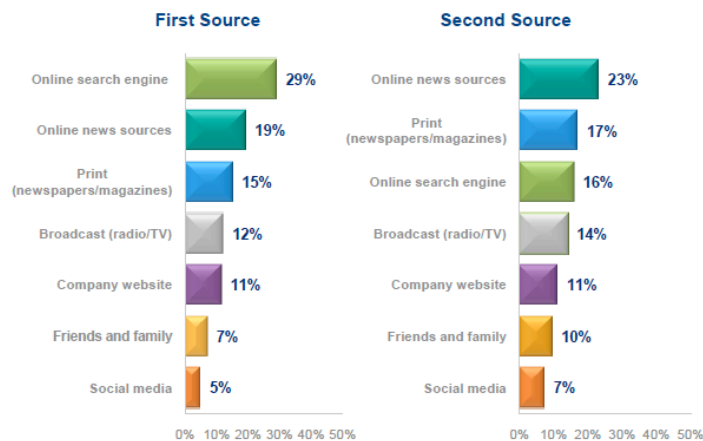


Fig 4.8 Where people go to find news about a company
Source: 2011 Edelman Trust Barometer findings (2011)

Repetition and Believability

Repetition increases believability and most people need to hear information about a company three to five times before they believe that it is true (Edelman 2007).

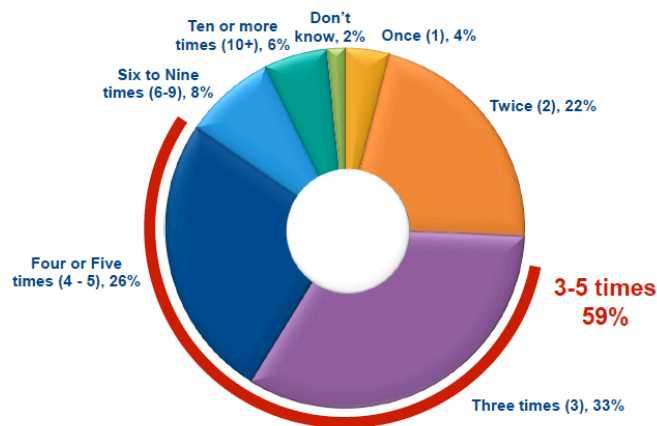


Fig 4.9 How many times people need to hear something about a company to believe that the information is true

Source: 2011 Edelman Trust Barometer findings (2011)

Trust and reputation

When people hear negative information 1-2 times about a trusted company they are a lot less likely to believe it compared to if it was an untrusted company (Edelman trust barometer 2007).

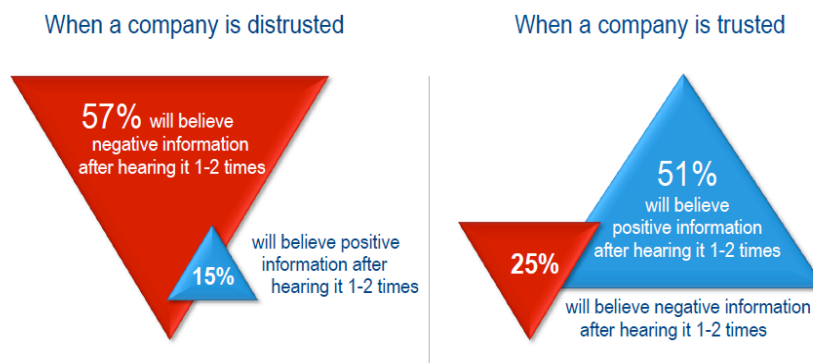
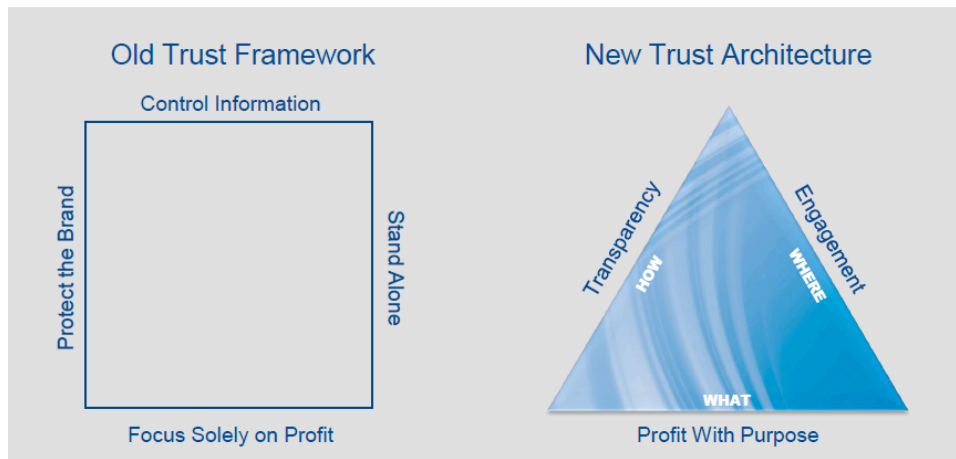


Fig 4.10 Difference on negative belief about a trusted and untrusted company

Source: 2011 Edelman Trust Barometer findings (2011)

Trust transformation

Parameters valuable for being trusted have changed and the new important factors are transparency, engagement and profit with purpose (Edelman trust barometer 2007).



*Fig 4.11 The factors for companies being trustworthy have changed
Source: 2011 Edelman Trust Barometer findings (2011)*

4.2.4 Brand Image

This part aims to explain and define the concept of brand image. This is important to do since a lot of people often confuse brand image with brand identity. The concept will however not be used to answer the research question.

Aaker says that the brand image shows how customers interpret the signals that the brand sends out with their product, services and communication. He also says that the brand image is the result made by the public of the brand communication for example; name, symbol, products, advertising, sponsoring articles etc (Aaker, 1996). This image is however not only built on the brand identity that the company tries to communicate. It is also a result from other “noise” that produce meaning and that speaks in the brands name without being attached to it (Aaker, 1996).

The problem with brand image is that it can be very different from the brand identity that the company want to have. If a brand let the customers decide what a brand are it will be hard for the brand to communicate the heart, soul and vision of the brand and what it wishes to achieve (Aaker, 1996).

The brand image usually reflects what the brand and product looked like in the past, but the brand personality should be active and reflect on how the brand will be in the future. The brand image is usually tactical, but the brand identity should be a strategy that leads to the brands competitive advantage (Aaker, 1996).

4.3 Frameworks

The following section provides frameworks that are highly relevant to social media.

4.3.1 Brand Identity

This framework is presented in order to clarify that there are different facets that the customers can influence to different degrees that affects a brand identity. The framework is therefore crucial for examining and answering the research question. The framework will also serve to define the concept on brand identity in order to fully understand the research question.

Brand identity is the common element and message that a brand sends out with all of its products, actions and communication. This is important because a lot of brands extend their lines and add more products, which can confuse customers and provide them with the impression that they are handling with several different brands (Kapferer, 2008). The brand identity can be defined by answering a number of questions. Once these questions are answered the brand identity can be developed (Kapferer, 2008).

The questions that should be answer are the following:

- What is the vision and aim of the brand?
- What makes it different?
- What need is the brand fulfilling?
- What it is permanent character?
- What values does it hold?
- What is its field of knowledge and legitimacy?
- What are the signs that make the brand recognizable?

The brand does also have a graphic identity and it is important that the identity and the values of the brand are apparent when seeing it. The brand identity express what is the foundation – what must stay, and what is free to change. This is important since brands must be able to adapt to modern markets. For brands to become strong they need to be true to their identity. The identity concept is crucial due to three reasons: 1 brands need to be durable 2 they need to send out coherent signs and products and 3 be realistic (Kapferer, 2008).

The Brand identity prism

The brand identity has six different facets that are all explained and outlined in the identity prism. The prism demonstrates the interrelationship between the different facets and how they are connected. The Identity prism is founded on one basic principle: that brands can communicate, which is their only way to exist (Kapferer,J-N, 2008).

The picture below shows the identity prism and the different facets. The different parts will be further explained below the picture.

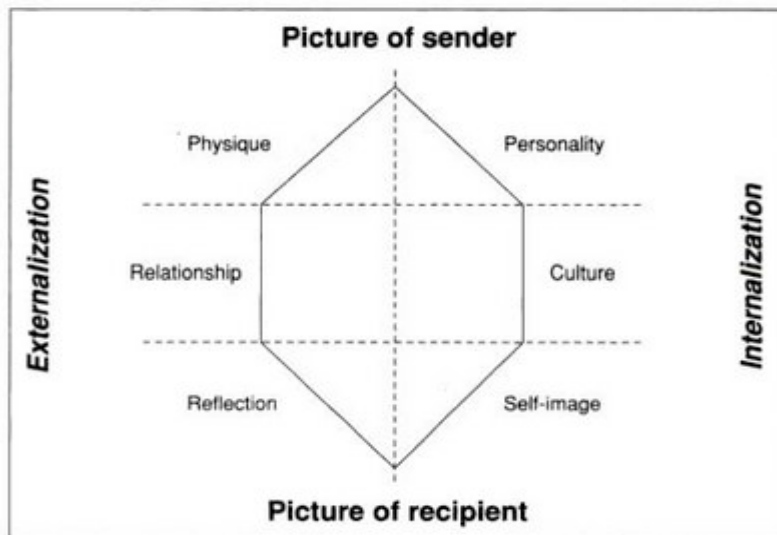


Fig 4.1 The six different facets of the brand identity prism
Source: Kapferer, 2008

1. Physical facet

The physical facet is the foundation of the product. The physique facet is the tangible feature and skeleton of the brand. This facet answers the questions: What is it? What is the function of it? What does it look like? The brand prototype is also included in this facet. Some brands do however have problems with their physical facet, since they don't really add functional value to the brand (Kapferer, J-N, 2008).

2. Personality

The brand identity is the character the brand would have if it was a human being. The identity is built up by the way it is communicating and the way it talks about its products. The easiest way to create a brand personality is to give the brand a spokesperson that can be real or symbolic. One example of products that usually use this concept a lot is different perfume brands. The personality facet in the prism represents "the real" source the brand itself, which is not the case of customer reflected image (Kapferer, J-N, 2008).

3. Culture

The culture (set of values) of the brand is the source where the products of the brands derive from. The product is the brand's way to communicate their values and aspirations with its customers. Culture is also the link that connects the brand with the firm and that differentiates brands. The cultural facet is the key to understand the differences between brands like for example Adidas and Nike. The culture can be built up on different features. The country of origin is a good example of this. Cultures can also limit the degree of a freedom a brand has (Kapferer, 2008).

4. Relations

The relationship facet decides on how the brand acts, relates to its customers, and delivers its services or products. There are many different kinds of relationships that

brands symbolize. Yves Saint Laurent do for example symbolize a love affair and that shows both in their communication and products (Kapferer, 2008).

5. Customer reflection

The customer reflection of a brand describes the way a customer want to be seen for using a specific brand. The communication that the brand sends out over time forms this perception and image of the buyer as such. Many brand managers have problem separating the customer reflection and target customer. They do therefore send out a picture of who the customers really are instead of sending out a picture of who the customers want to be. Customers use brands to build up their own identity (Kapferer,J-N, 2008).

6. Self-image

The self image is the target mirror inwards. Through the relationship to brands the customer develops a certain kind of inner relationship with them. The customers of Lacoste do for example see themselves belonging to a sports club (even if you don't practice any sport) this club respects you and it endows its members with distinction (Kapferer,J-N, 2008).

The Identity prism does also have a vertical direction. The left part of the prism provides the brand with the outward expression, while the right part of the prism represents the inside of the brand. The prism aims to help understanding the core of brands and retailers (Kapferer,J-N, 2008). The brand identity should strive for creating changes and not accept existing brand image perceptions (Aaker, 1996).

4.3.2 Consumer decision journey

The CDJ is adapted after internet and social media and the new behavior of customers evaluating products and services online and sharing it with their network. The CDJ present the process that customers go through and it explains how customers are influenced where in the journey. The framework defines when the customer can be reached and influenced the most, which is crucial for providing the right information and interacting with the customer and this is very important when keeping control of a brands identity.

Internet has enabled new sources of information and it has changed the activity inside the funnel. The process is no longer a linear process as the old Purchase funnel claimed. The process is today much more complex and a circular process where shoppers are going back and forth (Finlay, S. 2011). This is a result of the change in the behavior of consumers searching for information due to internet and social media (Court et al, 2009). Forrester research published a report on marketers suggest a new metric system due to engagement online. They do in this report suggest that the process of buying decision have become a much more complex process than the purchasing funnel claims. They declare that the purchase funnel is a broken metaphor that lacks consideration of the new technologies that have created the foundation for social media (Haven et al. 2007). There is a lot more movement nowadays in the funnel than ever before (The Purchase Funnel, 2011). The shopper does however still

go through all the different steps (Finlay, S. 2011). Social media have influenced the buying process and made it more complex, which is why the marketing funnel needs to be developed (Haven, Bernhoff & Glass, 2007).

Marketing used to be a monopoly for companies pushing their messages to the customers. Customers would then narrow down the number of potential brands, while marketers tried to affect their decision. This approach is however hard to use, since it is hard to reach the customer at the right point of time (Brad & Derrick, 2010).

The consumer decision journey does however emphasize the importance of consumer-driven marketing because of the fact that customers are getting empowered in the process. This means that they find the information they need instead of listening to the message that the marketers tries to send out (Court et al. 2009).

The model

The consumer decision journey shows the different phases that a customer goes through in the buying process. The customers do according to this model narrow down their choices systematically. During the extended evaluation phase do customers add and subtract brands that they are considering. They do then enter a relationship with the brand where they share their experience with the brand with their online network post purchase (Court et al. 2009).

The CDJ is applicable all geographical areas that have the right infrastructure, medias, and a wide range of different products. This means that it is applicable to big cities in emerging markets (Court et al. 2009).

The decision making process is a circular journey that consists of four main phases being:

1. Initial consideration
2. Active evaluation
3. Closure
4. Post purchase

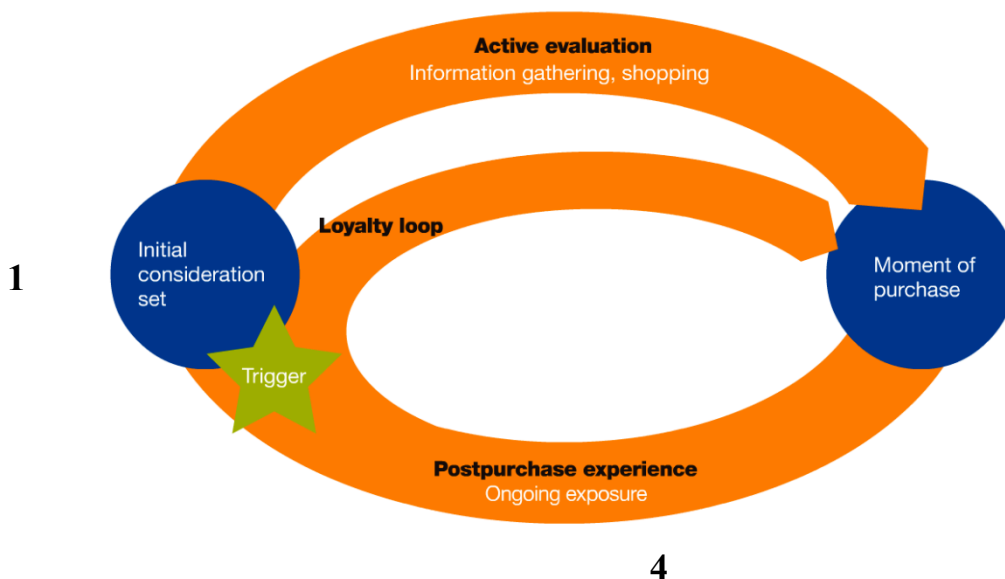


Fig 4.7 This model shows the Consumer decision journey
Source: Haven, Bernhoff & Glass, 2007.

These are the different touch points where the marketer can influence the customer the most (Court et al. 2009).

1. Initial consideration

The journey begins with consumer consideration phase, which consist of brands and products that the customers have been exposed to during different stimuli's. In the purchase funnel this stage contains the largest number of different brands. In the CDJ on the other hand does this stage consist of a limited number of brands that the customers have been exposed to (Edelman, D. 2010). This due the fragmenting and specific targeting of media, which ha lead to reduced numbers of considered brands in the initial consideration phase. The brands considered are the one that have managed to reach the customer through the jungle of communication. The brand awareness is really important in this phase, since brands that are in this phase have up to three times bigger chance to be purchased than brands that are not in it (Court et al. 2009).

2. Active evaluation

The active evaluation phase does usually both add and subtract the considered number of brands, since this is the phase where the selection criteria changes. The personal computer industry customers do usually add 1 brand in addition to the 1.7 brands during the initial consideration phase, while customers in the automobile industry add 2.2 in the same phase (where they start with 3.8 brands) (Court et al. 2009).

This is the result of customers actively searching for information about brands where they get input from friends, reviewers, manufactures and retailers, which affects the initial thoughts and ideas. The number of added brands in the active evaluation phase varies a lot between industries (Court et al. 2009). The input that customers get from independent sources and especially friends and family is the most powerful. It is much more powerful than the information that marketers and producers try to push on to the customers (Edelman, D. 2010).

This implies that there are new touch points that marketers can work with to make the customer consider their brands. This do also imply that the brands that are under consideration in the first phase is not as "safe" as they were before, and that markers need to be actively working with this phase too (Court et al. 2009).

Two-thirds of the touch points is consumer-driven in this phase, which means that the customer search for information themselves rather than listening to the message of the marketers. This is done online searching and reading internet reviews, in-store interactions, and WOM recommendations from their own network of family and friends. A third of the touch points are however still company-driven, which means that companies must learn how to influence the customers in new ways beyond pushing out the message traditionally. They must learn how to influence customer-driven touch points, which means being active online and drive WOM (Court et al. 2009).

3. Closure

The purchase decision is usually not made by the customer until they are in the store. This means that the placement, packaging, availability, pricing, and sales interaction are even more important than what previously literature have stated. This is therefore an important touch point that marketers can focus on, but which is a bit hard to do through social. When the customers reach the moment of purchase it is just one more step in the process, since the post purchase is where the customer establish a relationship with the product and brand and determines the future subsequent decision in the category (Court et al. 2009).

4. Post purchase

The customer does usually establish a relationship with the brand after the purchase. McKinsey & Company have performed studies showing that 60% of the customers that buy facial skin care products carry out research about the product post purchase (Court et al. 2009). When the customer is satisfied with the product they will advocate it by performing WOM online in different ways, which improves and spread the potential of the brand. On the other hand there is always a risk that the customer is dissatisfied with the product and will not consider the brand again, and the WOM online will then have the opposite effect (Edelman, D. 2010). However if the experience is positive there is a chance that the customer will engage in a enjoy-advocate-buy loop, which skip the initial consideration and the active evaluation phase entirely (Court et al. 2009).

There are two different types of loyal customers: active and passive. The active loyalty customers are the ones that have developed a relationship with the brand and that stick to it and recommend it to others. Passive loyalists on the other hand are customers that stay with a brand without being committed to it. This is the result of laziness or confusion by all the available choices. This kind of loyalists are however open for messages from competitors that provides them with reasons to switch (Court et al. 2009). This means that brands have the opportunity to affect and change the loyalty loop of passive loyalty customers. Marketers should therefore allocate resources to give passive loyal customers of competing brands a reason to leave instead of excuses to stay. Companies should therefore try to work more actively to make more customers become active rather passive loyalty customers to minimize the risk of losing customers to competitors (Court et al. 2009).

Implications of the CDJ

It is crucial that marketers aligns their marketing activities with the consumer decision journey to make sure that they don't spend their money in the wrong places. First of all it is necessary to develop a deep knowledge how their customers make their decisions. The hardest part is to figure out which touch point that is the most influential one, how to build a strategy and how to allocate resources for that specific touch point (Court et al. 2009).

A lot of brands will eventually realize that they need to develop a new strategy to focus on the active evaluation phase instead of the initial consideration phase. While other brands must work on making passive loyalists become active loyalists. The CDJ will force brands and companies to find new ways to measure customer loyalty, attitudes, brand performance, and

the effectiveness of the marketing through the entire CDJ (Court, D. Elzinga, D. Mulder, Susan. Vetvik, O-J. 2009).

The CDJ have two major implications for marketers First of all should the marketers focus on the different stages and touch points in the CDJ instead of focusing allocating spending the budget across the media. This is important to make sure that they don't waste money, and to provide the customer with the right message at the right time. This do also include providing the customers with the right information, support and experience rather than pushing regular communication on them (Court et al. 2009).

McKinsey have found that 70%-90% of the budget are spent at the "consider and buy" stage even though customers are more influenced during the evaluation and enjoy-advocate and bond stages. Social media have the potential to change the opinion and final decision of the shopper (Edelman, D. 2010). Social media has a great impact on final decisions but it won't get the credit for it, since the WOM online are not measured (Finlay, S. 2011). Marketers are however generally spending more on advertising then driving advocacy during the post purchase phase (Edelman, D. 2010).

The second implication is that marketers should allocate budget and focus on their "own & earned media", which are the channels that the brand own themselves. They should spend money on people and technology that are required to create and manage content for monitoring, listening and participating in the different channels (Edelman, D. 2010).

Five areas to rethink

There are four actions every marketing manager should take. These different actions will be outlined and presented below.

1. Prioritize objectives and spending

Marketers do usually focus their spending in the beginning or the end of the funnel, which is building awareness or loyalty among the customers. This means that marketers can miss exiting opportunities in between. There is a need for marketers to be much more specific at each touch point to be able to reach through and send the right message to the customers (Court et al. 2009).

2. Tailor messaging

Marketers should focus on a message that represents the greatest revenue opportunity. The message should focus on a specific weak point on the CDJ instead of trying to covering all the phases (Court et al. 2009).

3. Invest in consumer-driven marketing

For companies to be able to connect and provide the customers with a good and tailored message must companies invest in vehicles that interact with customers in the arena where they learn about the brands. The active evaluation phase is where customers search for information and therefore is it crucial to be visible and have a strong performance in this

phase and sphere. It is very important to develop products and features that attract the customers for example; web sites about products, programs to drive WOM, and systems that can customize the advertising to the customer (Court et al. 2009).

4. Win the in-store battle

Up to 40% of customers change their mind and the final choice of brands when they are in the store. This due to the fact that the customers want to see and test the product before purchasing it and to see the visual dimension like for example: packaging, placement, and to have interaction with employees in the store. This means that the in-store touch point is a good opportunity for brands to change the mind of the customers.

5. Integrating all customer-facing activities

The key in getting a united front towards the customers is to have all the customer-facing activities integrated within the organization. In many companies different activities such as web site, loyalty programs and customer support functions divided on different parts of the organization. Today are a number of different executives that are responsible for different customer facing activities that are managed without cooperation or even communication between them. It is however crucial that the organization integrate these elements and give them a central role (Court et al. 2009).

4.3.3 Four pillars of I-branding

This framework provides marketing planners with insight on how to think, plan and develop a successful internet-based branding strategy, which can be directly transitioned to social media. The different pillars is a framework provides insight of how to integrate and organize current knowledge and how to include the critical parts when developing social media campaigns, which can affect the customer opinion about the brand.

This framework states that it takes more to create a successful brand online than only a great core product or service. There are four key themes that are highlighted and must be mastered in order to be successful online. The I-branding framework is outlined and explained more in detail below (J Simmons, G. 2007).

1. Understanding the customer
2. Marketing communications
3. Ongoing interactions with customers
4. Content

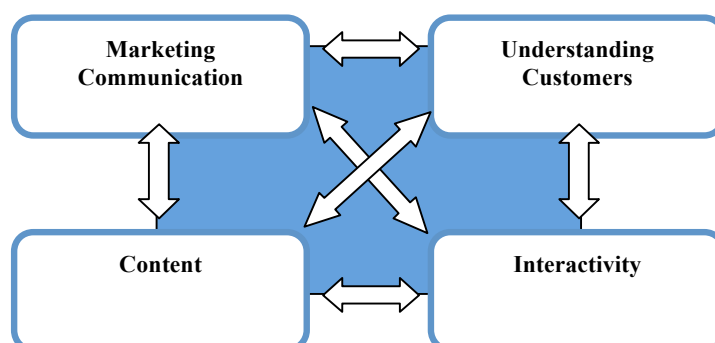


Fig 4.9 This model shows how the four pillars are interrelated.
Source: J. Simmons G, 2007

Pillar 1: Understanding customers

It is crucial that companies understand their customers to be able to have a successful branding online. This provides the foundation of developing trust and relationships, which forms the basis of an effective online branding. Companies can by implementing internet market segmentation approach enhance the understanding of their customers. The segmentation approach could classify customers into groups that have similar characteristics and requirements. This facilitates the marketers to fully understand the customers and it helps to engage in more personalized marketing. The companies can then get a more cost-effective and précis target segment, which will help them to develop one-to-one relationships, which is the most important feature of online marketing (J Simmons, G. 2007).

Pillar 2: Marketing communications

Online communication combines mass media reach with personalization, but with a two way dialogue. The relationships with the customers have become more and more important both on an individual and an organizational level and web 2.0 are enabling this change. This allows customers to spend time with the brand and in the same time decrease the search for alternatives. When consumers like a brand they are more keen and willing to receive information from it and to search information about it. Internet and social media offer three key element of marketing communications 1; presence, 2; Relationships, 3; Mutual Value (J Simmons, G. 2007).

Presence – It is crucial for the company to be present online, and to attract a variety of parties to engage with the brand online. This due to the fact that customers perception of brands and companies can be positively changed when it is tailored to the specific wants and needs of the customer (J Simmons, G. 2007).

Relationships The relationships are developed when customers and organizations are working together, and gets stronger and more sustainable as the interaction increases. The interaction is a key facilitator for understanding each other and this could be done through customer feedback in terms of: transactions, brand websites, service interaction, user registration, web analytic tools and data collection (J Simmons, G. 2007).

Mutual Value – The interaction online benefits both parties in terms of; 1 Creation of more tailored and relevant communication and 2; better products for the customer (J Simmons, G. 2007).

The traditional marketing has consisted of a push approach with solely one-way communication without any opportunity for direct feedback from the customers, which the traditional media are encouraging. However the internet is facilitating a non-linear structure with a free flow and exchange of information. Internet provides the opportunity for a two-way flow of communication and one-on-one and many-to-many communication (J Simmons, G. 2007).

Pillar 3: Interactivity

Interaction can be defined as the facility for individuals and organizations to communicate directly with one another regardless distance and time. Interaction between customers and brands is the key for companies to maximize the benefits with online marketing. It allows brands to listen to the customers and to develop a more personalized marketing communication. For companies to be able to listen and learn from customers and for them to create positive brand perception is it crucial that customers are engaged in the online environment. Just because the customer is active does not mean that the thoughts that the customer share is positive. The thoughts may be favorable, neutral or unfavorable. This takes the navigation on the web site and the content into consideration. It is however determined that customers react positively when web sites have high levels of interactivity (J Simmons, G. 2007).

Brands should try to facilitate interactivity where they are present online, and this process consists of three stages outlined below.

1. Being able to address the individual

There are two subcategories within this category; attracting customers to the site, and engaging them when being on the site. Attracting the customers can also be divided into two categories which is; on – and offline marketing. Offline attraction of customers relies on the traditional advertising and WOM. However the attracting of customers to your web is highly integrated with the marketing communication on other sites. This is extremely important, since this is the main driver to the preferred site of the brand. Engaging them on the site is mainly the navigation design, to direct the customers to the interactive parts of the page. However it is important to not only engage the customers, it is crucial that it has a clear value proposition for the customer (J Simmons, G. 2007).

2. Gathering and structuring customers/visitors input

It is crucial that brands are listening to the feedback they receive from the online communication with their customers. There are two categories of input from customers: 1; manual direct from customers and 2; system generated. Both categories allow the companies to learn from customers (J Simmons, G. 2007). Manual input is for example click on hyperlinks, which behavioral data can be captured from. System generated data on the other hand is systems that can track user behavior and click through on sites, which is stored with the help of cookies (Fogerty 2011).

3. Direct response to individual buyers

This stage consists of the value proposition offered to the customer. The offering should be a response of the data collected through the site. The product or service can be offered in real time or a delayed response like for example via email. The levels of personalization in the responses to the buyers can vary a lot. The message can be tailored to specific individual preferences and experiences or generic and same for every customer (J Simmons, G. 2007).

There are different online tools that companies can use to implement the three stages of interactivity, for example blogs, RSS feeds and online communities. The conclusion is that the level of interaction online should positively affect the online performance of the company by increasing the customers' attention level, better relationship and increase the satisfaction level (J Simmons, G. 2007).

Pillar 4: Content

Successful I-branding are dependent on a well defined target market, a unique message being sent out and that it is actually functioning. This since customers are generally entering company websites in order to find information about a specific services or products. The most common problem on websites is that customers have hard time locating the specific information they are looking for, which in turn can provide them with a bad brand perception online. A common fundamental error is that the brands websites are structured as the company, and not in the way a customer would search for the information. To make the navigation as simple as possible developers should use group relationships. This should be done when a web site is being constructed. This implies that they should ask themselves, when the customer is searching for information X what else will that person be looking for? Similar items? This information can be extracted by utilizing the experience and knowledge from marketing and sales staff within the company, or asking typical customers or analyzing the web traffic to extract information of they want (J Simmons, G. 2007).

The structure of the web site is as discussed above extremely important, but there is also another element that is crucial when it comes to content, which is the graphical user interface. It is proven that graphics and multimedia enriches the discovering process. It is very important to have a good level of multimedia usage, since too much graphics can have the opposite effect and can create negative brand perception. This since if the site takes too much time or do not work the users receive the same opinion about the brand as of the site (J Simmons, G. 2007).

The four pillars of I-branding cannot be viewed as an individual framework on how to develop internet as a successful branding tool. However it is crucial that it is integrated when planning I-branding campaigns (J Simmons, G. 2007).

5. Interview findings

This section summarizes the answers on each question from the qualitative interviews with professors and industry experts focusing on information relevant to the research question. All interviewees are presented in Appendices 1 along with their individual answers to the questions in Appendices 2.

- **How do you believe social media effect branding & marketing?**

Social media is game changing and brand managers cannot control what is being said about them. The company no longer owns the brand, the consumer do and they can do what they want with it. Companies can only read and monitor, the name of the game has changed and the consumer leads. Brands cannot control what is being said about them, they can only read and monitor.

Social media is an amplifier that makes customers talk to each other and the world easily. Some argue that social media equals WOM and that compared to traditional WOM it is now multiplied with hundreds or millions of people. Potential customers have a lot more trust in friends and family and current customers than company related messages. It is getting harder and harder to get customers attention and companies have to be very creative, instead they prefer to listen to each other.

Customer relationship marketing is much more important today and being engaged and building relationship with customers is crucial. There are new ways to reach and interact with consumers and companies can learn from them in a way that was not possible before.

- **What kind of products, companies or industries do you believe have the biggest risk of losing control of their brand identity?**

The interviewees have given a the following different answers to this question with backing up arguments:

-Food and pharmaceuticals have the biggest risks since people are concerned with things that goes into the body, they don't want to take any risks with that.

-Mobile devices, tablets, technologies, automobiles because everyone do their research online about these products

- Industry leaders and big brands have bigger risks of losing control, people like to attack the giants because it generates publicity. Special interest groups attack big companies, for example when Green peace went after Nestlé.

-It is not really industry dependent except for industries that go against trends. One example is the environmental and green trend that oil and petroleum companies goes against. Companies that don't adopt any green thinking have a bigger risk but in general it is pretty spread out.

-Services are at big risk of losing control since it is hard to evaluate a service before you consume it. People search online and check ratings and what other people say, this is a typical way for how we purchase services.

-High involvement and complicated products are more vulnerable than low involvement and simple products. When buying a phone or laptop, you are more likely to go online to see what other people say compared to buying a toothpaste.

-We see more examples of consumer products but also car purchases are increasingly affected by online word of mouth. My first thought is consumer packaged goods brands but it also affects the finance and luxury market and manufacturer and retailers.

-Every brand manager wants to position the brand as high quality, today you can't sell bad things and get away with it. If you try you might be attacked!

-The more difficult it is for customers to evaluate a product the more they care about word of mouth online.

- It depends on how customer decides to look at different products sometimes you are more/less influenced of what other people say depending on where you are in the consumer decision journey.

- **Do you have any specific example of a brand that lost their control online, what forums that can be harmful and what effects it had on the brand?**
 - **United Airlines** case (See section 3.6)
 - **Toyota** – they had problems with a pedal that led to car accidents. This got a lot of attention online.
 - Scott Warrant posted an article where he wrote about poor customer service at **Home Depot** on msn.com, in one day there were 10 000 emails about how bad home depot customer service was and 4000 posts about it. The company made a huge effort and now their customer service is much better.
 - The **Chevrolet** case (See section 3.6)
 - The **Nestlé** case (See section 3.6)
 - **Microsoft** – the brand is no longer looked upon as an innovator but an outdated tech company. They are making efforts now to change it through social media. Also Google and what it stands for “do no evil” got a hit when they entered and retracted from China.

Facebook is a very harmful forum due to that so many brands are there, it is so popular and the high number of users. Also blogs can be harmful since many have so many followers. Others argue that YouTube can be harmful due to the power of video and the ability to show the products in motion.

- **How would you suggest that the company could have regained control of their brand?**

The answers to this question depend a lot on what case was discussed. The general advice is to monitor social media to be able to discover harmful rumors fast. In many of the cases the company should have communicated some kind of fact based and humble apology.

Depending on the case it is also recommended to respond in a humorous way. Companies

should only join the conversation if they have something meaningful to add and if they are insecure how to do it there are consulting companies offering this service.

- **How should a strategy look like for companies to avoid losing control of the brand identity in social media from the start?**

The risks with unhappy customers are higher than ever before and companies should work hard to make sure they are content. There should be a strategy throughout the company that emphasizes the importance of this. There should be a crisis plan, constant listening of what is being said and a response team answering questions and building relationships. The company should somehow benefit the customers by their presence and responses should address the issue and not promise more than you can keep. If the company has the capability they should interact and be engaged and not only speak when there is a problem.

- **What do you believe is the future of social media and branding?**

We are just in the very beginning of this! It will continue to grow and more companies will join. People want more authentic information and that is why they turn to social media, but it is being used more and more for branding.

Multimedia is the future especially videos, also mobile media is taking off now. Consumers start to learn how to use this with social media. In the third world mobile will be big!

On social media such as Facebook we will see more and more filters. Facebook is such a crowded place and already now you can sort your news feeds. There will be more of this, filtering and subgroups.

Crowd sourcing will become bigger and the dominant language might change to Chinese in a couple of years, it will change from mainly English. The media environment keeps fragmenting and we will see more inbound marketing, how to make the customers find the company instead of the opposite. From a push to a pull approach!

- **How do you think that social media have changed the following traditional branding/marketing concepts?**

- **Word of mouth**

Social media equals word of mouth and the reach and amplification is huge!

Word of mouth has always been powerful as a way of communicating brands, social media has made it so much easier and faster. Now one person can reach 100 000 people instead of 10. It makes it easy for everyone to share opinions about everything. Social media can be described as “word of mouth on steroids” and things can spread so much more quickly.

Social media lets brands identify and target opinion leaders quicker and it has an exponential take off. WOM and advice from friend and family have a very big impact on customer decisions.

- **Customers buying process**

Social media has completely disrupted the purchase funnel, you ask people instead of the company. The consumer decisions are happening and the brand is not aware or involved.

Other people argue that the inputs are the same, but there is more information to deal with. The psychology of a decision making process is the same. However, social media impact the way people learn about products, such as restaurant reviews online. It has simplified the process but also complicate it since it gets more complex. You can get information more efficiently, in some industries that make a big difference. However, there is almost too much information on the internet and it can be hard to sort through.

For low involvement products social media makes no difference. For building awareness of products social media is affecting a lot. For high involvement products it has a great impact because consumers collect a lot of info before buying them.

Social media is efficient in the end of the journey in the post purchase phase, when people are evaluation the purchase and share their opinions.

It is not a step-by-step process when people are going through different stages, there is more interactivity in this process today.

- **What opportunities/problems do you see with branding and social media?**

- **Opportunities:**

- Social media enables having customers help to come up with ideas about products, communication etc.
- There can be contests e.g. for creating ads. It gives opportunities for brand extensions.
- Social media is becoming more accepted as a marketing channel, it can now be measure and get accounted for. It is interesting to measure and see how it affects the purchasing decision process.
- Mobile is a great opportunity. Companies have to have a plan and make sure your audience is there before going mobile.
- Social media should be incorporated with customer service. If there is something that a lot of people call about, color falling off a shirt etc, put information on social media in order to reach the audience. Give an answer online.
- The opportunity is huge if you can use social media and leverage and embrace from it.

- **Problems:**

- Lost control of brand identity.
- Such a great amount is produced each day. How can be hard for people to manage and use it.
- People are becoming more and more aware about their time, the question is if they will have time to follow other people.

- It is a challenge to know what consumers want to and not want to learn.
- How to use this to build a relationships with customers, social media makes this possible but it can be difficult.
- People don't know what they are getting or what the strategy should be like. It is hard to measure, company's strategies are usually very bad.
- It will be difficult to break through the clutter, there is so much going on! It is vey hard to make your voice heard and be extraordinary with a limited budget.
- Also, mistakes gets revealed instantly and loudly
- Many companies does not staff appropriately and instead expect current employees to work with social media on the side, this affect the quality of the social media presence.

6 Case Study – on a large global electronic company

This case study will look at the social media strategy of a large global electronic company and how they work with keeping control of their brand identity on social media. The aim of the case is also to identify needs that companies have and to see whether there are any general framework that they use in order to develop their social media strategy. The company name will not be revealed in this report due to confidentiality reasons.

The company that the case study is based on is divided into many different business units in different countries. The case study will solely focus on the American division of the company and their online marketing efforts. The Case will provide an overview of the organizational structure, marketing mix and the result of their marketing efforts before and after entering social media. All information about the company, where no other source is stated is obtained from an interview with the internet marketing manager of the company.

Situation

Since the customers have been empowered due to the use of internet and social media, brand managers and marketers have less control of the brand identity. In order to be able to provide frameworks and advice for how to deal with this, a real life case has been studied.

Complication

The company brand identity is more vulnerable than ever before and there should be a plan for how to approach social media and stay in control of the brand.

Question

What does the social media strategy of the company looks like and how does it protect the brand identity online? What is the result of the actions so far?

6.1 Marketing strategy 2000- 2011 by product category of the American division of the company

This case aims to provide a good picture of what the American division of the company different product categories marketing strategy looked like before entering social media.

Organizational structure

The American division of the company is built up by a division structure, which is also known as a “product structure. This means that each division holds all different functions needed within it.

The American division of the company consists of several subdivisions that each represents one product category. Each product category consists of several different brands. The subdivisions work to a very large extent as separate businesses. The different business units/product categories are independent of each other and they do not cooperate with each other. All of them do however report to the manager of their product category who in turn

report to the CEO who is the head of the whole umbrella organization in America. The CEO is then the link and communication channel between the American division and the parent company located in Tokyo which also is where the headquarter is located.

There are many different product categories within the company such as: digital cameras, timepieces, mobile phones, calculators & dictionaries, musical instruments, projectors, cash registers.

Marketing Strategy & Mix

Each product category has its own marketing team with an annual budget of 2-5% of their annual sale. Each team makes their own marketing plan adapted after their budget. The marketing plan needs to get approved by the president of sales of the product category, who is in contact with the CEO who reports back to Japan.

The company's focused to "go viral" a few years ago (online but not on social media). Viral marketing means that a company tries to increase their brand awareness through self-replicating viral processes (Marketing innovation, 2007). The goal of viral marketing is to spread a message through individuals and competitors in their communications during a short period of time. Viral marketing do usually consist of video clips, interactive games, text messages and software images (What is viral marketing, 2011). The company's main purpose of going viral was to reach out to the mass market and to create a database of contact information about their customers. To "go viral" is however hard to do, since people usually don't know how or why it happens. It might be hard to create but the result of a successful viral campaign grows and creates a snowball effect, which usually drives people to the company's web page.

The company's marketing mix consist of three major elements being; consumer advertising including broadcast & print, trade shows and online advertising. The online advertising includes the budget for going viral. This distribution pattern is basically the same for all different product categories. There might however be small differences in the major three blocks between the different product categories. The table below shows the distribution of the budget between the different marketing channels used by the company since early 2000-2010. The company does usually use celebrities to promote their products and to communicate their brand identity to their customers within different media and campaigns.

The company has however entered social media with a big budget in 2008 (this did only occur that year, wherefore there is no social media post in the table above).

Reasons why the company have entered social media slowly

The company started to work with marketing on social media already in 2008, at that time developed applications that they used on their Facebook page. The application was called animate & share and they spent \$150 000 to have it developed. They tried to create a community where people could use the application for free. But by that time a lot of applications were released on Facebook. To be able to use the applications people had to

”allow access” on their profile, which a lot of people hesitated to do. The company had to spend another \$50 000 to finalize the application in order to make it work and be able to spread it. The result was however anything but satisfying and the launch of the application did not go well. This was due to a number of factors; thrifty advertising, they reached too few people and they did not reach the right target market, but most importantly people did not want to allow access for applications on their profile. This did therefore become a failure for the company. The result of this was that every department was scared to enter social media and this is the main reason why they have not yet entered social media on a big scale.

Result

The company use traffic to their web page as their metric used for measuring the result of their marketing. The company did previously only use views of the campaign or effort.

When looking at the data traffic to the company’s web site and by tracking where the traffic derived from you quickly realizes that Google have had the largest contribution.

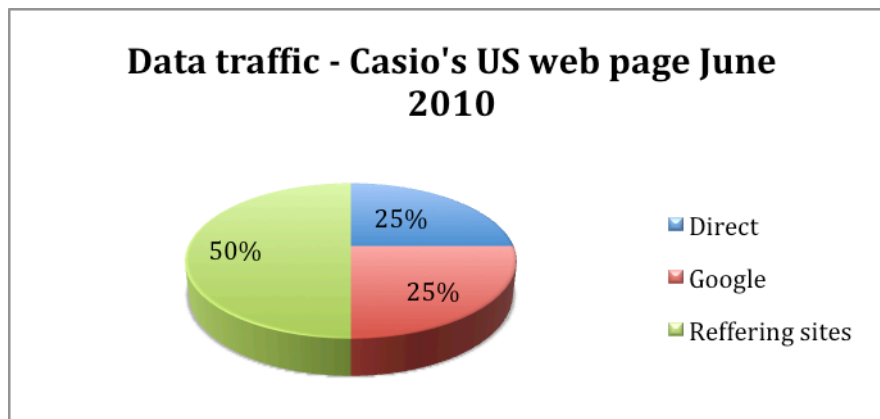


Fig 6.2 The table below shows the different source of the data traffic to their web page in June 2010.

The company doesn’t track other parts of the online marketing. The different marketing mix components have different aims, for example some are made to create brand awareness while some aim to provide more information about their products. The result can therefore be measured in many other ways like by conducting surveys to see the difference in brand awareness among products, result in sales etc. However this case only focus on the results of the online efforts by the company that they measure in web page viewings.

6.2 The company’s marketing strategy 2011 – including social media

The company and its product categories have adopted a new marketing strategy for 2011 which includes social media.

Organizational structure

The organization still looks the same as it did in the 2000 – 2010 strategy and the company does not have any plans to change it. The marketing teams are still working at separate

business units without collaborating with each other. The social media teams do not collaborate with each other or any customer focused division of the company.

Strategy & Marketing mix

One of the goals of the company is to increase the brand awareness among people. Many customers do not recognize that some of the products belongs the company. This is the result of the company having the separate brand architecture approach. This system of different brands is the same model as Procter &Gamble uses (See Fig 6.3). The picture below shows different brand architecture models and examples how different companies use it.

The allocation of the resources is the same as the marketing mix of 2000 - 2010 with the exception of 1% being allocated to social media.

The marketing budget is developed in the same way as previous years, which is 2-5% of the total sales.

All the different product categories are currently looking into social media, but with a very limited budget. The social media forums used by the company are the most common ones: Twitter, YouTube and Facebook.

The company has not developed a common social media strategy and no framework has therefore been used. However all the social media activities have a common purpose, which to drive people to their web page. This to be able to provide the customers with as much information as possible, which decrease the chance of losing control of the company's brand identity since the brand image then is more likely to correspond with the desired brand image.

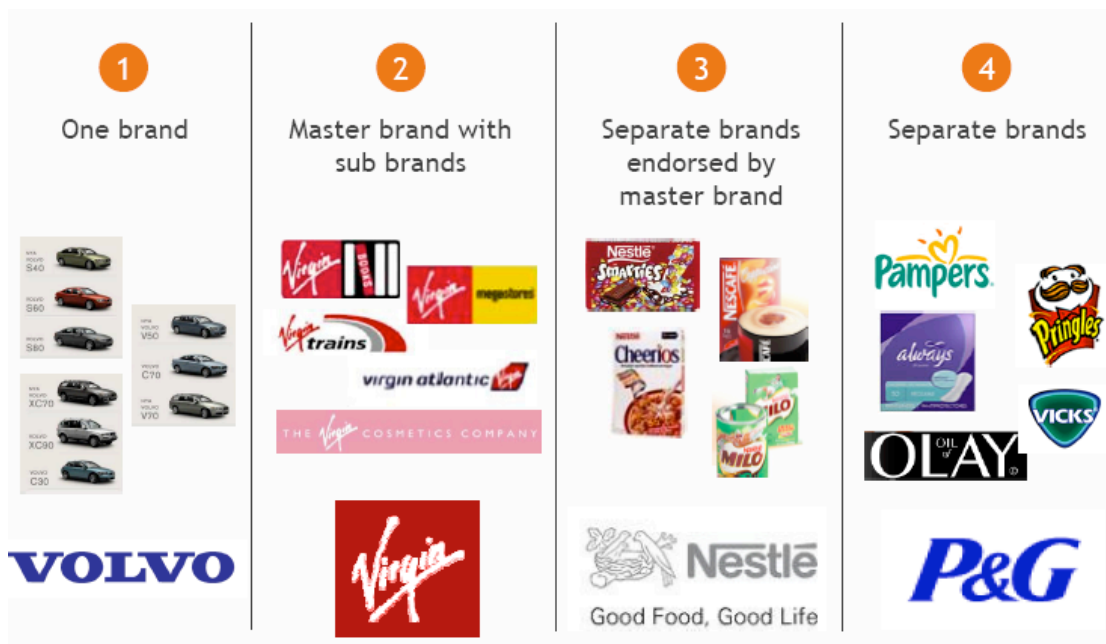


Fig 6.2 Different brand architecture models
Source: Lecture, dare to Differ 2010

Twitter

Purpose: To get people to go visit their Facebook page.

They use twitter accounts for a couple of their different brands. They do for example have accounts for their most popular timepiece and for their projectors, but not for any other product category.

Facebook

Purpose: To drive people to their own web page, build a community, create and increase the brand awareness among people.

The company use Facebook pages for a couple of their most famous brands. It is however hard to find them on Facebook. You will need to search for specific brands and not for the company's name, which is not included on the pages. The company does not have any page that collects and presents all their products and brands. The pages are in general very simple and aim for getting people to like the page and to create a good fan base. Some of the micro sites are not made by professionals, instead users and fans of the brand.

The product categories with micro sites have different features and interactive parts, these are described below:

- **The most famous camera brand of the company** – On this page the company is communicating with its customers through updates that usually end with a question that the people who “likes” the page can reply to. This is the only interactive feature of the page. The page does however also aim to show news and new products to the customer, which means that it is a promotional and a monitoring site at the same time.
- **The most famous timepiece brand of the company** – There are a number different pages available on Facebook for this product. There is one information page about the product that people can “like”. This page is mainly used to provide information about timepiece and to create a fan base. The page includes a music video that people can download, product information and a catalogue for customers to see the current collection. This page is mainly to promote new products and provide the customer with information. The third page is a product page where fans and the company can upload pictures of specific watches. There are also plenty different pages of this brand for different countries such as; America, Netherlands etc.
- **The second most famous timepiece brand of the company-** The page aims to provide fans with information and news about their new products. The page offers a video that people can download and watch. The page is not an interactive page and it is used for promoting products rather than monitoring and listening to customers.

Youtube

Purpose: Show promotional videos and link the viewers to the brands Facebook page

The company has made YouTube pages for their two most famous timepieces and their most popular camera brand. The pages are however extremely hard to find. The videos that appear in the result when searching for the company videos are product reviews made by customers. The reviews for the timepieces are really popular and some of them are viewed over 250 000 times. The product reviews of the camera brand were not as popular as the timepiece, but they did have 10 000 – 17 000 viewings. The company has not made any videos for the other product categories.

Blogs

Purpose: Drive people to the company web page and create brand awareness

The company use blogs to promote their products when they have new released ones. They have previously worked with a number of fashion blogs and technology blogs like for example crunch gear.

Forums (Which is not created by the company)

Purpose: Create and maintain a fan base.

The company's online marketing manager says that the company is very unique when it comes to having a lot of active fans. There are forums that their fans have created where they discuss the features of their products. A good example of this is a fan page where fans meet to discuss the different models, how to keep them in a good condition, different campaigns and their experiences with the watch.

Negative posts

This part will focus on how the company handles bad publicity within social media and it will also provide an example of how this happened.

The company's bad publicity strategy

A company's "bad publicity strategy" is very depending on the structure of the company. The company is (as explained earlier) divided in different product categories. This means that there is no "social media team" that are responsible for the whole organizations social media activity. Each product category is therefore responsible for handling their own bad publicity. There is however a PR team that is responsible for the PR of the company, which handles "bigger issues".

All the different product categories of the company have just started to become active within social media. They have therefore not developed an "emergency plan" that specifies, how they should act, who should act and in what way different issues should be handled. The only direction is that when it is a big issue the PR department should make the decision of how to act. It is however the responsibility of each product division to contact them when these issues occur. The PR team decides the actions on how to respond to the problem in cooperation with the parent company in Tokyo. Since there is no general plan the person working with social

media within each product category can choose what to respond to. Also, they do not have any monitoring or answering function.

The company are currently not actively working with keeping control over their brand identity on social media, but they do understand the importance of doing it and they want to be in control over what is being said about them online.

Bad publicity case

There was a recent incident where Wikileaks published US government documents of terrorist profiles. The secret checklist is used to help identify possible terrorists and members of al Qaeda. The list stated that terrorists usually wear a plastic watch made by the company. The watch is a very common model that the company sells and the model cost approximately \$11. This information were cited and provided in a blog called Lorinov's blog on Wordpress. This information spread and a lot of people knew about the terrorist profile. The blog did however defend the company and instead made a fool out of the American government. The blogger questioned the American government seriousness, competence and focus. The blogger also questioned how the American government could pinpoint a company this way. It was also questioned how this information could affect the company's watch sales due to this "governmental nonsense". The comments and reaction of the readers were the same and the focus fell on the American government instead of the actual watch. This time the company ended up being innocent and got free publicity in a very special way, but future incidents like this can end up affecting the company and its brand. This shows how vulnerable brands are and how fast information spreads online.

Result of the new social media strategy

The company has for a long time used views of the page as a metric. However they have not measured from where the views derived. This is their new approach to be able to know what source that provides the best ROI. This method provides more data about the behavior of the customer which can be used when building the marketing strategy. They don't track how the views develop into sales or the correlation between number of views and sales.

The result when including social media in their online marketing mix is excellent. The timepiece site is now the most visited product on their official web page. The site was before entering social media not even in the top 20 products searched or viewed on the web page. This is the result of linking the customers to their official web page and the fact that the timepiece have a fan page of 17 000 users (this page is made by the company themselves), and it grows with approximately 1000 new fans each month. This site is the second referring site back to the company's own web page. There are also other timepiece pages on Facebook, but they do not refer to the company's own web page. The fan page on Facebook provides 10 000 hits per month to the company's own web page. 10 000 is a lot of viewers compared with less than 100 views in total per month from Twitter and YouTube. A good advertising banner online provides 500 – 1000 hits per month to their own web page. Facebook deos therefore provide a good ROI, since he cost for running it is fairly low. Compared with ROI for bloggers, which is more expensive.

The number of monthly viewers of the most popular timepiece brand on the company's web site derived from the Facebook fan page have grown from 10 000-100 000 from May 2010 – May 2011.

6.3 Plans for the future

The company's next step is to create a hub for all the company's products within Social media to increase the brand awareness within the different product categories. The hub aims to show the portfolio that the company holds and also links to their web page. They do also aim to communicate how innovative they are to the customers.

7 Analysis

The empirical data from the interviews and case are analyzed below in relation to the theoretical frameworks.

7.1 Interviews

The different answers to the interview questions have been analyzed in relation to the theoretical framework.

- **How do you believe social media effect branding & marketing?**

All the interviewees agree that social media have changed branding and marketing, that the customers now own the brand to a large extent since they can affect all parts of the brand identity prism. However as Kapferer (2008) explains the customers can more easily affect the externalization part than the internalization part of the brand identity. Moreover relationship marketing and interaction is the key to success (Simmons, 2007). Simmons also explains that interaction and graphical features can affect the relationship with the brand in a positive way. This significant impact that social media has on branding is also described in many different sources of literature such as the book Groundswell (Li and Bernoff 2008). This question is the basis of the thesis and all interviewees agree that there is a need for more research within the areas and that it is a very interesting field.

- **What kind of products, companies or industries do you believe have the biggest risk of losing control of their brand identity?**

The interviewees have different opinions about what products and industries that have the biggest risk of losing control of their brand identity but most argue that high involvement products are very affected since people more actively search for information about big and meaningful purchases.

The authors agree with the statement that industry leaders or giant corporations are at biggest risk of being highly affected because of a specific event. They are the most common target for activist organizations or journalists to investigate and publish unfavorable information about. Also, companies that are trying to have an image of something that they are not, such as quality not being what they claim, are in big risk of being attacked. This correlates with the examples in section 3.6, the attacked company Nestlé is among the leaders within their industry.

Industries highly affected can also be the ones that people like to talk about. There are different reasons and a lot of factors why people choose to share info about products such as getting attention or verify ones own judgment, more reasons for speaking and listening are stated in section 4.2.3 (WOM) Companies should be well aware of these reasons and provide incentives for spreading positive and energized WOM.

How influenced people are of what is said about a product online also depends on where they are in the consumer decision journey. This is also supported in the literature (see section 4.1.4) Companies should aim for providing the right information throughout the journey and instead of spending the budget on trying to cover it all they should focus on the touch points where they are weak. However, in general the authors believe that the more difficult it is for customers to evaluate a product the more they care about online WOM.

- **Do you have any specific example of a brand that lost their control online, what forums that can be harmful and what effects it had on the brand?**

The Nestlé case is a very significant example of a big company that have had a video posted about them on Youtube and been highly affected by it.

The company did not respond in a strategic way and soon they learned that offering monetary compensation for removing a video or deleting posts are not efficient. Big corporations can now be highly affected by one organization or even one unhappy customer and many of them do not know how to react or respond to such events. Most companies are in big need of a social media strategy including a crisis plan.

- **How would you suggest that the company could have regained control of their brand?**

First, being aware of what is said about the brand in order to be able to react fast is crucial and a company should listen to what is said constantly, this is also stated in the literature “*Auditing social media*” and “*Groundswell*”.

Companies are not perfect and they should admit when they have made a mistake. It is important to reply to upset comments and posts in a respectful and fact-based way. If the issue is a big concern the company could say that they take it seriously and that they will work to eliminate the problem.

If it is not a severe and harmful infringement or hijacking, trying to forbid usage can often create more harm than good. In many cases it is better to keep monitoring it, the company could post a friendly fact based comment in order to increase interaction and engagement and try to use the attention to spread awareness of the brand. It is very difficult to make a legal claim and to get a positive outcome since this is a new field and the law system is not always able to handle these new types of infringements.

Moreover, if a brand has been affected by illegal use the legal department should be involved. However, often the best alternative is to keep monitoring but not take any actions since that can lead to more negative WOM.

- **How could a strategy look like for companies to avoid losing control of their brand identity on social media from the start?**

The best thing a company can do is to eliminate negative buzz about them, therefore they should work hard to be seen as honest, a good citizen and preferably contribute to society in

some way. Also, companies should not focus only on selling but more on adding value by their social media activities. These are statements frequently seen in the interviews.

It is valuable for brands to have brand advocates with a large social capital, that people trust and that can influence other people's behavior. Approximately 5% go to social media to find information about companies, this is not a large percentage but if they find information there stated by people like themselves or friends and family they are very likely to trust it. Therefore positive WOM is crucial. The brand management profession has changed and more human values such as transparency, engagement and purpose are important to be a reliable brand. However, this trust can be disappearing quickly if the company does not deliver what they say and if they are doing something controversial

It is important for the brand itself to have a large social network, to be the node with a lot of ties. To keep up interest they have to add value and through their network and do targeted marketing. Creative marketers have endless opportunities using social media as long as they keep interaction alive and interesting.

- **What do you believe is the future of social media and branding?**

Social media will continue to grow the coming years and a lot of the different social media platforms have just started to enter a more global market. We have just seen the beginning and it will grow especially in mobile phones.

The fact that companies perform a lot R&D within mobile phones and targeted advertising related to social network inventions is verifying the information obtained from the interviews as well as the literature findings (see appendices 2 regarding innovation trends). It implies that these fields will be growing and that it is a good strategy for companies to be present on social media for smartphones. It is also argued that this is especially important in developing countries where the technical development might leapfrog computers and a lot of people will have their first interaction with social media on a smartphone.

There are endless opportunities with social media and success is to a large extent built on being creative. In the near future it is very probable that there will be more filters on social media such as Facebook since people otherwise will be overwhelmed with information about their social network. There is also a trend towards people being more and more selective in what to pay attention to and spend their time on.

The international advertising spending will be directly connected to the success and penetration rate in new markets. The money spent on marketing in the US within social media will also grow this since a lot of the companies that have entered social media will refine their strategies and allocate a larger budget to it when seeing the result and ROI. The companies that have not yet entered social media will realize the potential of it and enter it and this will contribute to the growth as well.

- **How do you think that social media have changed the following traditional branding/marketing concepts?**

Word of mouth

Some people claim that social media equals WOM and that being active on social media will just be called “being social” in the near future. Most interviewees argue that the concept WOM has been highly affected by social media. WOM and peoples curiosity is a driver for the success of social media and this is also what triggers marketers to join.

It is every marketers dream to be able to embrace and to some extent control word of mouth since it can be very powerful as a marketing tool. As mentioned above, in some phases in the consumer decision journey it makes a significant difference regarding customer’s choice of product. Therefor marketers should mainly focus on people in the post decision phase in the consumer decision journey and encourage them to be brand advocates and convince people in earlier phases in the journey to purchase the product.

Some companies can encourage word of mouth by just being a credible brand that people want to be associated with. However, most brands have to give people more incentives than that. How to turn customers to assets that can spread word of mouth and deliver valuable feedback is hard and it takes a lot of originality. People cannot be controlled thus it is an art to guide people to act the way a company wants to. Companies should be active in a very creative and delicate way and be very alert regarding movements and change of opinions.

Some people are opinion leaders and social media facilitates identifying and targeting opinion leaders quicker. It is important that brand managers now have a broadened expertise and also have an understanding for social network theory. As described in section 4.2.1 people have different social network capital depending on the size and content in their network. However, since a person with 500 follower on twitter is not always more influential than a person with 50 focus should be on social network content instead of size.

Brand managers should also have insight in what kind of information that people trust and most interviewees agree that friends and family is the most trusted source.

One of the interviewee argue that people are more in contact with each other in the development countries and that WOM on social media can become huge there ones it is established. The authors agree that the level of impact that WOM have is geographically and culturally dependent.

Customers purchase process

Some interviewees argues that social media has disrupted the marketing funnel and that people are much more dynamic now. It is not a step-by-step process when people are going through different stages, there is more interactivity in this process today. Customers ask people instead of the company and the consumer decisions are happening without the brand being aware or involved.

Other interviewees argue that the inputs are the same, but there is more information to deal with. The psychology of a decision making process is the same but social media impact the way people learn about products. It has simplified the process but also complicate it. It is possible to get information more efficiently and in some industries that makes a big difference. However, there is almost too much information on the internet and it can be hard to sort through and know what to trust.

According to the CDJ the customer purchase process is completely changed due to social media and being active in the different touch points is crucial. Customers are more active than ever before and a creative social media presence is crucial on order to drive WOM.

The authors agree that for low involvement products, social media does not make a big difference in the consumer purchase process. Also, it is more efficient in the end of the journey in the post purchase phase, when people are evaluation the purchase and share their opinions.

- **What opportunities/problems do you see with branding and social media?**

The interviewees agree that there are endless opportunities for brands and brands managers using social media and it is an increasingly used marketing channel.

The main risk for brand managers is lost control of brand identity but there are also other aspects brought up during the interviews. If a company makes a mistake it will be revealed instantly and loudly and that can highly affect a brand. Also, there is so much information online that it is hard to manage and get customers attention.

There are certain areas that brand managers can work with in order to stay in control of a brand and these are addressed in the conclusion chapter.

7.2 Case study

The American division of the company has a division structure, which is also known as a product structure. Court et al. (2009) discusses how important it is to have a all customer facing activities are integrated in the company and that they should be organized and given a central role. This organizational structure is not the optimal one for achieving it.

Court et al. (2009) also emphasizes the importance of having communication between the managers of different customer facing divisions. The company does not have any communication or cooperation between them today. This means that they have a lot of resources that are not being used in the most efficient way. The knowledge could be used to create replicates of successful campaigns and to learn from mistakes. If they would cooperate more and communicate would they be able to use special competences within the company and the different product categories. The current structure and way of working prevents them from creating campaigns together that could increase the awareness of the brand, and also make the different product categories leverage from each other.

Scott & Jacka (2011) tells of how important it is to have a corporate social media plan in place before entering social media, but the company does not have that in place. They do also lack a plan of how to handle unsatisfied customers on social media or how to handle customer feedback, which Scott & Jack emphasize the importance of.

Li & Bernoff (2008) stress the importance of being present on social media and to monitor what is being said about the company's brand. This is crucial for the company to avoid losing control over their brand identity by knowing what is being said about them. By knowing this provides the chance to take action and respond to comments etc. The company does not currently have any monitoring function and this puts them in a risky position leaving the power in the hands of the customers without having the possibility to respond and take action when needed. This will hurt the company's brand identity in the future if action is not taken.

The company's marketing budget for social media is too low if they want to work with social media in the future and avoid losing their brand identity in the social media sphere. This due to the fact that social media is a good way to provide customers with information about their products, which decreases the chance of losing their brand identity but also to drive WOM (Ellison N. Steinfield C. Lampe C. 2007). WOM is efficient on social media since customers trust their family and friends more than subjective sources and people they don't know (Edelman 2007). The statistics show that marketing and branding within social media is increasing with a high pace (PWC, 2009). This means that the company needs to prioritize social media and to allocate more resources to it to make sure they keep up with their competitors in the social media space.

The company's use of Facebook, Twitter and YouTube is a good start, but they have a long way to go. It seems like the company don't have a well thought through plan all over the organization, which is necessary if they want to look professional in the social media space. By not being active or active throughout the organization do they not know if the brand image of the customers corresponds with their desired brand identity, which means that they risk to lose the control of their brand identity. Some departments seem to have a god idea of how and when they should enter it, but there is no common plan.

Scott & Jacka (2011) says that a company needs a structure to work from in order to develop a social media strategy. The company does not have a clear emergency plan and it is not clear who is appointed to respond to comments or take action when required. This is a big problem when there are incidents such as the "terrorist example" described in the case. It is therefore crucial that the company develops a emergency plan to make sure that they will be able to minimize the impacts of such an incident by have the right tools and people knowledable to act on it.

Their presence in social media today is focused to only a few well-known products and brands, but most of them are not present within social media. Social media would be a good start where to create a platform for a common product page for all the categories, where the

company can link the products to each other. This would create a synergy effect for them and make them leverage from their current customers. The Four Pillars of I-branding describes one of the most importance things to do is to link external sites and pages to the company's official web page. The company could create a common platform could be used mostly on Facebook (and their own web page) and other social media forums that links back to the web page. This have the company has already done in some extent.

The company has already planned to remake their web page, which could be transformed to a more social platform. The Four Pillars of I-branding emphasizes the importance of constructing the web page in a logical way for the customer and it says that the most common mistake made is to structure it after the organizational structure. The company should therefore keep that in mind when developing it.

According to Court et. al should the company try to define what part of the CDJ where they are the weakest and invest their money there to receive the desired result of their investment. The company should this and allocate budget to focus on the specific touch point.

The case study have shown that there is a need for having a framework and structure to work with in order to develop a comprehensive social media strategy and the conclusion will therefore aim to provide a holistic framework that brand managers can apply and use in the process of developing their social media strategy.

The company's future plans within social media seem to be in the right direction.

8 Conclusions

The following section will answer the research question by answering each sub question one by one. The conclusion has been made based on the analysis of literature, interviews and the case study. The purpose of the conclusion is to provide strategic recommendations for how companies should actively work to keep the control of their brand identity on social media and throughout the consumer decision journey.

8.1 Question 1; Are there any frameworks that companies are using today helping them to stay in control of their brand identity on social media?

A number of articles together with the books *Auditing Social Media* and *Groundswell* are providing advice for how to work with social media but there is limited input for how to stay in control of the brand identity. The theory chapter outlines the current thinking in the field. The empirical data shows that there are no widely spread frameworks that are currently being used. Many companies have therefore a very un-strategic approach to controlling their brand identity in his sphere.

8.2 Question 2; What areas should be included in a social media strategy?

The section below describes the “*Social media brand identity control puzzle*” which is a framework identifying nine areas that are crucial to work with in order to stay in control of a brand identity.



Fig 8.1 The social media brand identity control puzzle showing what areas a brand manager should be active within in order to stay in control of the brand identity
Illustration: Organic Spread Media

- **Keep customers happy**

Companies should strive for excellence when providing customers with high quality products, deliver them on time, friendly customer service etc. If customers are not happy they can harm a brand significantly. Social media amplifies what companies do both good and bad. The company should internally emphasize the importance of not giving customers any reasons to be unhappy and complain. It is more important than ever to deal with problems directly and walk the extra mile to please customers.

- **Monitor**

Companies should know exactly what is said about them minute by minute. They should read and monitor and preferably use a social media dashboard since things happen fast.

If there is a negative comment, identify who the author is. It can be a company's biggest customer or competitor. One should look at the strength of the complaint and what power the person has and from that one can evaluate if it will grow or not and if action is needed. This should preferably be done in house using monitoring programs but it can also be done by consultancy companies. However, it is crucial that top level people, in particular the CEO, knows what is going on. It is also important to monitor usage of a trademark in order to make sure that it is not used in ways illegally by other parties.

This knowledge can help the company to be proactive and be used as an alert system if there are problems with a new products etc.

Companies should register their trademark and then monitor how and where it is used online.

- **Align customer facing activities**

The social media brand strategy should incorporate all customer-facing activities in order to communicate the same brand message and to not be contradictive. The strategy should include what kind of comments to respond to, what to report and what to ignore. It is especially important that the social media department and the customer service department are collaborating since this is a great channel to answer questions about products. If there many people are calling about a specific problem it is very efficient and honest to announce the problem and provide information about what to do about it, if there is a serious problem a specific microsite could be launched to address it.

Many companies want to be active on social media but do not staff appropriately. Companies often want present employees to do it on the side instead of hiring trained people. This leads to many companies being present but not active on social media, just having a Facebook page does not add much value.

This strategy is crucial for good customer relationship management and problems can be turned into opportunity to show responsiveness and responsibility. Moreover, product development department can get good input from social media.

- **React**

If there is a reputation, see if it catches on, do not overreact but be responsive.

It is a fact that every company has weaknesses, thus it is about the way they handle it on social media that makes the difference. It is one thing to react to a situation or problem that a company has (such as harming orangutans when buying palm oil) and one is to react to consequence from it (comment on the movie clip or post).

If there are negative comments companies can choose between responding, being silent or remove it (if possible). In general the best option is to respond in a constructive, fact based and if possible humorous way. Show appreciation that something has been brought to your attention and use the information if it adds value to the business. It is important to acknowledge what people are talking about and correct mistakes quickly

However, it is better to ignore a comment than making promises that cannot be kept and comments that do not make sense can be ignored. Normally companies should not take down any comments but if they include threats, racism etc. they can be removed in order not to start a purposeless dialogue around this.

- **Interact**

This is the most important area in order to thrive from social media and to interact, engage and learn through this channel is a great way to form stronger relationships with consumers. They can be seen as partners and should be treated with respect. It is important to know when and how to interact with the customers. This will be further explained in the second framework called *Action based consumer decision journey*.

It is great to be engaged in the conversation and respond to what people are talking about. However, start by doing extensive listening to what is said, be engaged in the conversation and communicate in a fact based way. In order to have successful interaction companies have to make sure that they add value and that there are incentives for people to visit a microsite or engage in conversations. This can be done providing valuable information, entertainment, give rewards etc and it is important to provide it through the right channel and at the right point of time. Also, the company should have spokespersons that can answer questions from consumers directly.

- **Be honest and authentic**

People see through empty marketing messages, the more authentic the brand can be the better it is. It is not possible to sell products of poor quality and get away with it anymore. Never lie and never promise more than the company can deliver. It is better not to reply to a comment than to make promises that will not be kept.

If there is a problem or concern give people a real response, be honest and try not to be defensive. Show that the company did some research, that they know what they are talking about and be honest about if the company can fix the problem or not. If the company agree

that there is a problem a start could be to say “yes this is a concern we will look into it”.

- **Get out of a selling mode**

Most interaction should be done in a way that benefits the customers such as providing them with information, entertainment or benefits. Do not just act as traditional marketers that wants to push people to buy, try to give the audience a reason to actively find the company on social media and the website. Give them some sort of value and a reason to return to the site, focus on the customers and provide something that they care about.

- **Be a good citizens**

Do not give anyone a reason to claim that the company is harming anyone or anything. Instead, try to find a social problem related to the products or services of the company and do social good. Become an advocate and a voice for affected people and get attention doing this. An example is the Dove campaign (See 3.6), which highlights today’s extreme body ideals.

- **Have a crisis plan**

There should be a social media crisis plan in place that specifies actions and responsibilities, which is great to have and can make a great difference if a reputation catches on. This plan should be cross functional and involve marketing, communication, legal, consumer affairs and customer service. This crisis plan should be communicated through the organization and people should know what to do in case of an emergency.

8.3 Question 3; How can brand managers work towards having a corresponding brand image and brand identity and influence customers purchase decisions?

A framework has been developed based on the CDJ. The CDJ describes the purchase decision process adapted to social media (See section 4.3.2) and therefore it is the standpoint for this developed framework.

The new framework “*Action based consumer decision journey*” provides recommendations of different actions on social media that brand managers should take within the different phases of the journey in order to obtain desired outcomes. Customers are open to different kind of influence in the different phases of the CDJ and companies should be present in a suitable way and interact with the customer through all these touch points.

This framework is breaking down the necessary actions and enables the brand manager to methodically develop an energized social media presence. It will help companies to stay in control of their brand identity since the framework pinpoints when and how to interact with customers in order to communicate the desired message.

In addition it facilitates understanding of key actions in the CDJ and where a company has to improve in order to stay in control of their brand identity. Companies have to make sure that they take the following actions, in particular in the touch points where they are weak.

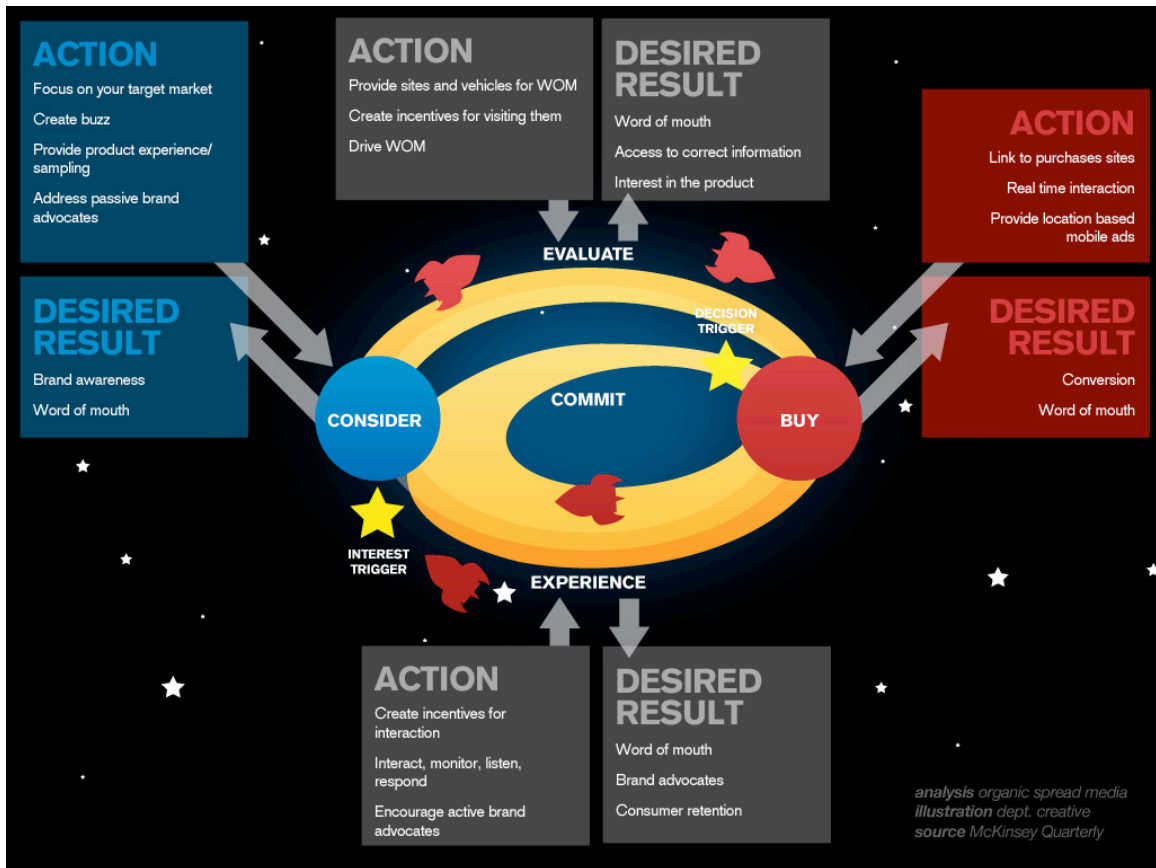


Fig 8.2 Recommendation of actions on social media in the different parts of the consumer decision journey in order to win customers.

Touch point 1; Initial consideration

Brands need to create brand awareness among customers since brands that are considered in the first phase have up to three times bigger chance to be purchase.

Actions

- Focus on social media applicable for your target market
- Create buzz on social media about your brand and brand promise
- Provide online product experience/product sampling
- Reach out to passive brand advocates of competing brands and try to make them

Desired outcome

- Brand awareness
- Word of mouth

Touch point 2; Active evaluation

Brands have to learn how to influence this customer-driven touch point, which means being active online and drive WOM, this since this is the phase where customers actively search for information and add and subtract brands.

Actions

- Make sure there are vehicles for word of mouth such as forums, microsites, product review sites etc.
- Create incentives for visiting these sites by providing value such as information, entertainment, discounts etc.
- Encourage friends and family members to share information about a product with each other.

Desired outcome

- Word of mouth
- Potential customers access correct an desired information
- High interest in the product

Touch point 3; Closure

The closure touch point is hard to influence with social media if it is not a purchase that is made online. Social media can however provide people with links where the customers can purchase the product. The final decision made “offline” might be harder to influence with social media, but this does not mean that brand managers should skip it. Rather the opposite, but it requires more creativity to find solutions.

Actions

- Link microsites, ads, forums etc to the website where purchases can be made directly.
- Provide answers to posted questions in real time
- Provide location based social media mobile ads that contain e.g. a discount when the customer walks into the store.

Desired outcome

- Conversion
- Word of mouth

Touch point 4; Post purchase

Brands should engage in conversations with customers to collect information about product experiences in this stage. Existing customers have a big impact on potential customers and should therefore be encouraged.

Actions

- Create incentives for making reviews, word of mouth, fan clubs, brand communities etc
- Interact, monitor, listen, respond to feedback
- Provide incentives to become an active brand advocate such as privileges, involvement etc

Desired result

- Word of mouth
- Brand advocates
- Consumer retention

Customers are open to different kind of influence in the different phases of the CDJ and companies should be present in a suitable way through all these touch points.

8.4 Recommendations - Case study

The case study has indicated that multi million corporations do not have a social media brand control strategy. The company should therefore use the *Social media brand identity control puzzle* and the *Action based consumer decision journey* to develop their social media brand control strategy and improve their social media presence. More specific recommendations are however made in the areas where the company has significant improvements to make.

The organizational structure is important in order to have an efficient social media brand strategy and there should be a cross-functioning and cross product category social media team, from analyzing the case it is clear that there is no such team in place. The team members should be trained in social media strategy and they should analyze and react to comments, happening, rumors etc. taking place on social media. The team should have representatives from each product division with completing expertise, there should be corporate social media guidelines but each division are responsible for their actions and allocation of budget. The team should have meetings on a regular basis and discuss challenges, opportunities and evaluate campaigns and projects that have been conducted in order to learn from each other.

The company have previously ignored and deleted negative comments, instead they should try to respond in a constructive, fact based and preferably humorous way. Deleting many negative comments will dilute their trustworthiness.

9 Discussion

This part discusses how applicable the results of the report are and how they should be further investigated and developed in the future.

The report has shown that there is no methodical way to approach social media brand management. The aim has therefore been to provide companies with tools and frameworks of how to work with social media in order for companies to stay in control of their brand identity.

To be able to determine the impact that the frameworks can have on companies they should be tested in a case study. The case study would then show the difference in result from the strategy used before implementing the frameworks and after using them. The study would need to be held over a long period of time to be able to measure the delta. The company that this master thesis has been written for called Organic Spread media has plans to perform such study in the future.

The scope of the report have been limited to different forms of social media, required infrastructure and culture, geographical area, industry limitation and customer impact. The limitation has been made in order to keep a narrow focus and provide insight for a specific area.

The result and frameworks can probably be used for companies operating in other geographical areas as well. This might be possible even though they use other social media sites as long as the culture of using social media, sharing experiences and listening to friends recommendations are the same. This does however need to be further examined in order to determine if the results are applicable.

The report has taken a holistic view of the how customers can influence brand identity and it have not focused on how enemies or trolls can influence it. This is also interesting and important it however outside the scope of this report. Moreover an investigation of these issues would be a good complement to this thesis work.

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Appendices 1. University Professors



Judy Iskovitz **Professor at Rutgers**

Profession

Marketing Program Coordinator and Instructor

Major research area

Marketing, Global Product Management and New Production Innovation

Experience

- Northwestern University, Kellogg School of Management
 - M.B.A., Operations Management and Quantitative Method
 - 21 years telecom, product management, now teaching, product innovation



Marc Kalan **Professor at Rutgers**

Profession

Marketing Program Coordinator and Instructor

Major research area

Advertising & Promotion, Marketing & Society, Advertising & the Internet

Experience

- Columbia University - Graduate School of Business
- Masters in Business Marketing & Administration, L
- Lecturing at Kean University, Fairleigh Dickinson University & William Patterson University



Sunder Narayanan **Professor at New York University Stern**

Profession

Clinical Associate Professor of Marketing at NYU Stern since 1994.

Major research area

Marketing Concepts & Strategy, Globalization of Entertainment Industry, Technology, Media, & Networks

Experience

PhD & MPhil in Marketing at Columbia University 1990.



Joel Rubinson **Adjunct Professor at New York University Stern**

Profession

Adjunct Professor of Marketing

Major research area

Social media & marketing for brand managers, digital marketing, innovation processes & shoppers insights.

Experience

- M.B.A., Statics and Economics, University of Chicago
- B.S Business, NYU



Sahana Sen
Adjunct Professor at New York University Stern

Profession

Adjunct Professor of Marketing

Major research area

Marketing

Experience

M.B.A., Statics and Economics, University of Chicago

B.S Business, NYU



Judy Strauss
Professor at University of Nevada

Profession

Associate Professor of Marketing

Major research area

E-marketing, Marketing communications, International marketing

Experience

Doctor of Business Administration, Southern Illinois University, Marketing and Business Administration in Finance, University of North Texas

- Written a large number of articles

- Written three books about e-marketing



Sengun Yenyurt
Assistant Professor at Rutgers University

Profession

Assistant professor of Marketing

Major research area

MBA Marketing strategy, global market strategies, product and brand management, supplier relationship management.

Experience

- Assistant Professor at University of Nevada

- Research and Teaching Assistant Michigan State University

Industry experts



Idil Cakim
Senior VP, Interactive Media - GolinHarris

Area of expertise

Digital strategist with hands on campaign management and measurement experience. Word of mouth marketing expert with e-CRM background.

Experience

- Director at Burson-Marsteller
- Director, Media Strategies at Cyber Dialogue
- Research Assistant at Annenberg School for Communication



Ted Rubin
Chief Social Marketing Officer & Board of Advisors at OpenSky

Area of expertise

Social, Marketing & Branding

Experience

- Chief Marketing Officer at e.l.f. Cosmetic
- Senior Managing Director, Business & Corporate Development at RealProspex.com
- Consultant at The Rubin Organization



Robert M. Wright
Founder and principal of Marketing Arts

Area of expertise

Specialize in Marketing strategy, break-away positions and launch strategies.

Experience

- Launched & positioned over 100 companies. Some examples of industry leading companies are: Microsoft, SAP, Oracle, PeopleSoft, Mercury and Symantec as, Top Tier, WebEx, Taleo and Workday.
- Member of several advisory and non-profit boards

Appendices 2.

Compilation of interviews with professors and industry experts

Social media & Branding

- **How do you believe social media effect branding & marketing?**

Professors

Judy Iskovitz

It has opened up for customers to make their voice heard and now there is a two way conversation instead of just companies talking. Companies have been trying to figure out what customers wants and now it is no much easier for them to see, ask and get answers. It has enabled potential customers to hear from current customers. They don't believe advertising but they believe their peers, so much easier to find information now. Companies can target the message more than regular traditional marketing. It is more creative, cheaper to communicate and companies gee more for the money.

Marc Kalan

Brand managers try to learn how to be a part of social media and not just another advertiser. They are struggling with how to incorporate it in to their marketing mix and making it cool and fun. To interact and learn from customers was not possible before. The real time means that competitors can correspond to you really quickly and it is hard to get a first mover advantage.

Sunder Narayanan

Generally, it is easier to create branding through traditional media, ads. You are in control, your idea and mission with the brand. On social media, you loose a degree of control. That is a challenge for marketers.

Joel Rubinsson

-

Sahana Sen

The main thing that marketers are supposed to do is to think about how to create it better campaigns since the consumers have become so difficult. They do not pay attention to what marketers are saying anymore; instead they listen to each other. They turn away form mass communication channels and it is hard for marketers to join this conversation, they have to come up with very clever ways. They have to think about different ways to use social media to gain attention and interest and how to make their message authentic.

Judy Strauss

Consumers are much more active today and they find their own information; the best thing or a company would be if the customers finds you instead of the opposite. Marketers don't have as much control as before. Customer relationship marketing is

much more important today such as engaging and building relationship with customers. It is much more difficult to monitor your brand identity and social media can spread both positive and negative information faster.

Sengun Yenyurt

Social media is an amplifier that makes customers talk to each other easily. In old school marketing companies kept customers happy in order to spread word of mouth, now it is multiplied with hundred or millions of people. It is easy for customers to upload an unhappy video on you tube and the brand would get lot of criticism. It amplifies what you do, good and bad

Industry experts

Idil Cakim

Social media can effect reputation directly, it is game changing and brand marketers cannot control what is being said about them. They can only read and monitor, the name of the game has changed and the consumer leads. It is not like it used to be traditionally when the brand gave the idea to the consumers. This is why everyone is interested in social media and why everyone is worrying about it.

Ted Rubin

The company no longer owns the brand; the consumer owns it and they can do what they want with it. Marketers used to be able to put together what they wanted the brand to be and then push out the message. Everything is fast, products might not be relevant in a year and research is in real time. It also enables word of mouth to spread very quickly.

Bob Wright

Companies have lost control of their brand, the brand is now being informed by people and their experience - this resets the perspective. Before a company and brand could to a large extent control what it represented, now it is wide open and anyone can say anything. Anyone can broadcast their opinions and everyone has an opinion, both employees and customers. How to create a brand environment, brand experience and how to have a relationship with consumers is completely different today.

Loosing control

- **What kind of products, companies or industries do you believe have the biggest risk of loosing control of their brand identity?**

Professors

Judy Iskovitz

-

Marc Kalan

People usually want to share information when they have had a bad experience and social media gives the ability of going viral. The consumer's role and voice is going to be magnified by twitter etc. You must be extremely careful what comes out from your brand since consumers believe what other consumers say. I think that food and pharmaceuticals have the biggest risks since people are concerned with things that go into the body, they don't want to take any risks with that.

Sunder Narayanan

Industries and products that people talk about in the public sphere. Not products that people don't want to talk about such as embarrassing medication.

Joel Rubinson

I would say mobile devices, tablets, , automobiles because everyone do their research online. People go online more than go to the store and the online page drives people to your store.

Sahana Sen

This is a difficult question to answer. Consumers are communicating more about products that they like to talk about. Also, products that are of interest for the segments that use social media, products that have younger consumers are more frequently talked about. There is more to it, e.g. consumer packaged goods that people buy often and that people can talk about easy and products that have a lot of emotional elements in the advertisement, this is picked up by people. They talk about ad campaigns such as soda and water etc. that target mostly younger consumers, they talk about what they like etc. The other thing is that if you look at a wider range of products, the opinions of what people think about products will matter to people, what is the ideal product? Movies, music etc. where people can have different taste, people can say something about it and other people do not get impacted at all. It is more about products that have to have a utility, otherwise it is not applicable.

Judy Strauss

Industry leaders and big brands have bigger risks, people like to attack the giants because it generates publicity. Special interest groups attack big companies, for example when Green peace went after Nestlé. It is not really industry dependent except for industries that go against trends. One example is the environmental and green trend that oil and petroleum companies goes against. Companies that don't adopt any green thinking have a bigger risk but in general it is pretty spread.

Sengun Yenyurt

It depends on how customer decides to look at different products, sometimes you are more/less influenced of what other people say depending on where you are in the consumer decision journey. Services are at big risk of losing control since it is hard to evaluate a service before you consume it. People search online and check ratings and what other people say, this is a typical way for how we purchase services. The more difficult it is for customers to evaluate a product the more they care about word of mouth online. High involvement and complicated products are more vulnerable than low involvement and simple products. When buying a phone or laptop, you are more likely to go online to see what other people say compared to buying a toothpaste.

People tell each other when they are very happy or frustrated and want to get back to the company as some sort of revenge. If someone is really happy about a product perhaps you don't want everyone to know about it, like telling just your close friends a secret about e.g. a really good makeup product. Some people say they are very happy with their Armani because they want to brag. There are different reasons and a lot of factors why people choose to share info about products.

Industry experts

Idil Cakim

When it comes to industries the traditional thinking is that social media marketing works best for consumer packaged goods but everyone turns to the web for all sorts of things, investment decisions, anything! We see more examples of consumer products but also car purchases are increasingly affected by online word of mouth. My first thought is CPG brands but it also affects finance and luxury market or manufacturer and retailers.

People are driven by past experience and also want to peek in to someone else's experience. Comments attract attention and smarter consumers know that they can complain online and get that.

Ted Rubin

No one has to lose control of a brand but they have to allow input and let people have opinions. The risk is bigger for companies in the Fashion and beauty industries to lose control but no one cares too much about low involvement products such as deodorant or toothpaste. Every brand manager wants to position the brand as high quality and today you can't sell bad things or get away with a bad movie. A brand manager controls positioning but it is a lot more difficult today, it is hard to apply coolness and you can't just get a famous athlete to wear your shoes. This affects fashion a lot and females are the ones most influenced, there is no social media without women. Men are in there because the women are there but they don't share and discuss in the same way. They look at sports but women will convince her friends that something is a good, especially aspirational products that women want to feel good about.

Bob Wright

There is no difference - all brands are losing control. Restaurants, automobile companies, tech companies... They all have to focus on delivering a great brand experience. Perhaps the government the one thing that is not losing control.

- **Do you have any specific example of a brand that lost their control online, what forums that can be harmful and what effects it had on the brand?**

Professors

Judy Iskovitz

United Airlines was highly affected by the guitar song on Youtube. A tremendous number of people have watched this video (See interview, Sahana Shen).

Marc Kalan

Toyota had serious issues in the USA regarding problems with a pedal that led to car accidents. Market shares and a stock value dropped and they have not yet totally recovered from that incident. Having a safe car is a big concern for consumers and this has become a major issue.

Sunder Narayanan

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Joel Rubinsson

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Sahana Sen

A musician travelled with United Airlines, his guitar broke in the luggage handling and he thought they treated him bad when he complained. He made a music video about it and put it on YouTube. This went on for several months and People started to send it around. A senior employee at United Airlines contacted the person who made the video, Dave Carrol. They tried to negotiate with him but he would not accept a simple compensation, he was not interested in the money. The videos are still online and it has had 17-18 million viewings.

So many people saw this and accepted what was said in it and a lot of people recognized the frustration about airlines and were affected by this negative opinion.

Judy Strauss

Scott Warrant posted an article where he wrote about poor customer service at Home Depot on msn.com, in one day there were 10 000 emails about how bad Home Depot customer service was and 4000 posts about it.

In general I believe that Facebook is the most harmful forum since so many brands are there, since it is the most popular social media and due to the high number of users. Blogs would be the second most harmful one because there are so many people following certain blogs, especially business-to-business blogs. I believe that social media is as powerful for b2b as b2c.

There is also the Nestle case where Greenpeace made a video about the company cutting down forests in order to harvest palm oil for their chocolate, affecting the orangutan's habitat. (See section 3.6)

Sengun Yenyurt

6-7 years ago Chevrolet followed other groups and created a consumer generated media campaign including an advertising competition. Instead the customers made videos with the message "don't buy a Chevrolet because you will harm the environment". This customer generated media approach resulted in negative publicity and the company lost control of it and canceled it. This was on Youtube, before Facebook was around. Chevrolet did not reply to it, instead they tried to downplay it as damage control. They did not want this non-green perception of the brand out there.

Another example is Tiger Woods walking on water . There was a famous response to this video, it was the best, most effective and quickest response I have seen and it transformed a negative image to a positive one! (See section 3.6)

I believe that Youtube is the forum that can harm a brand the most due to the power of videos. It is the most effective media tool since it can show the products in motion. From what I have seen Youtube is the forum that can be most damaging for brands. Social media in general can influence a lot, not directly, but it is a multiplier. This tool can be negative or positive, depending how it is used.

Industry experts

Idil Cakim

Nestle with the Kitkat incident is a good example, Greenpeace claimed that Nestle was using palm oil that ruined the amazon for the chocolate. Nestle responded not so well on Facebook and that created a backlash, now they have invested heavily in a social media team.

Ted Rubin

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Bob Wright

Microsoft is a good example. Their brand is no longer an innovator more of an outdated tech company. They are a follower and not a leader anymore. They are trying to regain the leadership in a variety of mediums. They are using traditional ways but also trying to regain by entering the conversation happening in the blogosphere. They are opening up and talk about new innovation that they usually not talk about. It is not one event causing this, it has been more of a long term losing control process.

This happened because they were drunk on their success and thought they could do no wrong. Now apple might be in the same situation, their might be a backlash for them since they are trying to control music and code. Good guys can become bad guys. Companies that are on the top can become arrogant and think they can do no harm. It will be very difficult for Microsoft to make that shift and regain control of their brand, they now bought Skype which is a huge accusation and that might help.

Google is another example when they entered China. The Google brand stands for “do no evil” They had to pull out from China due to pressure from the world talking about the censor problems. This event damaged their brand; it was based on pressure from the world and fed by the blogosphere.

Gaining control - Recommendation

- **How would you suggest that the company could regain control of their brand?**

Professors

Judy Iskovitz

My view is that they have to be humble and accept that they made a mistake. Respond with a sense of humor, perhaps make an apology song, respond back in the same way.

Marc Kalan

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Sunder Narayanan

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Joel Rubinson

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Sahana Sen

There is one thing to react to the situation and one is to react to a consequence. The customer found himself in a bad place and responded to the company with a lot of thought. United Airlines had someone monitoring social media at that time, it was the early days of twitter and Facebook, and they picked it up fast. They should have put out some kind of apology and not just be one sided. They were posting twitter messages but nothing on their own website and nothing on YouTube. At the time the people on social media might have been a selected group and not a large part of their customer base went on YouTube. However, they could have posted something because once it becomes a big issue you need to react.

Judy Strauss

We don't know how it escalated or if Nestlé have had a possibility to change it. They should have posted and commented on the video, just have respond something like "yes this is a concern we will look into it". Then they should have reported back what the result would be. Show that they did some research about it and say if they can fix the problem or not. People want to have a real response! They should have been honest and not defensive, they could have talked about it and agree that it is a problem.

Companies have to monitor and use a social media dashboard because things happen fast! You need to identify who is detracting and complaining, it can be your biggest customer or competitor. One should look at the strength of the complain that depends on who it is a and what power the person has got. From that one can evaluate if it will grow or not

Then the company should respond in a transparent way! Show appreciation that something has been brought to your attention and use the info. If you make a promise

you need to follow up and respond back if you actually made a change or not.

Sengun Yenyurt

Make your customers happy! If they are not happy they can harm you. Do not mess up, don't lie to the consumers and be careful. Companies should listen and join the conversation, perhaps hire a consulting company that can help them with this. Know exactly what is going on minute by minute!!!

Industry experts

Idil Cakim

They should set up promotions, have a crisis plans and a response team. They should define what is an issue, what to respond to what to ignore. There should also be a legal team, sometimes they never use the crisis plan but it should be there. This plan should be cross-functional and involve marketing, communication, legal, consumer affairs and customer service.

Ted Rubin

Get engaged in the conversation but don't do it if you are not going to listen. Build a relationship with the blogging community, the true powers of social media are the bloggers. Tweets fly through like a river, it is not static. A blog is more static. Figure out where you want your voice and have bloggers test products and company site before launch. Find out what the consumer think? Bloggers will be excited if they get a preview, then they will talk good about it. Don't ask them if you don't take their advice. Make them feel valued!

(Rubin sent out a preview to bloggers and asked for feedback on a website, they had 48 hours to reply and 73/100 answered. They all gave 1-3 pages of comments and their reward was to becoming VIP.)

Bob Wright

The employees should use social media to build relationships and answer questions from consumers. That is how they can form stronger relationships with consumers, to have a few spokes persons. Employees should use social media and answer questions directly. There should not be a chain of command, also other customers can answer questions. One strategy is to create a community and places for people to interact and by doing this they help promote the brand. Some are open source where a whole community has ownership of the brand, the marketing department should be fostering the community. Sometimes the brand forms a community that becomes the brand.

Future

- **How should a strategy look like for companies to avoid losing control of their brand identity in social media from the start?**

Professors

Judy Iskovitz

Be very vigilant, always watch and listen, supervision and response. Do not go to far of the corporate message without the lead being aware of it. Also, monitor if consumers are going to far off the brand message. Companies have to be clear that this is a part of their marketing strategy and what their objective is. Do not just use Facebook instead make sure it is measurable and target the right people, they would not put an ad in NYT if they did not have an objective and how to measure the outcome.

Marc Kalan

They should use blogs since they carry a different level of impact than other social media. There are recruited and paid bloggers that could incorporate a product in a positive light. It should not be done in by itself, it should be part of a larger communication strategy.

Brand managers should incorporate the products to their networks. Networks expand very fast in today's world. Make them put it on their social medias!

Sunder Narayanan

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Joel Rubinson

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Sahana Sen

There is a commercial for Coca-Cola in India that they initiated because they wanted to communicate a specific message. There were rumors going around that that the water used in the drink had arsenic and chemicals in it and that it was harmful. The company made a video that in a humorous way showed a husband and wife arguing about the issue.

It is important to acknowledge that people are talking about and communicate your message, this is a good example since they get a lot of press in developing countries especially.

Judy Strauss

Set objectives with the strategy, define your target market and how they use social medial. Figure out how you would benefit your customers. Keep in mind that this is supposed to engage and leverage your customers.

Sengun Yenyurt

Everyone has lost control, it happens with or without you. Every company has to be involved! Hire people that can help you! Make sure that your quality is good, deliver promises, do not give the customers an opportunity to be unhappy online
Never promise more than the company can deliver, unhappy customers can today hurt you really bad!

Industry experts

Idil Cakim

To maintain a reputation, the company should do proactive listening and only jump in to the conversation when you have something meaningful to add. There is a fine balance. A company should not just push advertising messages, but instead monitor a lot. It is important to be proactive and to know what is going on.

Companies should monitor, listen take lead! If they lose control and their brand is damaged they need an issue communication plan in place where they should communicate with facts and not get in to opinion stated arguments, they should also have the right to remove comments.

Ted Rubin

1. Build an audience at Facebook, Youtube and twitter. Don't wait until you have a strategy. Find competitors and publications, follow people following competitors, follow followers (Twitter). Push out a basic message but listen to what is being said in the industry. Start to listen today!
2. Don't hire a consultant; the CMO has to know about this! Use monitoring program such as socialreport.com. If there is a reputation, see if it catches on. Don't overreact but be responsive! Use social media as a channel for customer service, but it is better to ignore a comment than making promises that cannot be kept.
3. Get people to react to you, find out the passion of your customers, experiment, put out a tweet, see what people like! It is not a big problem if you screw up, see it fast and change.
4. Make it sticky!!! Make sure they are coming back, who re-tweets you? Old audience, new audience? Find out! Engagement and interaction are key! Try to win the customers over and make them become advocates!

Bob Wright

1. Be very authentic,
2. People see through all the bullshit, no more corporate marketing crap, the more authentic the brand can be!
3. Correct mistakes quickly, be focused on being good citizens, don't be greedy, focus on the customers!
4. Do not focus on just selling, instead create an image around delivering information that people care about.
5. Look at the Dove campaign (See 3.6), more about female body obsession, taking a social problem and do social good be an advocate and a voice for these people, sell your products doing that.
6. Don't be US centric! Be seen as a global company and voice

- **What do you believe is the future of social media and branding?**

Professors

Judy Iskovitz

Social media is getting bigger and bigger more companies will come onboard. It will become big also for business to business companies where there are user groups that talk to the company and give suggestions for what to do. This can be a constant activity instead of just twice a year as it often is now. Social media can be sued for so many things. If the key customers were in the same network, they could talk about their issues and the company can act. Older people are using twitter a lot, and this can be used in the b2b space. Facebook is more for kids and LinkedIn is nice but not a way to communicate to a lot of people at the same time.

Marc Kalan

We will see integration of social media into mobile media due to the explosion of smart phones and apps etc.

Sunder Narayanan

It is hard to predict, 5 years ago there were no Google or Facebook etc. Now it is all about networking, increase return to scale, the larger the network the more valuable it gets.

Joel Rubinson

More advertising money will be spent online; today there is no good estimate on what people spend on social media.

The media environment keeps fragmenting increasingly and it can be hard to target the right audience.

Mobile and smartphones will be big and there are huge possibilities through mobile, you can reach customers when they are in your store or neighborhood.

Sahana Sen

The people returning to social media because they wanted more authentic information and conversation, marketers are turning to social media and that space is slowly becoming commercialized. Marketers will use social media for branding more and more and create contests and consumer-generated stuff,

One example is Super bowl where people created add for burritos and Pepsi and people would vote for the best one. If any of them came out in the top they would get a huge monetary reward and be showed on the website.

Judy Strauss

It will continue to grow. Multimedia is the future especially videos, also mobile media is taking off now. It is technology driven. International marketing will increase and companies have to be more aware of different languages. The dominant language will change to Chinese in a couple of years, it will change from only English. Most prime

time TV reaches 20% of the mass market, compared to a much higher number a couple of years ago. People get media from all over now!

The market is fragmented and it is hard to reach the target market. There will be an increased effort to deliver messages to smaller markets.

We will see inbound marketing, which is about how to be found! Push – to pull approach – how do you get found on Facebook!

Sengun Yenyurt

Difficult question. It is amplifying tool and all companies will be involved. It will pass other types of advertisers and merge with other media. TV, radio and papers will merge with Facebook, YouTube etc. They will be interconnected. In a few years they are expecting everyone in the world to be involved in 7 different network gadgets. Social media will be merged with everything, watch and be involved because it is powerful!

B2B will probably be the least affected by social media and more used to share info. If you know something that is good you will not tell your competitors. Prices will not be disclosed, that will be more in professional networks. Personal ties matters in business!

Industry experts

Idil Cakim

I believe in crowd sourcing and that social media and branding will go more and more mobile! Smart phones will be the majority of phones in the US next year, now it is 40% of sold phones. It has not reached its full potential, companies could crowd source ideas and the community can make decisions and build and evolve the brand.

On social media such as Facebook we will see more and more filters. Facebook is such a crowded place and already now you can sort your news feeds. There will be more of this, filtering and subgroups. Watch out for Facebook credits, friends could say that they had a good experience and you can buy by use credits on you PayPal account.

Twitter will be more of an advertising medium. There will be filters for twitter users, it is not just about the number of followers but the concept of influence that will matter.

Ted Rubin

Companies can benefit from social media in many ways. One example is if you want to change a logo, put it out and let people react to it before making the decision.

Tropicana spent a lot of money on a new logotype and then people hated it, now they have changed back. Companies want to do it their way but don't let management overrule, listen to what is being said!

Bob Wright

We are just in the very beginning, there will be Groupon sites connected to Facebook, Facebook is a platform that things can be connected to. Regarding mobile we are in the very beginning, consumers start to learn how to use them with social media. In the third world mobile will be big. They might leapfrog the computer phase go directly to mobile. Go wire instead of landline

Marketing concepts

- **How do you think that social media have changed the following traditional branding/marketing concepts?**
 - **Word of mouth**
 - **Purchase funnel**

Professors

Judy Iskovitz

- **Word of mouth** – It makes it faster and much more intense, instead of the people you normally see in a day now it can be 100 000. It is traditional WOM on steroids. There are specific people in our life that we listen to very much, I don't think that the online WOM is as powerful as talking to friends and family. However, I think we take that more into account than casual people we meet.
- **Purchase funnel** - For me this concept has not changed that much.

Marc Kalan

- **Word of mouth** – Social media has made it so much easier and faster. Now one person can reach 100 000 people instead of 1000. It makes it easy for everyone to share opinions about everything. Consumers will have to scan all of that to know what to believe.
- **Purchase funnel** – Social media impact the way people learn about products, such as restaurant reviews online. The technical process has not changed. The ability to facilitate it has changed. Social media has simplified the process but also complicate it since it gets more complex. Social media is most efficient in the end of the journey in the post purchase phase, when people are evaluation the purchase.

Sunder Narayanan

- **Word of mouth** – Social media has great potential, the ideas go through the network and some people are opinion leaders. Social media lets you identify and target opinion leaders quicker. Common products that people like to talk about such as films, music and vacations. Things that people post on their Facebook sites. I'pad etc. Not commodities – more glamorous products.

People post pictures on Facebook that people want to show off, people like to talk about themselves, but not everything they did. There is a social component to it! Not ex toothpaste but vacation... A group of people in different places but the dynamic is similar to friends sitting in a bar talking.

Purchase funnel - You can get information more efficiently, in some industries that make a big difference. However, there is too much information on the Internet. However, this is where the future is. Things have changed, this

Joel Rubinson

- **Word of mouth** – This has always happened, in communist countries etc. It has always been powerful as a way of communicating brands. Marketers don't focus there on a thing they can do. What they can do introduce product in the store ad on tv magazine etc – to drive WOM – that was great. Not a lot of effort or measure it. Marketers have the ability to create WOM of their brand cause digital create this ability to spread, that could not happen before. Now they can measure it. People talking is local. You can connect with people all around the world. Spread faster to people that are not your friends. Marketers can use it. Brands are becoming increasingly globally. USA all modern trade – while retail in india and china traditional trade. Even though have a global brand cant activate it retail wise in all countries. You need to be there all along – be the ball – if you don't live social media you won't understand the marketer. None are native to social media we are all immigrants.
- **Purchase funnel** – People in digital upper funnel, lower funnel, shopper insight. Stages of your mental stage purchase funnel. Path to purchase – check online , shopping for something different, is more an action oriented concept. Social and digital – planning their shopping trip using

Sahana Sen

- **Word of mouth** – This used to be face to face but what people write online is also word-of-mouth. However, there is an issue of trust! Will people trust other people's opinion? If someone is using your opinion they will have some sort of trust in you. This is difficult when it is an unknown person online. It is interesting with the impact of the product type. If I write a negative review people will believe it more than for a functional product.
- **Purchase funnel** - It is not linear anymore and there is not a step by step process when people are going through different stages. It is more interactivity in this process. There is a McKinsey model of how people

In different countries, how much people trust wom, it seem like people are more in contact with eachother in the development countries. In developed countries people start to rely more on opinions of other consumers. There is so much information available from many different sources, now people can get the same thing form other consumers.

Judy Strauss

- **Word of mouth** – It has expanded and is even bigger then with an email. Social media can be described as word of mouth on steroids and things can spread so much more quickly. It can be used by companies to spread the word online in an “educational purpose”. It is all about convenience for customers.
- **Purchase funnel** – For low involvement products social media makes no difference. For building awareness of products social media is affecting a lot. Such as having a contest where people come up with new products etc. For high involvement products it has a great impact because consumers collect a lot of info before buying them.

Sengun Yenyurt

- **Word of mouth** – Social media amplifies it, it is now a lot more important! It has an exponential take off but will probably slow down within 5 years, right now there is a bubble. 20 years ago word of mouth was more on a limited scale.
- **Consumer decision journey** - The inputs are the same, but there is more information to deal with. The psychology of a decision making process is the same.

Industry experts

Idil Cakim

- **Word of mouth** – Social media has changed it quite a bit. Word of mouth offline has a very strong role. Online word of mouth equals social media. Word of mouth online has a growing impact on consumer decisions. It is different online and offline, people hear online talk offline, they look online and buy offline. There is much more to be researched here.
- **Purchase funnel** -

Ted Rubin

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Bob Wright

- **Word of mouth** - It is completely changed, social media has amplified word-of-mouth. Now it is huge! Facebook, Twitter – Social media is word of mouth. The reach and amplification is huge
- **Purchase funnel** - It has completely disrupted that, you ask people instead of the company. The consumer decisions are happening and the brands are not aware or involved.

- **What opportunities/problems do you see with branding and social media?**

Professors

Judy Iskovitz

The biggest problem is not staffing it appropriately, companies often want people to do it on the side and do not hire new people to do it. It can be difficult to measure return of investment and find out what works.

Marc Kalan

Such a great amount is produced each day. How should people manage or use it? Any data is hard to manage and people don't really know how to utilize social media. People are becoming more and more aware about their time. Will they have time to follow other people? It is a challenge to know what consumers do want to learn and not learn? How do people fast forward to the info people want to have? Things go viral when they are interesting but what is the implication of it? How do I use this to build a relationships with your customers, social media makes this possible but it can be difficult. Making decisions is getting easier and harder at the same time. Social media is actually being used to drive customers to websites by using existing mass media to stimulate drive.

Sunder Narayanan

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Joel Rubinsson

People don't know what they are getting or what the strategy should be like. It is hard to measure ad the strategies are usually very bad. People don't know what they are getting or what the strategy should be like. It is hard to measure ad the strategies are usually very bad.

Sahana Sen

People moved away from advertising on to instead trying to engaging people in their brand in social media, in ways that still feels authentic. Ones that go away the same problems will come to social media as in the other channels. SM is here to stay and people will pay attention to the way that marketers are messaging them. In the future there might be a new way to message and engage consumers. Anything that marketers start using looses its authenticity after a while.

Judy Strauss

Social media enables having customers help to come up with ideas about products, communication etc. There can be contests for creating ads. It gives opportunities for brand extensions.

However, companies need to be staffed to be able to monitor what is said about their brand!

Sengun Yenyurt

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Industry experts

Idil Cakim

It will be difficult to break through the clutter, there is so much going on! It is vey hard to make your voice heard and be extraordinary with a limited budget.

Social media is becoming more accepted as a marketing channel, it can now be measure and get accounted for. It is interesting to measure and see how it affects the purchasing decision process.

Mobile is a great opportunity. Companies have to have a plan and make sure your audience is there before going mobile.

Ted Rubin

Social media should be incorporated with customer service. If there is something that a lot of people call about, colour falling off a shirt etc, put information on social media in order to reach the audience. Give an answer online. People know now that calling customer service often is not helping you and that it is hard to find the right person to talk to. R&D has to be involved also!

Bob Wright

Having customers help to come up with ideas about products, do communication etc. There are opportunities for brand extensions. People can have contests for creating ads etc.

There are huge opportunities. The problem is to control the brand, the world is changing. The opportunity is huge if you can use social media and leverage and embrace from it. Companies should have a voice where the brand comes through, that is a winner.

However, competitors come out of nowhere. There might be consulting companies starting up in India that I don't not know about that will compete with me. Also, mistakes gets revealed instantly and loudly