

LUISS Guido Carli



**MARKETING COMMUNICATION
PHENOMENON WITHIN SOCIAL NETWORKS
AND BLOGS**

A Consumer Prospective

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**MASTERS
THESIS**



Master Thesis in MSc General Management

Title: MARKETING COMMUNICATION PHENOMENON WITHIN SOCIAL NETWORKS AND BLOGS-A Consumer Prospective

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Subject Terms: Marketing, Marketing Communication, Marketing Management, Blog Marketing, Consumer Behavior Blog Marketing, Social Network Marketing, Viral Marketing, Word of Mouth Marketing.

Abstracts

Background:	During the last years, the boom of the Internet has carried along with it new possibilities for communication, in addition, other technological developments of society together act to form a new reality in which companies have to rethink their means for communicating with consumers.
Problem and Purpose:	In a new reality where consumers seem to reap all the benefits of the technological changes, how then, should companies adjust to the changing environment? The purpose of this thesis is to explore how and why consumers use social networking and blogs in their decision making process.

Method:	<p>This thesis is somewhat of a quantitative study, which means that it heavily relies on the consumer responses. What they have responded has played a crucial role in my own formulation of guidance. The consumers are approached by conducting survey in different countries for sake of knowing their different psyche with the help of integrated software.</p>
Conclusion:	<p>Marketing was too much first and fore-most about knowing the consumer and it is very likely that it is from this time that the term “The Customer is King” was born (Creative Match, 2003). However, up until now marketing have continuously separated between sender and receiver, companies have sent their marketing messages, the consumer have received them and acted upon the multitude of messages from different companies. The significance of the consumer being the sender of the marketing message was minimal. Sure, there has always been the impact of word-of-mouth, but its influence was still not powerful enough to generate a great concern for management and I can now surely talk about the consumer as being the king.</p>

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Afterwards, I should thanks profoundly to respected Professor Michele Quintano, Professor Stefano Pelle and Professor Luca Pirolo; who took the time from their busy lives and guided me through the entire process of writing this thesis, you made this thesis possible. Their patience throughout the research is outstanding and their help proved immensely significant in my research. I also want to give big hand to my friends spread all over the world for all of our engaging discussions and the laughs we have shared. I extend a special thanks to Professor Carlo Fei and Professor Alberto Marcati; all respondents who contributed in this piece of research.

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Enjoy your reading! LUISS Guido Carli, 15 June 2010

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EXECUTIVE SUMMARY

The social networks and blogs are gaining a lot of popularity these days with almost all of the educated youth using one or the other such sites and groups. These have played a crucial role in bridging boundaries and crossing the seas and enabling them to communicate on a common platform. It has become a popular and a potential mean for them to stay friends with the existing ones and to grow up their social circle at least in terms of acquaintances. The question regarding the safety, privacy and the legal issues have been cropping up all this time. Through this research I try to find out the impact of social networks and blogs on buy behavior of consumer influencing their personal and professional lives. It is a very subjective question to answer and is very opinion based and the same is reflected in the research methodology adopted by me.

The report is initiated with the definition of the objective followed with the research methodology used along with the research design, sample size, methods used for the purpose of conducting survey. It also incorporates the sampling frame and the data collection procedure. Subsequent to this is the Introduction to the networking sites along with a brief description of the most popular sites. Then the issues of concern which have come up along the way in all these years since these sites gained popularity are discussed. The next part of the research has the literature surveys comprise of different theories, terminology followed by some practical examples. I then analyzed and interpreted the data at length. The last part deals with the appendix including some useful articles and blogs which are the articles I took them from the published reports along with the expert interviews has come up with after carefully analyzing and incorporating the opinion of all concerned.

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UNDERLYING ASSUMPTION

This section is neither theoretical nor empirical, it is rather a combination of the two in which I theoretically support the underlying notions that I myself, empirically, assume. Basically, I believe that all research begins with intrinsic assumptions held by the researcher, thus, I here intend to explain and motivate my own assumptions in regards to the subject of the thesis. However, it is not a matter of loosely formulated notions that I subconsciously suppose, it is rather a well-developed foundation for why I believe that this thesis, along with its research questions, really matter.

CHANGE IS EVIDENT

“Many good ideas now canonized as revolutions took decades to have impact. We are often reminded by those mindful of history that canals, railways, and electrification did not appear overnight.” Chakravorti (2003) in the first page of his book; *“The Slow Pace of Fast Change”*

The current, quite dramatic changes in the marketing communication of brands' products and services are the point of departure of this entire thesis, and I must admit that there is a sense of an underlying assumption that these changes will have a significant and even revolutionizing effect on how businesses communicate in their markets and on how it influence consumer buying behavior as a whole. When putting things in contrast though, this is perhaps not something that one should unconsciously assume. *“Consider television”*, Chakravorti (2003) says; *“...the most ubiquitous of innovations, which took more than thirty years - from GE's first TV program in 1928 to the 1960s – before becoming a true mass medium.”* (The Slow Pace of Fast Change, p.1). Big changes in society are indeed not something that occurs overnight, but nonetheless, technology and society inevitably transform and the pace of this change whatever it may be is naturally subject to variation. It took thirty years for Television to become a true mass medium, Chakravorti (2003) states, but he also mentions that radio, on the other hand, experienced a much more rapid spread. Since the Internet has a central role in the changes that are studied in this thesis, let us take a look on how fast and how widespread its usage actually is. Larry Landweber of the Computer Science Department at the University of Wisconsin,

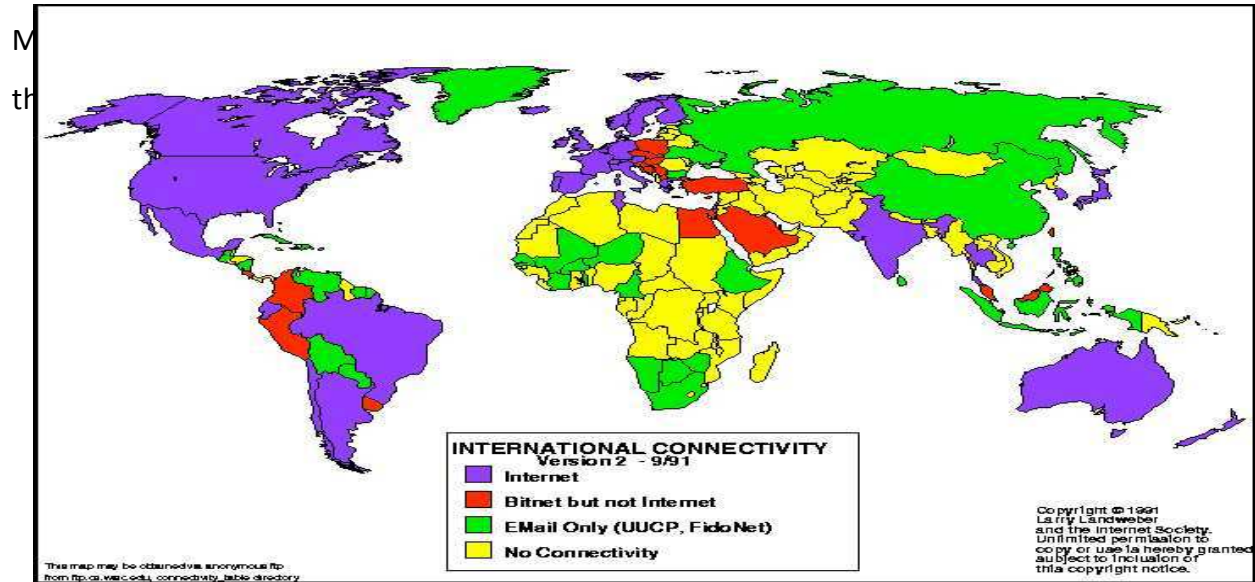


Figure 1.1-Map of International Connectivity, 1991, Scarponi, A. (2005)

The next map is from June 1997 and the vast proliferation after only six years is very evident:

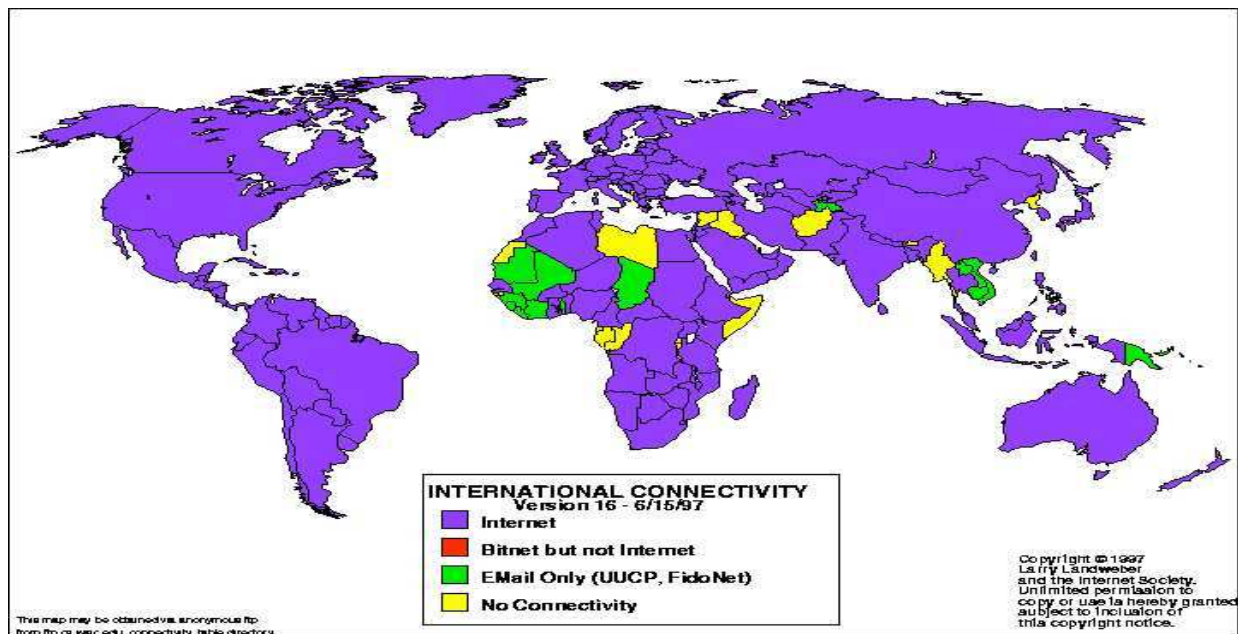


Figure 1.2-Map of International Connectivity, 1997, Scarponi A. (2005)

Even though the last map shows how nearly the entire world is connected, it is still from 1997 and thus quite old. Nowadays the whole world is more or less considered to have Internet access and it is instead the number of Internet users within each country that is studied. Antonio Scarponi (2005) has created an animated map of the world showing the growth of

Internet users from 1993 and predicted to 2015, the following map depicts the predicted Internet usage 2015 and uses a cartogram representation where the size of the country is based on the number of Internet users rather than the geographical area.



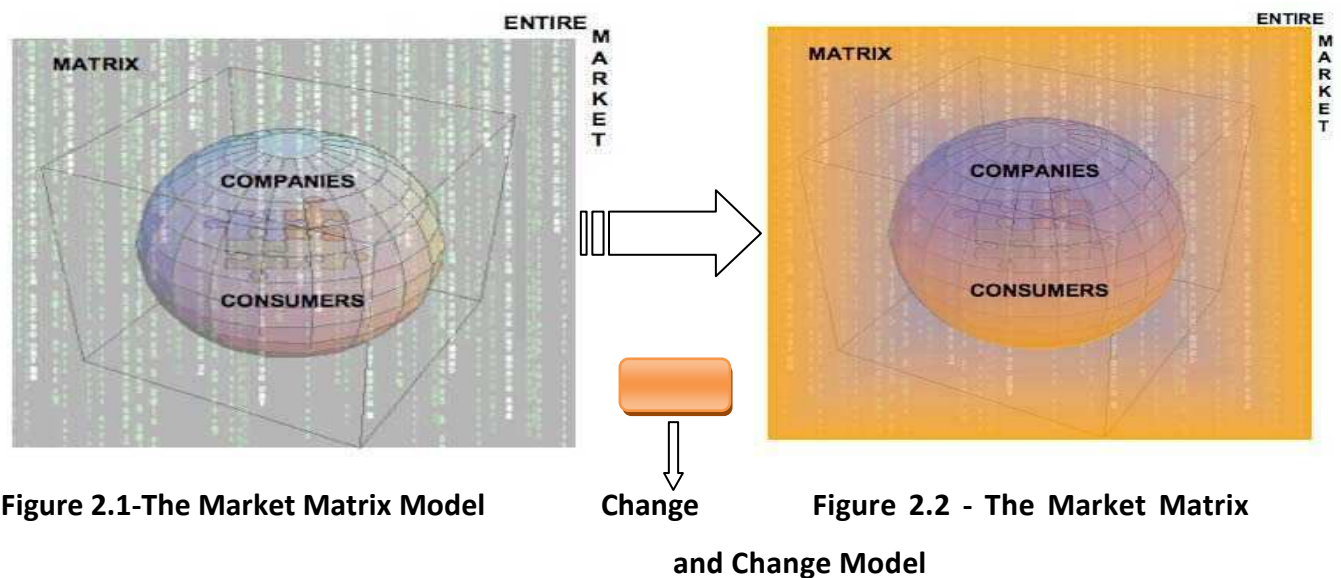
Figure1.3-Internet Users World Map, 2015, Scarponi, A. (2005)

With reference to the study on “Market Communication in the New Digital World, Take the Leap!” – Master thesis in Business Administration by Leo Saleh and Angelica Storck (2005); one can see the evident change through Internet which is extremely widespread, and that its formation was quite rapid, particularly in comparison with that of television which was discussed earlier. The point here is that more internet connectivity means reach to wider audience. Companies can afford to play different games with the minds of consumer by formulating innovative and unique communication strategies to its end consumer. In the same reasoning, I believe that the changes that are explored in this thesis will have a dramatic impact on how companies communicate in their markets, how consumers retrieve information, communicate, buy commodities and receive services in their daily lives. However, it is much more important to realize that the change in communication strategies are actually occurring, and that they are gradually imposing companies to respond as it was made clear in

the introduction of the thesis, and it is thus even more important to try to grasp the changes and try to realize what they imply which is exactly why I have dedicated myself to this thesis.

THE MATRIX OF CHANGE

The very notion of change assumes that something is or will undergo transformation, and of course, this something transforms within a certain context, or matrix, if you will. Logically, this also means that there can be all kinds of variation between the change of the actual thing that is changing, and the matrix in which it is changing, as nothing exists by itself. But enough with the philosophy, the point here is that the changes studied in this thesis do not occur by themselves, but in the matrix which is the entire market of companies and consumers, actually it is the matrix itself that is changing since the media environment is the connective link between businesses and consumers and thus it is part of the context in which they interact. Or to use an analogy; the matrix is the sea in which the business-fish and consumer-fish are swimming. Before continuing, an illustration of this that will be developed further is well situated. In the following figure, the cube holding the bowl is a certain market of companies and consumers, and this cube, or market rather, exists in a matrix that is the environment of the entire market. In this thesis, the matrix is more particularly the media environment that consists of all communication channels between companies and consumers, and it is this that is changing. Let me now add the aspect of change to it and also try to involve the notion of those consumers are faster to responding to the changes that I just have discussed. In the following figure, change is represented by orange and it is evident how the matrix is changing and how consumers already to a great extent have assimilated to these changes, while companies are slower to react.



As I mentioned earlier in figure 2.2 the orange color reflects to communication change taken place between consumer and companies; now the gap is getting narrower day by day. Let me return to the reasoning in the beginning of this section where the I logically deducted that there can be variation between the change of the actual thing that is changing, and the matrix in which it is changing. Other ways of expressing this more pedagogically would be to say that it could be either the consumers that change, and thus compel a response where the companies also change and which consequently means that the entire matrix changes. It could also reversely be that companies change through for example developing new technology, which would lead to that consumers adapt to this and change, which again, leads to that the entire matrix changes. Another possibility, which is the case of this study, is instead that the matrix changes and imposes reactions from both consumers and companies. It should be added that when the entire matrix changes it is, of course, a result of that other constituting parts of the matrix change; these parts are the units that are driving the developments of the media environment through creating new technologies and so forth. When I now continue further into the theoretical framework, bear in mind that the changes you will read about are occurring in this matrix in which companies and consumers exist and interact. As it was implied earlier, the important thing is not that the companies approach towards consumers is changing, but that these changes are altering the way consumers behave.

There is one more change is coming in shape of word-of-mouth which spread like a virus and dominate all the traditional channels of communication. In other words; this change totally demolishes the traditional way of reaching towards customer. For clear picture I will show few icons which may strike to readers' mind for the discussed topic:

Smart Marketers Are Now Rethinking Traditionally Held Views; Another Change You Can Believe In Is Coming!!!!!!

WORD OF MOUTH IS CATCHING ON.....IN ALL ITS
WORD OF MOUTH IS CATCHING ON.....IN ALL ITS



Buzz Marketing



Customer Collaboration



Social Media



Brand Communities



Influencer Marketing



Social Networks



Referral Programs



**User Generated
Content**



**Grassroots/
Cause**



**Experiential
Marketing**



**Viral
Marketing**

Figure 3—Different forms of Words-of-Mouth

INTRODUCTION

This section will guide you into the subject and incrementally lead you to a realization of the problem and the purpose of this entire study. You will also be presented with information on the target readers of the study and some clarifications. The main objective is that after reading this section, you will have a clear insight in what this study is about and that you will be prepared, and willing, to read further.

Few industries are under as much pressure as media, thanks to a growing number of delivery channels and format, consumers have virtually unlimited options when it comes to how and when they consume information. While audiences' appetite for information and entertainment is truly staggering, providers are finding they must spread the wealth in a buyer's market now glutted with delivery points. It's not surprising that enterprises from entertainment, broadcasting and cable companies, to publishers and digital media innovators are seeing once predictable revenue structures give way as consumers get used to information available virtually on demand whenever, however and from wherever they choose to absorb it. Now companies began to realize that the old ways of selling were losing their ways. As competition grew stiffer across most industries, organizations started to peek on the consumer side of the transaction as well. What evolved from there was a new philosophy which suggested that in order to increase sales, companies needed also to understand the needs and behavior of their consumers.

In customer prospective "Content is the King" drives consumer to compel towards product. The Internet connects billions of people across continents and people are actively grouping, discussing, reading, inventing, sharing and trading online. In an environment like this, where people are unlimitedly connected with each other, word-of-mouth, or "word-of-mouse" rather, has a completely new meaning. Social Networks and Blogs have on occasions destroyed company images, plummeted sales, and ruined entire organizations. Companies now have all the reasons in the world to worry about what people think about them. Consumers turned to groups they belonged to, so called normative group, or they turned to groups that they did not

belong to, so called comparative groups. These groups influenced the consumer by providing them with knowledge and by giving them positive and negative confirmation on their choice of purchase. However normative groups also persuaded the consumer to buy products in order to belong to the group.

Wikipedia states that a social network is “a social structure made of nodes (which are generally individuals or organizations) that are tied by one or more specific types of relation” (Social network, 2007). With the rapid growth of people who use or have access to the Internet, social networking websites are a must for the Internet community to stay in touch with each other. Social networking web sites help people keep in touch with old friends make new friends; distribute new data or product, and many more aspects of our everyday lives. The first official social networking web site was Classmates.com which was founded in 1995 (Social Network, 2007). What followed was a slow but steady growth in numbers of social networking websites to the overwhelming number of sites we have today. The reason that social networking websites work so well is that, like their inception, they start of small and then grow exponentially. The site starts off with a few people who then tell their friends about the site, then those friends tell their friends about the site and soon the site is a huge database of users connected by friends, acquaintances, or just random people. The web sites are made to “allow users to create a "profile" describing themselves and to exchange public or private messages and list other users or groups they are connected to in some way.” (Social Network 2007).

Most social networking websites are often designed to fit a certain type of community such as the college community being mirrored by Facebook.com or a music/party community mirrored by MySpace.com. With the rapid growth of social networking web sites and their global scale usage, whatever one feels concerning social networking web sites is irrelevant because social networking web sites are on a popularity rise and are here to stay. Besides this, a pattern of characteristics of the individuals that the consumer blogged with were noticed. Consumers wanted user experiences and thus the vast majority of these individuals they turned to, seemed to be consumers themselves, with relevant product experiences. The consumers also seem to blog more with certain individuals, whose opinions were valued more. These

individuals often shared the latest information on products. Consumers seemed to be selective when reading blog posts. The blog posts needed to contain detailed and up-to-date information. Moreover, consumers wanted blog post to be written by other consumers because they saw them as more credible than companies. The consumers also chose to use social networks and read blog posts that show similarities between the consumer and the blogger in terms of either usage pattern of product or preference for product choices.

BACKGROUND

The phenomenon of social networks and blogs is growing rapidly and is expected to increase even in a more rapid pace (Technorati, 2006). As Wright (2006) discuss; social networks and blogs provides a new way of communicating with customers, as customers want to be talked with, not to. Companies have newly started to pay attention to this and as a result, the concept of Social Network and Blog Marketing has been born. The little research has been done on Social Network and Blog Marketing; only from a company perspective. However, no or little research has yet considered how consumers use social networks and blogs. In order to use social networks and blogs as a marketing communication tools, it is of huge importance for companies to understand how consumers use social networks and blogs in their decision making. Hence the purpose is;

“To explore how and why consumers use social networks and blogs in their decision making process”

In order to answer this purpose I conducted an extensive survey comprises of 10 questions relating to consumer buying behavior influenced by social networks and blogs. The sample size of 100 respondents has been chosen within LUISS Guido Carli, Rome, Italy targeting Italian youth. Later on three more questionnaires formulated for sake of further analysis targeting Spanish, Uzbek and Pakistani youth respectively. From the collected data a quantitative analyze was made in which the empirical findings was analyzed with support of the theoretical framework. From the analysis I found that consumers use social networks and blogs throughout their decision making. Within the consumers’ decision making, collaborative blogs was mostly

used as the consumers could get more input from a larger audience and because this type of social networks and blog tended to cover a specific topic of interest for the consumers. Consumers were found mainly writing in the blogs when they had knowledge to contribute with or when they needed information that they could not otherwise find in the social networks and blogs. Consumers wanted user experiences and thus the vast majority of these individuals they turned to, seemed to be consumers themselves, with relevant product experiences. The consumers also seem to use heavy social network sites and blogs more with certain individuals, whose opinions were valued more. These individuals often shared the latest information on products.

Lastly I found that consumers seemed to be selective to use social network sites and also when reading blog posts. Most of individuals use one social network on regular basis e.g. Facebook user hardly uses the MySpace. With the fact he/she has signed up on every networking site but limited to one specific social networking site because of his or her preference. Peer- influence, community preference, reference group, circle of friends, no. of members, active participation of youth, university portals can be one of the reasons. For instance; Facebook is more popular in Europe on the contrary MySpace is the most used social network in United States; Twitter is getting common in India.

PROBLEM DEFINITION

Ever since the internet was introduced for the general public during the 1990s, people have used it as a source of information. Recent statistics shows that the majority of the population use internet in order to get information regarding products and services. However most statistics available does not tell how the consumers use the internet and what kind of information they search for. There are many different sources of information online, for example company web pages, communities, blogs etc. The concept of online social networking and blogging is a relatively new phenomenon in today's society and it has not really been explored before. Nevertheless, magazines are today filled with articles on the importance for companies to start marketing communication through social networks and blogging and join the communication of the future, if they do not want to lose ground to their competitors

(Lindstedt, 2005, November). The major blog search engine, Technorati, shows some interesting facts on the number of blogs and its growth. In October, 2006, Technorati counted over 60 million blogs and a growth rate of one hundred thousand new blogs per day. This number is expected to keep growing and double every eight month (Technorati, 2006, November 6).

A result of this growth, social network and blog marketing has emerged as a new innovative way to create closer relationship with customers. It has also given the consumers the possibility to discuss amongst each other. Social Networks creates a buzz in marketing like what brands are going to launch; where, how, when and for what. Blog marketing allows not just for marketers to establish closer relationships towards a small segment, but in fact, it can also allow for relationship marketing towards larger segments. This of course only holds if the social networks and blogs have a large audience, but statistics above shows that this is most possibly the case. As I pointed earlier; all research that has been conducted has had the focus on how companies can use social networks and blogs in order to interact with consumers. Something that has not been considered, and has been taken for granted, is the issue of how consumers use these tools in their decision making. Moreover, how consumers consider the information that is being transmitted on the social networks and blogs have not yet been explored. The truth could be that consumers use social networks and blogs in a way that companies have not thought about. The existing use of this type of viral marketing could thus miss its objectives if companies do not know how their audience perceives it.

PROBLEM DISCUSSION

In a new reality where consumers seem to reap all the benefits of the technological changes, how then, should companies adjust to the changing environment? The first step to investigate the modern media environment and find some trends; how it is evolving, and after listening to what some experts within the field think about the future and of what should be done, they themselves endeavored to generate some guidance for companies in this matter. There are several interesting angles to take on the problem discussed above. For example;

- How does the marketing communication process in social networks and blogosphere looks?
- What does the feedback process in communication process look like?
- Which different message contents, structures and format are there in social networking and blogosphere?

I have however chosen to focus on the consumer decision making process and to explore how consumers use social networking sites and blogs in this process. I choose this angle since this area is not very extensively researched. Social networks and blogs provide a new way of communicating with customers, as customers want to be talked with, not to. In order to use these communication tools, it is of big importance for companies to understand how consumers use this new word of mouth communication in their decision making.

There are several views of the theory regarding the consumer decision making process is and how many stages it consist of Blackwell, Miniard, and Engel (2001), define the stages as *need recognition, information search, evaluation of alternatives, purchase and post-purchase*, and this also the model that is adapted for this thesis. The focus on the consumer decision making process in the context of social network and blogs are of importance for several reasons. It is today unclear how and in what stages consumers use these way of communication in their decision making process. An overview of the literature shows that not much research has been done within this subject. Traditional marketing tools such as advertising, sales promotion, Billboards, PR etc have different impact in the different stages of the consumer decision making process. But it is unclear what impact social networking and blogging has in those stages.

By mapping out this information, companies can learn how to use their marketing in a new and innovative way to appeal consumers. One reason is that today there is very little research conducted on social networks and blogs from a consumer perspective. To be successful in social network and blog marketing, I argue that the marketing needs to be shaped in accordance to consumers' social media and blog usage. If companies learn how blogs are used, they can benefit in several ways. For example, they can engage in the viral marketing on the

blogs to create knowledge of their products. They can listen on why consumers prefer competitor's products. As social media and blog marketing is a new phenomenon, existing theory on consumer decision making and market communication might not be completely integrated with social networking and blogging. Thus my purpose is to see how blogs affect consumers in their decision making process.

RESEARCH OBJECTIVE AND PURPOSE

In this age of globalization, the world has become too small a place thanks to the electronic media and portals. Communication has become effective as never before thanks to the advent of internet. The social networks and blogs have also played a crucial role in bridging boundaries and crossing the seas and bringing all people at a common platform where they can meet like-minded people or find old friends and communicate with them. It has become a potential mean to relation building and staying in touch with all known. Hence the objective that I wanted to achieve through our research is to find out the influence of social networks and blogs the personal and professional life of the people- how it affects their buying behavior, what are its uses for each individual and how have they been influenced by marketing communication from companies.

THEORETICAL FRAMEWORK

In this part of the thesis I discuss the relevant theories used as a framework for the thesis in order to be able to reach the purpose. The theories discussed deal with research within the communication models consumer decision making process and the theories available on social media (social networks and blogs). Also I discuss certain issues regarding communication as well as the concept of word of mouth and viral marketing. This section has as its main purpose to explore, grasp, and clarify the communication changes that are occurring in the media environment right now.

MOVING FROM MASS PRODUCTION TO CUSTOMIZATION

Before, in the industrial age, consumers shaped their expectations accordingly to what technology had to offer. They were then more willing and accepted the fact that some product where only offered in a limited number, colors and so forth (Gunther, Mahajan & Wind, 2002). During this period of time, consumers were offered one-of-a-kind items that were available in a small quantity and consumers were given unique products matching their exact need. In the late 1980s the era of mass customization was born and companies could produce products on a large scale and at the same time customize them (Crow & Shanteau, 2005; in Haugvedt, Machleit & Yalch, 2005). Thus with more options available, and consumers who wanted products that reflected their personality, customization was a fact (Gunther, Mahajan & Wind, 2002). Customization delivers a value that is more than just quality and innovation, it is all about adapting and varying the product based on the specific needs and requirement of each individual consumer (Sheth, 2001).

Along with the mass customization and the improved technology that came not only more alternatives for the consumers, but also possibilities for companies to be more efficient. When this shift became a fact much of the focus what placed on the manufacturing technology and not the customized marketing. As the market evolved, the focus changed from impersonal transactions between companies and consumers to close relationships (Gunther, Mahajan & Wind, 2002). When the level of consumer involvement of products made increased companies did not have to guess what the consumers actually needed and wanted anymore. They were

moreover decreasing their inventory of finished products and saved money by not marketing the different product ranges (Crow & Shanteau, 2005; in Haugvedt, Machleit & Yalch, 2005). With the changes on the markets new challenges as well as opportunities arose having new tools available. Tools for making decisions, searching for information and so forth changed the relationship between the consumer and the company. Examples of some of the changes are shifts in purchase power, removing asymmetric information, and questioning the present business models (Gunther, Mahajan & Wind, 2002).

However, as Mohr, Sengupta & Slater (2006) moreover discuss, today's traditional tools and techniques when conducting marketing research such as surveys, focus groups and test markets, are not enough to gain a deeper insight into the needs of consumers. In order to understand the evolving markets and the rapidly changing markets consumers should be observed instead of simply asking them questions regarding their habits. The authors further suggest empathic design which focuses on understanding the consumer's needs through empathy with it and its surroundings. This enables companies to gain a deeper understanding of the consumer and its environment, be updated on the future development of the environment and try to determine future needs that can be satisfied with innovation. Mohr, Sengupta & Slater (2006) also state that companies often share a predictable knowledge of who their consumers are, what their values are and how the company should compete on the market. The more they share this knowledge the more difficult it will be for them to differentiate themselves on the markets. In addition to this they end up competing on the basis of improvements in quality and/or costs. That is why, in order for marketers to create new market space, there is a need to have a new approach towards the process of marketing communication for sake of accessing wider audience. If marketers learn to find the direct contact with the consumers they will find these markets and opportunities to guide consumers instead of simply following them.

CONVERGENCE AND THE CONVERGING CONSUMER

As stated by Gunther, Mahajan & Wind (2002), with the today's technology, consumers have more possibilities, alternatives and information to choose from than ever before. In comparison to how it used to be with marketers producing for a large market, consumers

nowadays can design their own customized products by connecting and sharing information through social media. There are different types of consumers, those who want a standardized product and those that prefer customized and other times both. Gunther, Mahajan & Wind (2002) presents three examples of a consumer:

A TRADITIONAL CONSUMER - *"I agree with John. Give me a break with all these options already. I've got places to go. I just want to walk into the retailer and pick out a mobile I like. There are enough standard offerings to satisfy me. Besides, I happen to like black."*

THE CYBER CONSUMER - *"Get with it, John. I'd like to acquire some information from the ground up, ask from my friends using this mobile, I will read blogs to know the functionality of the mobile instead of picking up like you blindly. By the way, I want it now. Got it?"*

THE CENTAUR - *"The answer is not black and white. Sometimes I want to roll up my sleeves and search the product and other times I want you to recommend a set of options. Like a dinner in an expensive restaurant, I'd like to see the menu and wine list, but then ask the waiter what he recommends. I want mobile when I know what I want and when it is important to me. Otherwise, I'll keep buying off the shelf. I want both customized and standardized products".*

According to Mooij (2004) as people around the world are becoming wealthier and better educated, their consumer taste also diverges. The theory of convergence discusses the fact that along with industrialization and modernization nations are becoming more and more alike. This even though there are historical, economical, political and cultural differences between them. Bohlin (2000) defines convergence as blurry borders between computing, media and telecoms. He also adds that at the same time as competition increases due to the standardized boundaries, the need for cooperation is also created through convergence. However, as market players will with time become more and more aware of the consumers' needs, defining convergence will become less important.

Convergence benefits both the consumers as well as the producer. For example an increase in purchasing power, the development of global media and advances in telecommunication technologies are aspects of consumer behavior due to convergence. Aspects brought up when it comes to convergence in marketing are an increase in demand for convenience and health

products, an increase in buying of services, convergence of distribution systems and convergence of expenditures in advertising (Mooij, 2004). In addition taken the fact that convergence takes place on different levels; technology, business/industry and service levels, it opens door for both the consumer and the producer. Example of the level of technology digitalization has made it possible for different devices and different networks to carry out similar functions. It also enables what used to be separated traditional sectors to enter each other's areas. Digitalization interconnects wireless, cable TV, satellite, telephone and so forth in one system, which in turn makes joint services possible. With this we are able to make telephone calls from our televisions, watch television on our PCs and download movies from the phone lines in our home. From the business level perspective convergence appear in the form of alliances and mergers between market actors, which would have been unthinkable just 10 years ago. The last and final one of convergence is the service level where new ranges of services are offered. This includes information services, interactive entertainment and electronic commerce. In other words, as expressed by Bohlin (2000) it is a large demonstration of many technologies brought together as a new medium, which in turn widens the borders.

CONVERGING TO THE END CONSUMER

Bohlin (2000) states that in order for convergence to be successful, consumers have to be the center of attention or be the driving force of development. This so that consumer value is created and work is concentrated towards that. In addition to this the possibilities of what consumers can do with technology also has to be enhanced. With this in mind consumers will benefit through the wide range of choices of platform independent services available at a lower cost. This so that consumer value is created and work is concentrated towards that. In addition to this, the possibilities of what consumers can do with technology also have to be enhanced. With this in mind consumers will benefit through the wide range of choices of platform independent services available at a lower cost. However, even though personalized services are more easily accessible, convenient and possibly cheaper than the traditional services, consumers are not all won over that easily. Factors such as trust, loyalty and branding are something that the author believes has to be established to a further extent to gain the consumers confident when dealing with online exchange. Intelligent agents will come to play an

important role when acting as intermediaries helping consumers find the products wanted at the best price. For middlemen and smaller local retailers this is bad news since consumer will not need their services anymore that instead will go to the companies offering low cost products due to the economics of scale. The author finalizes the discussion by stating that as it becomes easier to compare prices intermediaries will turn towards offering consumers services and value more in the form of convenience, complete offerings and quality.

IMPACT OF MEDIA ON THE CONSUMER

According to Aksoy, Bhatnagar & Malkoc (2004) cited in Schrum (2004), the need for companies to find new ways of reaching the consumer has made them gain interest in using nontraditional ways of communicating to the consumer. The convergence of persuasion through commercials and entertainment media is one solution, which Aksoy (2004; in Schrum, 2004) identifies as a blurry communication. Sponsors pay for hidden messages that are placed in the features entertainment. Blurred communications have mostly been placed in movies and television programs, now however it is also used in books, newspapers, music, magazines and so forth. Based on this fact the interest in product placement has increased enormously between researchers and practitioners of marketing. Aksoy (2004; in Schrum, 2004) furthermore argue that when the long-term survival of companies is at stake, they work only towards making the consumers aware of, interested in and finally accepting the offer. Therefore the companies, given the circumstances with high competitive environment, they shower consumers with persuasive messages in order to create, strengthen and change the attitudes and behavior towards purchase. For the companies to get their message out to the consumer there are a number of available media to use such as television, radio, magazines, newspapers and many more. In addition to this, the strength of the message, the credibility of source and media used, how the message match the content, receivers involvement and so on will in turn have an effect on the memory, forming of attitudes and persuasion of the consumer.

As Lewis, Phelps & Raman (2005; in Haugtvedt, Machleit, & Yalch, 2005) states it is clear that marketers who used to be in the center of marketing communication are now replaced by

consumers and where information flow is now more freely shared between the relations of consumer to consumer, from consumer to business and from business to consumer. The largest of these groups and the most amount of is the consumer-to-consumer group since so many people today have access to the Internet. This in turn is of great benefit for marketers who can customize and develop their messages towards the consumers who then share these with one another. There are many predictions of what the future holds when it comes to online advertisement. When comparing different types of media; there are benefits in favor of them all. Print media has the benefit for consumers in the sense that they have an unlimited amount of time to read the advertisement in a newspaper and the possibility to save it and bring it out on a later occasion. The down side to this though is that the consumer can also decide to spend no time what so ever reading the advertisement. Television has some great benefits by having advertisement, which includes movement and sound. The consumer cannot however store these to look them later and they are not able to determine the rate at which they chose to watch them. The medium of social networks and blogs includes both prints as well as television advertisement. To what extent consumers take in these advertisements though is an important determinant. Another one is the amount of time a consumer spends in front of the computer and how used they are to for example banners.

THE CYBER CONSUMER

Marketing communication on social networks and blogs is beneficial for both the marketers as well as consumers based on the interaction that is formed between the consumer and the website. Social media is, in comparison to other communication channels, a relatively new one. It offers people to search and share information for everything from entertainment, commercial exchange, sense of community and business has responded to this medium very quickly. The reason to why the social media is so successful, as it has a high level of interaction where people control what type of information they want to see, the number of times, the amount of time spent in doing so and in an order chosen. Consumers also benefit from using the social media by searching for information concerning products and services of their interest without so much as leaving their homes. They can at the same time choose what advertisement they want to ignore or what type of advertisement that interests them.

Consumers can furthermore control the content of information that is available and offered to them as well as search for competitor's offerings and compare information with low cost and time invested to it (Roehm & Haugvedt, 1999; in Schumann, 1999).

Ever since the commercial uses of Internet in 1994 came about, consumers are on a daily basis subjected to product advertising on the Internet. Along with an increase of the amount of banners, commercial emails and buttons, the communication between consumers is also increasing to a far extent. In turn this shared information online helps consumers to influence each other and product purchases (Boush & Kahle, 2005, in Haugvedt, Machleit & Yalch, 2005). Social media marketing differs from traditional marketing in the sense that it more mass oriented and that it does not disturb the consumers, as much and it can be sales efficient. Another technology that many people believe will be an important tool in the future, with regards to the consumer use of the Social Media, is the use of mobile phone. According to Accenture (2001; in Haugvedt, Machleit and Yalch, 2005) there will be more handsets than personal computers used for access to Internet in 2006. Kent, Lynch & Srinivasan (2005; in Haugvedt, Machleit and Yalch, 2005) also add that along with this the wireless networking can come to offer consumers an unlimited range of shopping, businesses, travel, security, entertainment and convenience. In addition they believe that the future of mobile marketing will hold, unlike yesterday's mobile phones with small grey screens, phones will have devices which offers full scale color in order to watch videos. In addition to this they will have screensavers, networked mobile games sponsored of course with advertisement that will offer the consumers discounts, events and promotions on request. Marketers will furthermore be able to target specific segments such as teenagers, families, and business users and so forth with information packages.

MEASURING CONSUMER ACTIVITY

Companies can evaluate information needed by seeking the behavior of consumers on different Social Media platforms such as social networking sites and blogs. It furthermore pin point larger target audience instead of smaller communities. From the consumers point of view these systems do not threat the personal integrity even though they hold a certain amount of

personal information and characteristics of the individuals such as gender, age and postal codes. This is after all information that companies have gathered through the willingness of consumers who have entered their data. Although companies may come to use this information for other purposes other than the initial one, consumers can be safe in the fact that the privacy laws will not be broken by the companies.

NEW REALITY OF THE GLOBAL DIGITAL WORLD

Now, having discussed the changes in the matrix itself and in the way consumers behave as both a result and cause of it, let us wrap it all up through investigating how companies and managers are affected and how their new reality looks like. Wind & Mahajan (2001) describe a complex, dynamic and chaotic world where the environment is changing so quickly and unpredictably that by the time a rigorous and "optimal" solution is developed, it is just as quickly made obsolete. Here is an excerpt from their book "Digital Marketing" (2001) that is so good that I have chosen to present it to you in its entirety:

"Digital technology has opened new channels for selling products. It provides the consumer with a previously unimaginable quantity and quality of information in an easily accessible form. Consumers can sort products based on any desired attribute: price, nutritional value, functionality, or combination of attributes such as price/value. Consumers can use it to obtain third-party endorsements and evaluations, or they can tap into the experience of other users. Digital technology has put the consumer in charge, creating a fundamental shift in the dynamics of marketing. Empowered by technology, consumers are unforgiving. Pity the poor company that fails to see this or refuses to play by the new rules." (p. 3)

Indeed, if one would describe the current transformations with one characteristic it would be that consumers are gaining increased control and empowering abilities. Consumers now have the ability to talk directly to companies as well as about them. Having gained the power of a worldwide forum that is the Internet, consumers can impact brands, products, and services on a global scale, without even stepping out the door. They also have the power to be more selective, skipping or ignoring what they do not want to engage with (Price Waterhouse

Coopers, 2007). In the Price Waterhouse Coopers Advisory report "How to capitalize on Lifestyle Advertising in a consumer-centric world" (2007) they quote Amy Banse, president of Comcast Interactive Media, as saying that *"With the true emergence of an on-demand world, consumers are going to be able to control content like they never have before, they have so many more options available to them now it's the consumer who is king."* (p. 3)

However, in the same report they also bring up that it is not only the consumer who is the winner in the global digital world, they write that: *"On the other hand, brands that are transparent in their consumer service, communications, and advertising strategies can reap substantial competitive advantage from this two-way transparency and enhanced consumer insight. This feedback loop arms brands with a tremendous amount of new consumer information and enables them to respond in a more relevant and personal way. Advertisers, content providers, and distributors can monetize this wealth of information. Thus, what was once a one-way, static dialogue with the consumer is now a network of dynamic conversations? Consequently, campaigns built entirely around broad messages, faceless audiences, and mass distribution is becoming a thing of the past."* (p. 9) Price Waterhouse Coopers' consumer focus groups (2007) also indicate that the single most powerful factor for making people engaged in a product or a brand is the entertainment value of the advertising, quality, innovation and creativity when it comes to the content of advertising is becoming more critical for making people noticing the ad or ignoring it. Audiences now have the tools to aggregate, filter, and promote the media they personally want to experience with the use of personal media configuration technologies such as Real Simple Syndication (RSS). Along with their newfound ability to talk back to companies, consumers are consequently becoming their own media networks. User-generated and shared content forms the back-bone for websites such as Flickr and YouTube, and while the life spans of individual sites may differ, nearly all media and advertising executives agree that user-generated content is definitively not a fad (Price Waterhouse Coopers, 2007).

CONSUMER BEHAVIOR

In the preface of the book "Consumer Behavior and Culture: consequences for global marketing and advertising", Mooij (2004) defines consumer behavior as:

"The study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas, or experiences to satisfy needs and desires".

In this definition the consumer behavior is perceived as a process where factors that influence the consumer before, during and after a purchase is included (Mooij, 2004). Solomon (2004) agrees to this definition and explains further by saying that consumer behavior is an ongoing process, not merely the moment when a purchase is placed and the consumer pays for the good or service; it is a continuous interaction between the consumer and the producer. The question to be asked is why advertisers, managers and other professionals within marketing should care about the behavior of consumers. The answer is that in order to fulfill consumers' need, a basic marketing concept, marketers' need to have a good understanding of the specific consumer. What determines if the consumer need is fulfilled to the outmost extent and if the marketing communication strategy is a success is the consumer response. How consumers respond is highly influenced by actions taken by marketers (Solomon, 2004).

In today's society marketing stimuli surrounds us in stores, on advertisement displays, in newspaper and magazines, messages with the help of music, on TV and of course the internet. With the available technology the numbers of ways marketers can reach consumers are many (Solomon, 2004). There are two concepts regarding social networks and blogs "opt-in" and "opt-out"; I thus offer a brief explanation here. Opt-in is when a company, as you probably have experienced, asks for your permission to send you e-mails of interest or let you know when something that you are interested in will be available again, for example. "Opt-out" is simply the opposite; when you delete yourself from a mailing list or prohibit a company to contact you without permission, for example. "Buying Behavior is the decision processes and acts of people involved in buying and using products". Consumer Buying Behavior refers to the buying behavior of the ultimate consumer. There are three major types of consumer buying behavior are:

- Routine Response/Programmed Behavior
- Limited Decision Making
- Extensive Decision Making

CONSUMER DECISION MAKING PROCESS

The consumer decision making process, when it comes to goods, consists of mainly five steps according to most researchers within the field (Blackwell et al. 2001, Statt 1997, Kotler 2005). Although not everyone uses the same terms, they talk about the same phenomena. The steps included in the model are; *need recognition, information search, and evaluation of alternatives, purchase and the post-purchase process*. These steps will be explained more in details further below. Before getting to the decision making process there are more aspects that need to be considered such as other factors that affect the consumer in their purchasing process. However, some aspects will only be considered briefly, as they are not used extensively in the thesis. They are however mentioned in order to provide a background and to show that there are more aspects than only the decision making process that affects consumers. First of all, consumers are affected by what Blackwell (2001) call the individual determinants and by what Harell & Frazier (1999) call physicals factors. Even though they name the concept differently, they all talk about the same thing. The reason for why this influences affect consumers, is since the consumers are different, have different experiences and motivations, therefore, they will interpret things differently. Also consumers differ in available resources and knowledge which will further affect their decision.

Another aspect that affects the consumers is the environmental influences. This is what Blackwell (2001) and what Harell (1999) call societal and social factors. Here the researcher talk about external factors that affect consumer, such as culture, social class and reference groups, but also the influence of the family and other individuals by whom the consumer is affected. The reason for why this aspect of reference groups is very important is since this is a very general phenomenon, almost all individuals strive to some extent “fit in” heavily affect consumers. Also the information provided by these groups tend to have high credibility, depending on the consumers need to belong.

Lastly, consumers are also affected by their degree of involvement (Harell 1999). Involvement is the degree to which the consumers perceive the purchase to be of importance to them, and how complex they find the purchase situation (Blackwell 2001). The more complex the purchase is the more effort will be needed from the consumer in order to make a good decision. Whereas the opposite, a non-complex decision will not demand very much from the consumer. The involvement in turn affects the way in which consumers will learn about the products. Since a low involvement purchase is fairly routine consumers do not engage in a very extensive information search on the product, they mainly gather their information passively. A high-involvement purchase will demand more from the consumer and they will be more motivated to actively search for information.

STAGES OF CONSUMER DECISION MAKING PROCESS

The consumer decision making process presented below, in figure 4 and in the following sub sections, provides a general description on how a purchase decision is made. Consumers does not necessarily go through all the stages for all the kinds of decisions they make, and neither do they always go through the stages in the very specific order that is presented below.

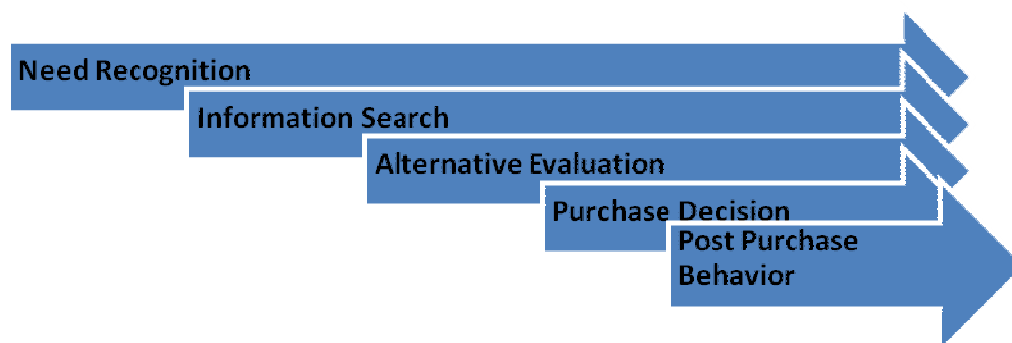


Figure 4-Consumer decision making process, (Laudon and Traver, 2007)

NEED RECOGNITION - The need recognition stage is the very first step in which the customers encounter a need for something. This occurs when there is a gap between the actual state and the desired state, that is, a difference in what they have, what they want to have and want to be. But Statt (2001), amongst others, argues that the gap between these two situations is not reason enough for consumers to take action. For consumers to act on this difference the need must be strong enough to motivate action as well as the consumer must have the ability to

reach the desired state. This includes having available resources, concerning time and money etc. The need is not only affected by the gap between the desired and actual state, but it is also affected by the fact that these two stages changes. Consumers change their desired and actual state as they live their life.

INFORMATION SEARCH - The information search can be divided into two main categories; internal and external search (Blackwell 2001). *The internal search* focuses mainly on what the consumer already knows, based on previous experiences and learning (Wells & Prensky 1996). Statt (1997) argues that the internal search is based on either undirected internal search, which is when consumers learn without intention to, and directed internal search, which is when consumers actively search their memory in order to find a solution to their need.

The external search takes place when the internal search is not sufficient, in cases where consumers do not possess the knowledge needed to make a good decision. Also this search can be further divided into two subcategories, the pre-purchase search and the ongoing search. The pre-purchase search is external search conducted due to a coming purchase; whereas the ongoing search is conducted more regularly over time due to a great consumer interest in the subject, or just to develop a larger knowledge base in areas where purchases might occur in the future. There are some different opinions regarding the classifications of the *ongoing search*, whether it is internal or external. One could say that it is internal since it will be retrieved from the memory at the moment of purchase, but also it has been gathered externally for the purpose of a future purchase. In this thesis I have used the definition from Blackwell (2001), and thus classified the ongoing search as an external search. The extent to which consumers will engage in the search for information depends on the impact of the purchase. If it is a high involvement product more search will be made whereas low involvement purchase will demand less amount of search (Blackwell 2001).

EVALUATION OF ALTERNATIVES - At this stage consumers evaluate the alternatives. Since not all possible alternatives can be evaluated consumers have to narrow their choices. The

alternatives that are evaluated are the ones that consumers either knew of from before or the ones they learned about in their external search, and that they believe can meet their criteria. These alternatives make up the consideration set (Wells & Prensky, 1996). In order to be able to differentiate between the alternatives in the consideration set, consumers must evaluate them on the criteria they perceive being most important, they have to implement a decision rule. Depending on the involvement of the purchase and the number of attributes that the consumers evaluate, this can differ hugely depending on the consumer and the type of product (Statt, 1997). According to Blackwell (2001) there are mainly two categories of decision rules, either non-compensatory evaluation strategies, where a failure to meet one of the criteria not can be offset by exceeding another, and the compensatory evaluation strategies, where a perceived weakness in one criteria can be compensated by a huge strength of another criteria. Another aspect to be considered in consumer decision is the use of heuristics; this is mentioned both by Wells & Prensky (1996) and Blackwell (2001). Heuristics are “rules of thumb” that are used by consumers in order to shorten the decision process and make it easier for themselves to make decisions.

PURCHASE DECISION - At this stage of the purchase process consumers consider the questions whether to buy or not, but also more detailed questions regarding the purchase such as when, what, how and where to buy (Blackwell 2001). According to Kotler (2005) consumers can change from the intention to purchase to the purchase decision. This is due to attitudes of others, people around the consumers of which acceptance is important to the consumer, but also due to unexpected situational factors, that is external factors that disrupt the purchase. According to Statt (1997), the main factors that influences the purchase today is the decision of how and where to buy. At the end of the purchase process is the stage of consumption which also is included in the purchase stage, this deals with the actual usage of the product/service. The consumption stage mainly deals with questions regarding when, how, where and how much that is consumed (Blackwell 2001).

POST PURCHASE BEHAVIOR - At the post-purchase stage consumers have used the product and their experience from the product will now serve as feedback into the next time they will purchase a product. Depending on whether or not the consumer's expectations were met by the products perceived performance; they will be either satisfied or dissatisfied (Kotler 2005). Both Statt (1997) and Blackwell (2001) argue that it is of great importance that consumers' expectations are met. A positive experience will foster repeat purchase and positive word of mouth, whereas, a negative experience will create consumer discomfort and may also result in negative WOM, which tend to be spread even more than positive word of mouth.

REFERENCE GROUPS

Reference groups play an important role in the consumer decision making process. It refers to; a person or a group that an individual refers to for comparison in their decision making (Blackwell 2001, Antonides and van Raaij 1998, Wells and Prensky 1996, Mowen 1993). According to Wells and Prensky (1996) a consumer can have many different reference groups at one time and choose to turn to different reference groups depending on the situation. Although the researcher used different terminology they mainly speak about three broad aspects on how groups can affect consumers. The first one is what Antonides and Raaij (1998) and Blackwell (2001) name as norms and what Wells and Prensky (1996) name *image*, that is that groups provide norms on what is generally accepted and how consumers should behave to be accepted in the group. Secondly, name *value-expressive*, which is how the consumer is perceived by the group. The third aspect is *informational influence* which occurs when the consumer does not have enough knowledge to make the decision. Within a group there are several roles and positions; a role consists of the particular behaviors expected of a person in a position. Thus, when a person takes on a role, normative pressures apply influences on the person to act in a particular way (Assael 1992).

STATUS - refers to the position the person has within the group. High status means greater power and influence. Products sometimes are purchased to demonstrate status in a broader social sense. For example elegant suit and an expensive car can be status symbols (Assael 1992). Consumer socialization is the process by which consumers obtain the knowledge,

dispositions and skills required to enable them to participate as members in the society (Mowen 1993). The degree to which reference groups actually affect consumers depends on several things, such as the consumer's desire to belong to the group (Antonides and Raaij 1998) or the credibility of the group when it comes to providing information (Wells and Prensky 1996).

THE POWER OF THE REFERENCE GROUP

The influence that a group has on an individual is closely related to the group's power. There exist several different kinds of power that has been identified as affecting consumers buying behavior. Three aspects are particularly relevant for marketing strategy: expert power, referent power, and reinforcement power. An individual who exerts expert power need experience and knowledge in the certain subject in order to affect the consumers. The consumers need the person with expert power to have credibility and to be more knowledgeable or experienced with the product. The identification with members of the group is the base for referent power. When consumers have a close similarity in terms of social situation, beliefs and attitudes to the members of the group, the group can affect consumers with referent power. The person is either a member of a group or may aspire to belong to the group. This desire to belong make the consumers eager to adapt to the norms and values provided by the group (Assael, 1992).

There is one more aspect of influence that has a major impact on consumer's decision making is reinforcement power. Kohli (1989) discuss that reinforcement power is the ability to mediate positive and negative reinforcements. It consists of reward and coercive power. Assael (1992) discuss that this phenomenon is based on the group's ability to confirm the individual's purchase. Social groups can confirm the purchase both through rewarding (reward power) or criticizing (coercive power). Compliments on purchased products provided by a relevant group member reinforce the consumer's choice and is thus an example of reward power. Groups that have reward power may also have coercive power over the individual. Coercive power is a negative confirmation of the consumer's purchase. This means that the group disapproves with the individual's choice, and thus encourages him/her to reconsider their purchase. The greater the value of the group, the greater is its power to express dissatisfaction and even criticize.

TYPES OF REFERENCE GROUPS

There are many different kinds of social groups. As stated above, it is possible for a consumer to belong to several groups and also to turn to different group depending on the situation. Here below is a short description of some general features for reference groups;

COMPARATIVE GROUP - is a group that the consumer does not belong to. This group is according to Blackwell (2001) just another source of information in the consumer's decision making.

NORMATIVE GROUP - is much stronger in their ability to affect consumers; it provides norms and values that set the standard in behavior and ownership. The *normative influence* can be seen as more binding and more severe than the comparative groups. The normative members are more affected of products beliefs, taste and preferences and have a more direct influence on consumer decision making. Previous research has shown that the outcome of this is that these groups are more likely to buy the same brands (Assael 1992). However, more recent research (Blackwell 2001) suggests that the normative pressure is declining in the western world since the new generation is putting their own needs before the group, thus prioritizing themselves.

VIRTUAL GROUP - is based on online encounters, and is thus not necessarily based on geographical proximity. They are normally also based on similar interests, and serve as an online meeting point where people can meet and discuss their main interest. Blackwell (2001) also argues that the information flow amongst the group members are often less inhibited, as people dare to be more honest when not meeting face-to-face. Also they argue that the subject can span over a very large width, including all possible subjects. The tools used to communicate for these virtual groups can in many cases be a collaborative blog.

COMMUNICATION

In business, companies are required to communicate with their customer and have a strategy for the implementation of the chosen approach (Kotler 2005). Communication is the transfer of information between the actors participated in the process and is a central part of marketing. Communication with customer can take many forms, such as advertising, mailed brochures,

sales promotion and personal selling etc. The marketers are often those who conduct this communication. They are often perceived as people with something to sell; they express what is good, great and irresistible with the product/service (Varey 2002). Communication theory of today mainly comes from the same model, namely the linear model of communication by Wilbur Schramm in 1955 (Fill 1999). According to him, and his model is today generally accepted by major researchers, communication consists of;

- A source that is sending the message.
- Encoding of the message into terms that can be easily understood and interpreted by the target.
- A signal, which is how the message is transferred.
- Decoding of the message, which is the recipients trying to understand the message.
- A receiver, which is the individual who receives the message.
- Feedback, this is the receiver's feedback to the sender.
- Noise, which is the distortion of the process, which might make it harder for the receiver to interpret and encode the message.

Many researchers have made their own definition of the types of communication and the roles of the participants. But their theories can be summarized as follow.

TYPES OF COMMUNICATION

ONE-STEP FLOW OF COMMUNICATION - In traditional mass marketing, information is directed only in one-way, from the company to the target audience - the consumers (Fill 1999, Harrell 1999, Ottesen 2001). Mass marketing is defined by Kotler (2005) as non-personal communication since the message is carried without personal involvement. At this stage all the consumers are exposed to the same message at the very same time. This message can take the form of printed media, images, radio etc. Fill (1999) argues that with mass communication there is a large part of the population that does not consider the message sent, either because of noise or simply since they are never exposed. As this step did not completely cover the personal communication that takes place in the market, the following types of communication were developed.

TWO-STEP FLOW OF COMMUNICATION - In a two-step flow, information goes from the sender to certain receivers, (opinion leader & opinion formers), that in turn reach the target audience through interpersonal networks (Fill 1999). However, Blackwell (2001) adds to this, in that the mass communication also reaches the target audience and that the opinion leaders and formers are there to strengthen the influence of the message. However, opinion formers and leaders can also be used in order to reach targets that were missed by the traditional mass communication.

MULTIPLE-STEP FLOW OF COMMUNICATION - This model was developed since the two-step does not consider the information flowing between individuals in the target audience. Neither does it includes the communication between the original senders, via a consumer, to the opinion leader and then passed on to other consumers. The multiple-step of communication also adds the function of gatekeepers, who are people in a position able to decide whether or not the target audience will be able to take part of the message. So basically what this adds is the function of more information flowing, which also can be considered Word-of-mouth (Blackwell et al 2001), but also the fact that targets that missed the information from both the marketing source and the opinion leaders/followers, now face a third possible influencer, their peers.

Kotler (2005) calls this kinds of communication personal communication, since it is communication between two or more individuals, and also since this information cannot be controlled by the company. I mentioned above seem to agree that today the *multiple-step flow of communication*; that is the interpersonal communication, is of great importance. I also agree that the *one-step communication* mainly works as an “eye-opener” for consumers.

CHARACTERS IN COMMUNICATION

Except from the above discussed participants in communication, sender and receiver, there are also some important characters that need to be discussed in order to understand the impact of communication;

OPINION LEADERS — are people in a position from where they are able to heavily affect individuals. They are often targeted by organizations to pass the information on to the rest of the

consumers (Fill 1999). Katz and Lazerfeld (1955) showed in a study that opinion leaders tend to affect the target even more positive than if the message was sent from the original sender. According to Corey (1971) opinion leaders are trusted and informed people who exist in normative groups, where they are more active and influence on the other members than the regular member. Opinion leaders are often a role model of opinions within their group which means they can be the most important influencers on marketing effort through oral or written communication to their readers or listeners. Research has shown that the opinion leader and the opinion follower often tend to be rather similar in lifestyle and social class. It is also important to notice that opinion leaders do not have to be a “leader” in all subject, but only the very subject in which he/she possess great knowledge (Blackwell 2001). Corey (1971) argues that opinion leaders are significantly more involved in their main interest compared to regular members and that they are more informed about new developments in within their interest. Finally the extent to which opinion leaders reads in the media, related to their topic is significantly larger than among the regular members. Another important characteristic of the opinion leaders is that they normally have more self-confidence than their followers and also are more socially active (Mowen 1993). This goes very well with what is stated before that opinion leaders being willing to share information, and actually like being in the center of attention. According to Glock and Nicosia (1963) the opinion leaders act not only as a channel of information but also as a starting point of social pressure toward a particular choice. The opinion leader also works as a social support to reinforce the choices once they have been made.

OPINION FORMERS – these people have the same power in affecting people as opinion leader. However, opinion formers are given the power to affect due to their powerful position, which could be due to authority, education etc, whereas opinion leaders more is “selected” by their surroundings (Fill 1999).

OPINION FOLLOWERS – are the vast majority of the population, they gather their knowledge from the opinion leader and followers but also directly from the mass communication (Fill 1999).

NETWORK VALUE OF CUSTOMERS

Customer value is usually defined as the expected profit from sales to that customer, over the lifetime of the relationship between the customer and the company. Customer value is of critical interest to companies, because it determines how much it is worth spending to acquire a particular customer. However, traditional measures of customer value ignore the fact that, in addition to buying products himself, a customer may influence others to buy them. For example, if, in addition to seeing a particular movie myself, I persuade three friends to see it with me, my customer value with respect to that movie has effectively quadrupled, and the movie studio is thus justified in spending more on marketing the movie to me than it otherwise would. Conversely, if I tend to make decisions on what movies to see purely based on what my friends tell me, marketing to me may be a waste of resources, which would be better spent marketing to my friends. It is known as the network value of a customer the expected increase in sales to others that results from marketing to that customer. Clearly, ignoring the network value of customers, as is done in traditional direct marketing, may lead to very suboptimal marketing decisions. But, while the existence of network effects has been acknowledged in the marketing literature, they have generally been considered to be unquantifiable, particularly at the level of individual customers. This is what is changed by the data sources now available. Some models are available which enable brands to measure the network value of a customer. For each customer, company model how probable that customer is to buy some product, as a function of both the intrinsic properties of the customer and the product, and of the influence of the customer's neighbors in the network. By performing probabilistic inference over the joint model of all the customers, these models show you the desired results e.g. If brand market to particular set of customers, what is the expected profit from the whole network, after the influence of those customers has propagated throughout?" Using this capability, the model has the ability to search for the optimal set of customers to market to, in the sense that marketing to this set will yield the highest return on investment. Intuitively, model look for the customers with highest network value, market to them, and reap the benefits of the ensuing wave of word of mouth.

FACTORS THAT INFLUENCE NETWORK VALUE

What makes for a customer with high network value? Clearly, high connectivity in the network should help, but there are other factors, which our model identifies. First of all, it is important that the customer like the product, preferably a lot. Customers who have high connectivity but dislike a product can have negative network value, and marketing to them should be avoided. The latter assumed that the most it had to lose by marketing to a customer who did not like the product was the cost of the marketing, which is typically small per customer, and thus marketed even to customers whose chances of liking the product were relatively low. Another key aspect is that, to have high network value, a customer should influence his acquaintances more (ideally much more) than they influence him. If influence is symmetric, there is no advantage in searching for the most influential customers. Fortunately, asymmetric influence is widespread in practice, and our approach takes advantage of it. While in various fields there are well-known opinion leaders (e.g., celebrities), our approach makes it possible to identify them at the local level. The third (and perhaps most important) aspect is that a customer's network value does not end with her immediate acquaintances. Those acquaintances in turn influence other people, and so on recursively until potentially the entire network is reached. These acquaintances should in turn like the product and have many other people they influence. A customer who is not widely connected may in fact have high network value if one of his acquaintances is highly connected (for example, an advisor to an opinion leader). One consequence of this model is that word-of-mouth marketing may not be effective in some markets, because the requisite networks of influence are not present. While this is known at a high level for some market types, many startup companies have failed by investing heavily to unleash network effects that never materialized. Conversely, trials for some products, like cash cards and interactive television, have resulted in "failure" because giving the product to a small sample of isolated customers does not allow network effects to take hold, and this was not appreciated. When the data is available, this model makes it possible to measure these effects precisely and make correspondingly better decisions. Another interesting consequence of this model is that it may pay to lose money on some customers, if they are influential enough. In traditional direct marketing, customers only receive an offer if the expected profits from them

exceed the cost of the offer. In viral marketing, giving a product for free to a well-chosen customer could pay of many times in sales to other customers.

SOCIAL MEDIA

In the 1990s, the balance of power began to tilt as the internet made it fairly straightforward and cost effective for organizations to market directly to consumers, bypassing traditional media to some degree. The web went from simple, informational websites to e-commerce platforms dishing up sales directly to end customers. But in what is now "traditional" e-commerce, interaction between customers and the company was often limited to ordering, online support, product information downloads and customer service email information. In more recent years, the web evolved to Web 2.0, presenting exciting technologies to encourage information sharing and collaboration. Websites where users can network online, share videos and photos or write their opinions or an authoritative description of a topic have all become part of the Web 2.0 landscape. These new media technologies collectively called social media provide new opportunities for individuals and companies to publish information and seek feedback.

In August 23, 1999, Blogger launched as one of the earliest dedicated blog publishing tools. At that time, social media was considered a niche activity on the fringes of the Internet. But today, Blogger is the 16th most popular site on the Internet, hosting millions of blogs. In a span of three years, Facebook has grown to over 200 million users, and Wikipedia, for all practical purposes, has replaced Britannica as an encyclopedia. Social media is today the most important phenomena transforming the Internet. There is more to it than the phenomena, though. It also presents unique marketing opportunities, which force marketers to revisit the core guiding principles of marketing while providing new ways to reach social influencers and allow for people to influence each other and do the marketing for the brand. Social influence marketing (SIM) forces companies to rethink how they market online, to whom they market, and how to structure their own organizations to support these new marketing opportunities. For anyone involved with social influence marketing and Internet marketing, more broadly this is indeed an exciting time. Because it's such a hot topic, the press and the experts alike are quick to frighten

marketers and introduce new terminology that confuses rather than enlightens and explains what social influence marketing is and how companies can harness it to achieve their objectives as a marketer. It also aims to help companies to prioritize what's important and what isn't. The social influence marketing space is changing rapidly; social influence marketing touches all parts of marketing and all parts of the Internet, too, (from traditional Web sites to social platforms to the mobile Web), based on consumer own experiences. The way people influence each other online and impact purchasing and brand affinity decisions is similar to the way they've done for thousands of years in the real world. The technology is finally catching up, and social influence marketing is fundamentally about allowing and encouraging that behavior to happen in a brand-positive manner online, too. This thesis also guides the reader social media matters to marketers and how companies can harness it to directly impact your own marketing efforts in meaningful ways.

A common misconception about social influence marketing is that it's fundamentally about marketing on social platforms such as Facebook, Twitter, MySpace, and YouTube. Social networking is very much the practitioner's part, explaining the nuts and bolts of SIM campaigns, including planning for them, managing participation, seeding viral video clips, and tips and tricks for turning a crisis to your advantage. Social Media is about People, Technology and real-time Conversations. Social media marketing is a form of internet marketing. It is about Communicating, participating, socialization of information. It is about reading, writing, creating, and sharing of information. Social media is Editable, Fast, Historical Popular, conversation "*Old Marketing Is New Again with Social Networking*". There is a need to understand Social Influence Marketing for sake of reaching to audience and their influencers on the major social platforms. It can be done by marketing via niche networks and online influencers by measuring the size of the social web, blogosphere activity, and social network usage. Social Media Marketing communication is an alternative to traditional media. Here are a few ways:

ENSURE TIMELINESS - With social media, consumers have to wait for editorial or ad schedules, or for an editorial decision about when a story is ready for release. Consumer can distribute

information about companies when it's fresh and potentially most useful to customers and other stakeholders.

ENHANCE ACCURACY - Even the top publications in the world have to make retractions at times when inaccuracies creep in to stories that have been published or broadcast. Companies control the message being released, they can ensure its accuracy and that it communicates the message they want.

ESTABLISH EXPERTISE - What better way to become an expert on a particular subject than to write about it frequently and develop a following of readers? Many software companies notably *Microsoft* encourage their employees to blog about the programs they work on to connect with users and to become the "go-to" person for that subject in the online community. Business related blogs establish credibility for the writers, who are perceived as leaders in their industries. Any company can repeat this model to position its employees as experts, raising visibility for products and the company itself.

EXPLOIT MORE CHANNELS - When brands are working with traditional media, they might be constrained by a budget that limits companies to a few ads or a single press kit. Because social networking channels are no or low cost, brands can distribute information in many ways, increasing the potential audience for companies' message.

TELL TERRIFIC STORIES - Not every product story will "stop the presses" or appeal to a broad enough audience for an editor or producer to pick it out of the potential stories for the day. Because social media enables you to bypass the traditional story selection process, you'll be able to get the word out, fast. You can tell stories that appeal to a broad or narrow audience. Even if you have a miracle story that might only have a potential audience of one, you can get it out there to reach that potential customer.

Social Media is a combination of outbound Marketing and inbound marketing. *Outbound Marketing* comprises of Telemarketing, Email Blasts, Direct Mail, Print Ads, TV / Radio ads,

Trade shows. On the other hand *Inbound Marketing* follows SEO / SEM, RSS, Viral videos, Free tools/trials, Blogging and Social Networks.

TYPES OF SOCIAL MEDIA TOOLS

Before beginning a marketing communication of any type it is a pre-requisite to know what tools are available, what tools are required, and a clear understanding of how to use the available tools. Social Media offers numerous tools of varying types to businesses and consumers, knowing what are available, which Social Media tools companies should be using to achieve their marketing objectives and how to use the tool for their business's project can be confusing to even the savviest *Social Marketer*. The speed at which tools come to market and head to obsolescence is astounding as is the sheer number of Social Media Tools available. To evaluate or even describe the tools available would be an enormous undertaking however, achieving a reasonable working understanding of the various types of ***Social Media Tools*** available to company business is more realistic and achievable. The primary marketing communication objectives of Social Media is to converse and engage with customers and potential customers to achieve a desired result which may be a sales or sales lead or improved customer satisfaction. Social Media uses various media types to engage and interact with consumers including text audio, video and photographs. Companies are even using virtual and gaming communities to interact with consumers. Company's products, services and target market will impact on the type of ***Social Media Tools*** beneficial to marketing communication of organizations; so companies are thinking outside the box of new ways to leverage these tools for their marketing communication.

Social Networks - Social Networking Tools enable companies to open new channels of marketing communication with consumers and business prospects. Digital Social Networks are the new town square, the new Chamber of Commerce meeting, it is where consumers and fellow business owners are congregating, and it is the new contact point between businesses and potential and existing clients. The growth in Social Networks is across the board MySpace, Facebook, Twitter and of course LinkedIn are all experiencing phenomenal growth in monthly unique visitors and offer the ideal location to connect with potential and current customers.

Content Publishing - “Content is King” and this is unlikely to change. Content publishing covers a vast array of tools and applications, consider how brands get their own information and brands will begin to have a reasonable understanding of the range of tools available to publish and broadcast your company’s message.

PRIMARY SOCIAL MEDIA PUBLISHING TOOLS

EMAIL / NEWSLETTERS - Email and Newsletter have expanded to offer extensive connectivity with the advent of Mobile technology, enabling businesses to broadcast their messages and consumers to retrieve and read emails virtually anywhere.

FORUMS - Forums offer companies an effective method to engage and carry on conversations on specific topics and interest. Forums have the ability to create and develop a close knit, trusted community

WIKIS - Wikis are web based applications enabling users to develop, edit and to distribute their knowledge on the topic of their choice. Companies are beginning to leverage the power of Wikis to lower training costs, product development and to retain various types of procedural business information.

BLOGS - Blogs are the most effective, easiest and most popular ***Social Media Tool*** to develop; communication and conversation, and to create an environment of trust between your business’s and current and potential clients and customers. There are numerous free Blogging tools available all offering templates and the ability to instantly start publishing your content. Blogs are available from sites such as Wordpress and Bloggers where all company needs is a user account and you can begin your life as a Blogger, Wordpress among others offer a self-hosted version which offers even more flexibility and is the ideal choice for business blogging.

AUDIO / PODCASTS - Without a doubt Podcasts enable company marketing communication message to be heard, it is not text, it is not a photograph, it is a personal recording of company’s message which can be recorded on company computer / upload to company server and enable those interested to download and listen to on their computers. Humans have used

verbal communication since the dawn of time to spread ideas and to influence others. iPods and other digital storage devices and mobile phones enable your audience to take your message with them, listen in the car, going for an evening walk, wherever they choose, they can listen and absorb your message and information. Podcasts offer convenience to your audience and the power of verbal communication to your business.

VIDEO SHARING - Video is hard to match for providing an engaging experience, it is visual, it is audio and hopefully it is unique and creative. Video has come to the forefront of Social Media; the popularity of You Tube is proof of this. Video enable companies to visually communicate with their target audience in their blogs, shared on You Tube and wherever companies' audience wants to view their videos on their iPods or mobile phones, offering them unlimited opportunities to connect and enthrall their audience. Creating and uploading Video is low cost and easy (shame I'm camera shy). An added bonus is Video is currently providing excellent results for the Search Engine Optimization of your web site.

MULTIMEDIA PRESS RELEASES - These are a twist on traditional press releases, including multimedia content and delivered by various means. Most large companies now have a "Press Room" section on their website where members of the media can go to download various forms of content, including text-based information in Portable Document Format (PDF) format, photos and video.

MICRO BLOGGING - Best suited for those companies who are concise and want to build a conversation and converse with others and build close networking bonds. 140 Character micro blogging messages such as those on Twitter may be the ideal Social Media solution. The immediacy and portability of micro blogging using online applications in conjunction with mobile devices is possibly one of the most powerful Social Media tools. Followers and followed develop online communities and networks based on interests and previous friendship and associations. Find the Micro bloggers interested in your company product and services and begin the conversation and soon, providing companies' offering a meaningful message they will soon have a following they can leverage and engage.

Although these are the primary tools types of ***Social Media Tools***, it is by no means a comprehensive list of the ***Social Media Tools*** available to company marketing. However, these ***Social Media Tools*** are the primary tools companies will need to learn and understand, to leverage the power of Social Media for effect marketing communication.

SECONDARY SOCIAL MEDIA TOOLS

Having a complete set of Social Media Tools and using them to their maximum potential is without doubt beneficial to your Social Media program. Social Media like Search Engine Optimization is a holistic process where all factors are utilized to achieve the projects goals. In such a competitive market place as businesses face today, companies must use all the tools available to assist in obtaining the competitive edge. The Blog Post “The Tools of Social Media” provided an overview of the principle Social Media Tool Types which are the primary tools of any *Social Media Program*. However, additional Social Media tools are available, understanding and using these tools will assist in the process of developing and running a Social Media Marketing Program that is effective and achieves companies’ business goals.

PHOTO SHARING - Photo Sharing due to its popularity could be classified as a primary Social Media tool however, although they say “A picture is worth a thousand words” I classified Photo Sharing as a secondary tool as I consider Photo Sharing offers less interactivity than for example, Blogging, Video or Social Networks. Photo sharing has limited potential for numerous businesses, SEO / Social Media Consultants, Accountant and others offering professional services would find it difficult to share relevant photos which promote their businesses. Other businesses such as the Fashion industry, Real Estate and of course Photographers are very likely to find huge benefits in developing a Social Photo sharing program.

LIVE CASTING - Live Casting is both Internet Radio and TV. Web sites such as Blog Talk Radio and Justin.tv enable companies to create their own online Radio or TV show on the topic of their choosing. Creativity, controversy and informative broadcasts on the Internet have the ability to develop a large following for them and their business. To determine public opinion, develop

ideas and products what could be more powerful than an interactive online radio program such as talkshoe.com.

VIRTUAL WORLDS - One principle of Social Media and Social Networking is companies should active in the same space as the consumer. With the popularity of virtual worlds such as Second Life (Linden Labs Estimated Second Life Population 7.5 Million) computer generated virtual world have the potential to connect with consumers and product users. Many large corporations such as *IBM*, *Sony* and the *NBA* are finding virtual worlds such as *Second Life* offer an effective method to engage and communicate with consumers.

GAMING - Online Gaming has developed numerous global communities where gamers compete and interact in games. In many ways Gaming is a virtual world with the competitive edge. Gaming offers businesses limited Social Media potential in the form of close interaction between company and consumer. However, Gaming Software developers do offer the ability to advertise to this demographic from within the gaming environment which may have benefits for companies' business depending on the demographics of their desired consumer.

SOCIAL BOOK MARKS / AGGREGATORS - Social Book marking sites such as *Digg*, *Delicious* and *Reddit* in conjunction with aggregating sites such as *Technocrati*, *Netvibes* and *Google Reader* offers different methods to accumulate information for easy retrieval and later use. From book marking a web site, to following news topics which are important to companies' business, to automatic RSS feeds of information from numerous web spaces Social Book marking and Aggregation tools will assist you to keep abreast of what's happening online and share and access this information with ease. These tools often offer an insight to trends and the opinions of the general public on an endless variety to topics, services and products.

RICH SITE SUMMARY (RSS) - Managing and keeping up to date with the web content that is important to companies are not always easy when content is delivered by numerous sources. RSS enables the subscription of content from Blogs, news sites and a variety of web sites which update their content regularly and have the content delivered to their RSS reader or integrated

into web pages. RSS is also a valuable Social Media Tool to enable company to broadcast updated content to web site visitors and subscribers.

SEARCH ENGINES - Social Media regardless of some opinions has not decreased the importance of Search Engines, in many ways Social Media has increased the need of effective search by users and the ability to be found online by businesses. The reason for this is simple. Social Media and Web 2.0 is primarily about *User Generated Content*, which has caused huge volumes of content to be developed daily which has the effect of making it even more difficult to find the information consumers are looking for and more difficult for business web sites to be found on the Internet. When considering the importance of Search as a Social Media Tool, evaluate how companies' own personal search habits have changed with the increase in Social Media popularity.

COMMUNICATION - Communication tools are not new to Social Media, instant chat from *MSN, Yahoo and AOL* has been around for years. However, new Social Media Tools are constantly developed which assist with communication and collaboration business to business and business to consumer. A couple of my preferred Social Media Communication Tools:

SKYPE enables users to have video calls; conference calls all free when computer to computer and access any land line or mobile phone for extremely competitive rates.

GO TO MEETINGS is becoming an increasingly effective and popular Social Media Tool for providing Webinars, sales presentation and empowering business to collaborate online reducing travel costs significantly.

SOCIAL MEDIA MONITORING

The monitoring of Social Media programs is important to determine the effectiveness of the initiative and ROI which is so important to businesses. Tools such as *Radian 6, Dialogix and Streamwall* offer services to follow your online Social Media efforts by following *blog post comments, Twitter and Facebook* dialogues to mention a few. The complete set of Social Media Tools available is close to limitless and daily, new Social Media Tools arrive. Social Media is still

in a growth stage requiring experimentation and learning. Selecting the correct Social Media tools for company business requirements will take investigative skills to determine what works best for their situation, but most of all making Social Media work for their business is about commitment and believing in the effectiveness and power of Social Media.

SOCIAL NETWORKS

Social networks and their internal connections have been studied intensely by scholars within the social network analysis (SNA) area. This research field is not new (it originates from the 1940's and had considerable size in the 1970's), but it has gained renewed interest from different disciplines due to its practical implications within organizations and the rise of social networking sites. Ideas such as 'six degrees of separation' and experiments such as the small world experiment gained more significance by the rise of social networking sites and the usability of social networks within management theory. This paragraph will give a short overview of social network theory. It does not have the intention to be comprehensive, yet it will elucidate some relevant elements for this study.

A social network is a network of people. People within those networks are connected when they have any certain relationship together (Haythornthwaite, 1996). Social networks can be typified by their scale-free character. As Barabási and Bonebeau (2003) mention: "some nodes have a tremendous number of connections to other nodes, whereas most nodes have just a handful. The popular nodes, called hubs, can have hundreds, thousands or even million links. In this sense, the network appears to have no scale". These connections of interpersonal relations are based on informal bonding characteristics such as values, visions, friends, relationships, and have a substantial influence on people's personal and professional life (Cross, 2004). "A typical social network analysis uncovers and tracks the number of links among individuals in any of these networks, the frequency with which people communicate, the relative significance of their communication, and the number of people through which a message passes" (Kleiner, 2005).

SOCIAL NETWORKING

A social network is a social structure made of nodes which are generally individuals or organizations. *Social Networking Online* creates a passionate community of registered users and repeat visitors, allows users to interact with the website and to share their opinions. Users can have their own page of bookmarks (favorites) for friends to see. Social Networking Service - Social software specifically focused on the building and verifying of social networks for whatever purpose. Many social networking services are also blog hosting services. A social networking service empowers the user to share their own content, opinions, and links users and ideas together very easily.

NETWORKS AND NETWORK STRUCTURE

Social networks also provide rich sources of naturalistic behavioural data. Profile and linkage data from SNSs can be gathered either through the use of automated collection techniques or through datasets provided directly from the company, enabling network analysis researchers to explore large-scale patterns of finding, usage, and other visible indicators (Hogan, in press), and continuing an analysis trend that started with examinations of blogs and other websites. For instance, Golder, Wilkinson and Huberman (2007) examined an anonymized dataset consisting of 362 million messages exchanged by over four million Facebook users for insight into finding and messaging activities. Lampe, Ellison, and Steinfield (2007) explored the relationship between profile elements and number of Facebook friends, finding that profile fields that reduce transaction costs and are harder to falsify are most likely to be associated with larger number of friendship links. These kinds of data also lend themselves well to analysis through network visualization.

SNS researchers have also studied the network structure of Friendship. Analyzing the roles people played in the growth of Flickr and Yahoo! 360's networks, Kumar, Novak, and Tomkins (2006) argued that there are passive members, inviters, and linkers "who fully participate in the social evolution of the network". Scholarship concerning Live Journal's network has included a Friendship classification scheme (Hsu, Lancaster, Paradesi, & Weniger, 2007), an analysis of the role of language in the topology of Friendship (Herring et al., 2007), research into the

importance of geography in Friending (Liben Nowell, Novak, Kumar, Raghavan, & Tomkins, 2005), and studies on what motivates people to join particular communities (Backstrom, Huttenlocher, Kleinberg, & Lan, 2006). Based on Orkut data, Spertus, Sahami, and Buyukkokten (2005) identified a topology of users through their membership in certain communities; they suggest that sites can use this to recommend additional communities of interest to users. Finally, Liu, Maes, and Davenport (2006) argued that Friend connections are not the only network structure worth investigating. They examined the ways in which the performance of tastes (favourite music, books, film, etc.) constitutes an alternate network structure, which they call a "taste fabric."

SOCIAL BOOKMARKING

A web based service, where shared lists of user created Internet bookmarks are displayed. Social bookmarking sites are an increasingly popular way to locate, classify, rank, and share Internet resources through the practice of tagging and inferences drawn from grouping and analysis of tags. Social Bookmarking Services includes *Delicious*, *Digg.Com*, *Furl.Com*, *Jots.Com*, *Technorati.Com*, *YouTube.Com* (Video) and *Flickr.Com* (Images).

DIFFERENCE B/W SNS AND SBN

Social Networking Sites allow users to host and publish their own content. Each member has a content management system they can publish content on. *Social Bookmarking Sites* allow users to share and publish their opinions, favorites and bookmarks. The most popular bookmarks are viewable by the entire community.

SOCIAL NETWORKING SITES

This study uses Boyd and Ellison's (2007) definition of social networking sites as "web-based services that allow individuals to;

- construct a public or semi-public profile within a bounded system,
- articulate a list of other users with whom they share a connection, and
- View and traverse their list of connections and those made by others within the system".

While I use the term "social network site" to describe this phenomenon, the term "social networking sites" also appears in public discourse, and the two terms are often used interchangeably. "Networking" emphasizes relationship initiation, often between strangers. While networking is possible on these sites, it is not the primary practice on many of them, nor is it what differentiates them from other forms of computer-mediated communication (CMC). What makes social network sites unique is not that they allow individuals to meet strangers, but rather that they enable users to articulate and make visible their social networks. This can result in connections between individuals that would not otherwise be made, but that is often not the goal, and these meetings are frequently between "latent ties" (Haythornthwaite, 2005) who share some offline connection. On many of the large SNSs, participants are not necessarily "networking" or looking to meet new people; instead, they are primarily communicating with people who are already a part of their extended social network. To emphasize this articulated social network as a critical organizing feature of these sites, we label them "social network sites." Every person in the world acts within communities. Examples are neighbourhoods, schools, football clubs and bands. On the web, people engage in online communities. Online communities have existed since the beginning of the Internet and contain communications mediated by various computer technologies. While online communities were niches in the beginning of the Internet (e.g. Usenet, Arpanet and Listserv), it became one of the trendiest words at the end of the 90's (Dyson, 1998). One of the social communities that have boomed in the last few years, are social networking sites (also referred to as social network sites, social network software or social network services). These social software systems are aimed at organizing and maintaining relations.

The main difference between social networking sites and previous digital interactions is their scale and graphical character. Social networking sites changed the landscape of online communities in the beginning of this millennium by visualizing users' social connections, conversations and interactions and extending this on a global scale. Nowadays, most Internet users are subscribed to social networking sites, often more than one. Due to this scale, valuable mass-scale knowledge can be created by combining users' knowledge and input (Tapscott and Williams, 2006). By simplified user interfaces, social networking sites make it easy to share and

create information for users. As such, social networking sites can establish valuable networks for knowledge sharing in a professional context. This is already being done in a light form within medical applications (Luo, 2007) and in organizations' research phases (e.g. IBM's Beehive). Although social networking sites are now almost completely embedded in social activities and lives, they have only existed since 1997 with the start of Classmates and Sixdegrees and did not reach a considerable size until 2002 with the founding of Friendster (Boyd and Ellison, 2007). Systems such as social networking sites provide capabilities to engage in social networking and maintaining social relationships in addition to physical interactions.

Although there is general agreement on the features and characteristics of social networking sites, there exists a difference of opinion on the differentiated classification of them (Beer, 2008). While the exposition of 'social networking sites' and 'social network sites' seems identical, there is a difference in the definition of 'network' and 'networking'. Where 'network' can have a broad interpretation, 'networking sites' are applications where networking is the main activity. Within this definition of social networking sites, some classifications can be made, although they are not formally recognized yet. De Jonghe (2008) classifies social network sites into: business networks, friends' networks, dating networks, niche networks, video/photo networks and mobile networks. For instance, networks such as *Napster and YouTube* can be placed within the concept 'social network site', but networking is not the main activity within those networks, so they cannot be labeled as 'social networking sites'.

Social networking sites often have the same basic features and techniques: "network of friend's listings (showing a person's 'inner circle'), person surfing, private messaging, discussion forums or communities, events management, blogging, commenting (sometimes as endorsements on people's profiles), and media uploading" (Breslin and Decker, 2007). Within these sites, a variety of communication possibilities are present. These can be divided in four main characteristics: user to all (e.g. *weblogs or blogs*), user to user (private messaging (PM) or email), community discussion (e.g. *bulletin boards, forums or wikis*) and real world events (communication around event listings) (O'Murchu, Breslin and Decker, 2004). Since social networking sites are integrated into everyday life, they are intertwined with actors' offline and

online interactions. As such, “the everyday sense of friend can often be the SNS friend” (Beer, 2008). Within these relationships, trust is one of the critical components that have to be present to establish valuable connections and relationships.

HISTORY OF SOCIAL NETWORK SITES -THE EARLY YEARS

The first recognizable social network site launched in 1997. SixDegrees.com allowed users to create profiles, list their Friends and, beginning in 1998, surf the Friends lists. Each of these features existed in some form before SixDegrees, of course. Profiles existed on most major dating sites and many community sites. AIM and ICQ buddy lists supported lists of Friends, although those Friends were not visible to others. Classmates.com allowed people to affiliate with their high school or college and surf the network for others who were also affiliated, but users could not create profiles or list of Friends until years later. SixDegrees was the first to combine these features. SixDegrees promoted itself as a tool to help people connect with and send messages to others. While SixDegree attracted millions of users, it failed to become a sustainable business and, in 2001, the service closed. Looking back, its founder back, its founder believes that SixDegrees was simply ahead of its time (A. Weinreich, personal communication, July 11, 2007). While people were already flocking to the internet, most did not have extended networks of friends who were online. Early adopters complained that there was little to do after accepting Friend requests, and most users were not interested in meeting strangers. From 1997 to 2001, a number of community tools began supporting various combinations of profiles and publicly articulated Friends. AsianAvenue, BlackPlanet, and MiGente allowed users to create personal, professional, and dating profiles users could identify Friends on their personal profiles without seeking approval for those connections (O. Wasow, personal communication, August 16, 2007).

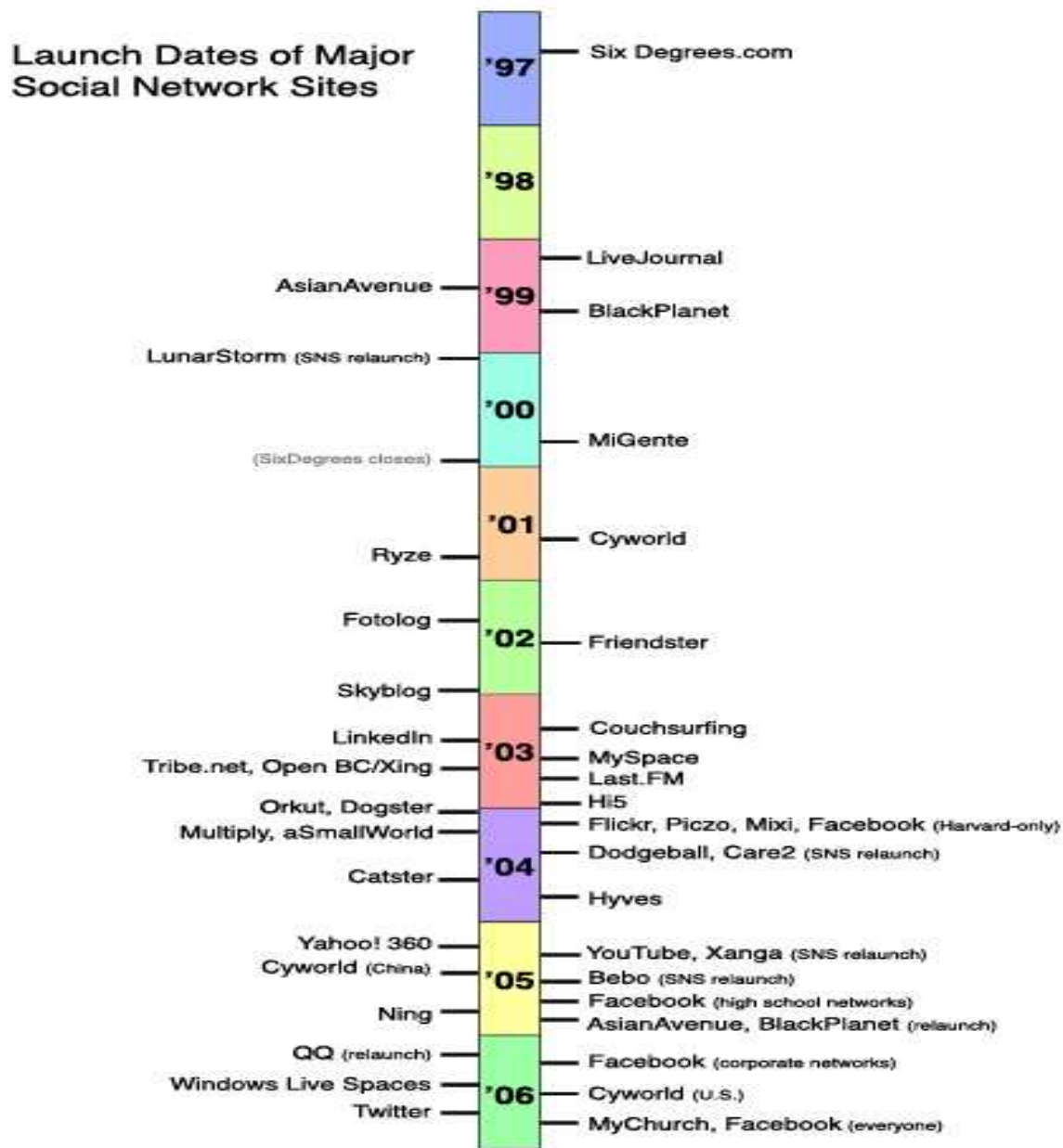


Figure 5-Launch Dates of Major Social Network Sites

Likewise, shortly after its launch in 1999, Live Journal listed one directional connection on user pages. Live Journal's creator suspects that he fashioned these Friends after instant messaging buddy lists (B. Fitzpatrick, personal communication, June 15, 2007); on Live Journal, people mark others as Friends to follow their journals and manage privacy settings. The Korean virtual worlds site Cyworld was started in 1999 and added SNS feature in 2001, independent of

these other sites (see Kim & Yun). Likewise, when the Swedish web community Lunarstrom refashioned itself as an SNS in 2000, it contained Friends lists, guest books, and diary pages (D. Skog, personal communication, September 24, 2007).

The next wave of SNSs began when Ryze.com was launched in 2001 to help people leverage their business networks. Ryze's founder reports that he first introduced the site to his friends; primarily members of the San Francisco business and technology community, including the entrepreneurs and investors behind many future SNSs (A. Scott, personal communication, June 14, 2007). In particular, the people behind Ryze, Tribe.net, LinkedIn and Friendster were tightly entwined personally and professionally. They believed that they could support each other without competing (Festa, 2003). In the end Ryze never acquired mass popularity, Tribe.net grew to attract a passionate niche user base, LinkedIn became a powerful business service, and Friendster became the most significant, if only as "one of the biggest disappointments in Internet history" (Chafkin, 2007,). Like any brief history of a major phenomenon, ours is necessarily incomplete.

The Rise (and Fall) of Friendster Friendster launched in 2002 as a social complement to Ryze. It was designed to compete with Match.com, a profitable online dating site (Chohen, 2003). While most dating sites focused on introducing people to strangers with similar interests, Friendster was designed to help friends-of-friends meet, based on the assumption that friends-of-friends would make better romantic partners than would strangers (J. Abrams, personal communication, March 27, 2003). Friendster gained traction among three groups of early adopters who shaped the site: bloggers, attendees of the Burning Man arts festival, and gay men (Boyd, 2004) and grew to 300,000 users through word of mouth before traditional press coverage began in May 2003 (O'Shea, 2003). As Friendster's popularity surged, the site encountered technical and social difficulties (Boyd, 2006). Friendster's servers and databases are ill-equipped to handle its rapid growth, and the site faltered regularly, frustrating users who replaced email with Friendster. Because organic growth had been critical to creating a coherent community, the onslaught of new users who learned about the site from media coverage

upset the cultural balance. Furthermore, exponential growth meant a collapse in social contexts: Users had to face their bosses and former classmates alongside their close friends. To complicate matters, Friendster began re-striking the activities of its most passionate users. The initial design of Friendster restricted users from viewing profiles of people who were more than four degrees away (friends-of-friends). In order to view additional profiles, users began adding acquaintances and interesting looking strangers to expand their reach. Some began massively collecting Friends, an activity that was implicitly encouraged through a “most popular” feature. The ultimate collectors were fake profiles representing iconic fictional characters: celebrities, concepts, and other such entities. These “Fakesters” outraged the company, who banished fake profiles and eliminated the most popular feature. While few people actually created Fakesters, many more enjoyed surfing Fakesters for entertainment or using functional Fakesters (e.g. *Brown University*) to find people they knew. The active deletion of Fakesters (and genuine users who chose non-realistic photos) signalled to some that the company did not share users’ interests. Many early adopters left because of the combination of technical difficulties, social collisions, and a rupture of trust between users and the site. However, at the same time that it was fading in the U.S., its popularity skyrocketed in the Philippines, Singapore, Malaysia, and Indonesia (Goldberg, 2007).

SNSs hit the mainstream from 2003 onwards, many new SNSs were launched, prompting social software analyst Clay Shirky, 2003 to coin the term YASNS: “*Yet Another Social Networking Service*.” Most took the form of Profile-Centric Sites, trying to replicate the early success of Friendster or target specific demographics. While socially organized SNSs solicit broad audience, professional sites such as LinkedIn, Visible Path, and Xing (formerly *openBC*) focus on business people.” Passion-centric” SNSs like *Dogster* (T. Rheingold, personal communication, August 2, 2007) help strangers connected based on shared interests. Furthermore, as the social media and user-generated content phenomenon grew, websites focused on media sharing began implementing SNS features and becoming SNSs themselves. Examples include Flickr (photo sharing), Last FM (music listening habits), and YouTube (video sharing). With the plethora of venture backed start-ups launching in Silicon Valley, few people paid attention

to SNSs that gained popularity elsewhere, even those built by major corporations. For example, Google's Orkut failed to build a sustainable U.S. user base, but a "Brazilian invasion" (Fragoso, 2006) made Orkut the national SNS of Brazil. Microsoft's Windows Live Spaces (also known as MSN Spaces) also launched to lukewarm U.S. reception but became extremely popular elsewhere. Few analysts or journalists noticed when MySpace launched in Santa Monica, California, hundreds of miles from Silicon Valley. MySpace was begun in 2003 to compete with sites like *Friendster*, *Vanga*, and *AsianAvenue*, according to co-founder Tom Anderson (personal communication, August 2, 2007); the founders wanted to attract estranged Friendster users (T. Anderson, personal communication, February 2, 2006). After rumours emerged that Friendster would adopt a fee based system, users posted Friendster messages encouraging people to join alternate SNSs, including Tribe.net and MySpace (T. Anderson, personal communication, August 2, 2007). Because of this, MySpace was able to grow rapidly by capitalizing on Friendster's alienation of its early adopters. One particularly notable group that encouraged others to switch were indie-rock bands who were expelled from Friendster for failing to comply with profile regulations.

While MySpace was not launched with bands in mind, they were welcomed. Indie-rock bands from the Los Angeles region began creating profiles, and local promoters used MySpace to advertise VIP passes for popular clubs. Intrigued, MySpace contacted local musicians to see how they could support them (T. Anderson, personal communication, September 28, 2006). Bands were not the sole source of MySpace growth, but the symbiotic relationship between bands and fans helped MySpace expand beyond former Friendster users. The bands and fans dynamic was mutually beneficial: Bands wanted to be able to contact fans, while fans desired attention from their favourite bands and used Friend connections to signal identity and affiliation. Furthermore; MySpace differentiated itself by regularly adding features based on user demand and by allowing users to personalize their pages. This feature emerged because MySpace did not restrict users from adding HTML into the forms that framed their profiles; a copy/paste code culture emerged on the web to support users in generating unique MySpace backgrounds and layouts (Perkel, in press). Teenagers began joining MySpace in 2004;

unlike older users, most teens were never on Friendster: some joined because they wanted to connect with their favourite bands; others were introduced to the site through older family members. As teens began signing up, they encouraged their friends to join. Rather than rejecting friend underage users, MySpace changed its user policy to allow minors. As the site grew, three distinct populations began to form: musicians/artists, teenagers, and the post-college urban social crowd. By and large, the latter two groups did not interact with one another except through bands. Because of the lack of mainstream press coverage during 2004, few others noticed the site's growing popularity. Then, in July 2005, News Corporation purchased MySpace for \$580 million (BBC, 2005), attracting massive media attention. Afterwards, safety issues plagued MySpace. The site was implicated in a series of sexual interactions between adults and minors, prompting legal action (Consumer Affairs, 2006). A moral panic concerning sexual predators quickly spread (Bahney, 2006); although research suggests that the concerns were exaggerated.

EXPANDING NICHE COMMUNITIES

Alongside these open services, other SNSs launched to support niche demographics before expanding to a broader audience. Unlike previous SNSs, Facebook was designed to support distinct college networks only. Facebook began in early 2004 as a Harvard-only SNS (Cassidy, 2006). To join, a user had to have a harvard.edu email address. As Facebook began supporting other schools, those users were also required to have university. Email addresses associated with those institutions, a requirement that kept the site relatively closed and contributed to users' perceptions of the site as an intimate, private community. Beginning in September 2005, Facebook expanded to include high school students, professionals inside corporate networks, and, eventually, everyone. The change to open signup did not mean that new users could easily access users in closed networks gaining access to corporate networks still required the appropriate .com address, while gaining access to high school networks required administrator approval. Unlike other SNSs, Facebook users are unable to make their full profiles public to all users. Another feature that differentiates Facebook is the ability for outside developers to build "Applications" which allow users to

personalize their profiles and perform other tasks, such as compare movie preferences and chart travel histories. While most SNSs focus on growing broadly and exponentially, others explicitly seek narrower audiences. Some, like a small world, intentionally restrict access to appear selective and elite. Others activity centered sites like Couch surfing, Identity-driven sites like *BlackPlanet*, and affiliation focused sites like *MyChurch* are limited by their target demographic and thus tend to be smaller. Finally, anyone who wishes to create a niche social network site can do on *Ning*, a platform and hosting service that encourages users to create their own SNSs.

PRINCIPLES OF SOCIAL NETWORKING WEBSITES

An introduction to social networking website analysis requires the presentation of a set of five principles:

BASIC ECONOMICS EFFECTS - Social network business generally generates economies of scale. Economies of scale imply that the operating costs of the website are less than proportional to the number of users on the platform, e.g. the more users the website has the less it has to spend per user. This effect depends mainly on:

THE CENTRALIZATION AND THE INDEPENDENCE OF THE WEBSITE USERS - if the community functioning is strongly decentralized and relies on peer to peer relations, the CRM costs and monitoring costs will increase less than proportionally with the number of users. By contrast, if there is a strong need for monitoring and managing users' interactions (e.g.: moderation), the costs will tend to be strictly proportional.

THE EXISTENCE OF VIRAL MARKETING - if viral marketing is strong in the segment of the market where the social networking website operates, the acquisition cost of new subscribers will be lower since users are going to ensure the advertising instead of the website.



Figure 6- Economics of Scale Model

NETWORK ORGANIZATION - Social networks have a specific structure. Many online social networks are « scale free networks ». They are organized around some central nodes; they grow through the principle of « preferential attachment »: the more a node has connexions, the more chance it has to add new connections.

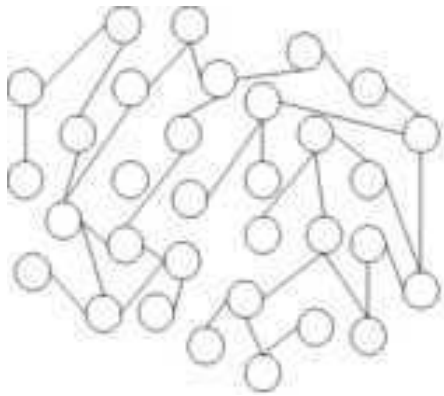


Figure 7.1-Example of Scale Free Network

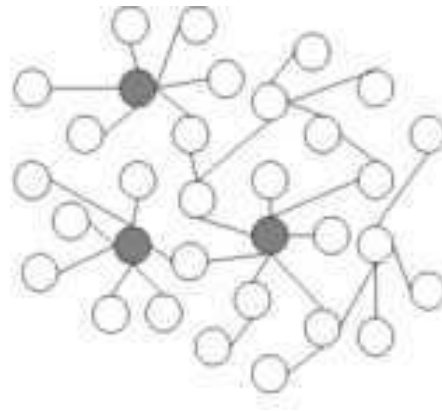


Figure 7.2-Example of Random Network

VIRTUAL IDENTITY - Social networking platforms change the concept of identity. Identity is the “sameness of essential or generic character in different instances” (Merriam-Webster). Identity in the real world is how one is described either by self- assertions or by the assertions of another. Digital identity is a set of characteristics asserted “by one digital subject about itself or by another digital subject, in a digital realm (*Microsoft*)”. This identity is comprised of multiple pieces of formal and informal data, real or fantasized. Digital identity has three particularities:

FRAGMENTATION - the identity is broken up between several networks and websites and these different pieces of identity might not be coherent.

FANTASY - digital identity can be easily fantasized.

TEMPORALITY - identity might not evolve over time (a comment or an old profile is not automatically removed). The way users manage their identity and the functionalities available on the site are closely linked.

MYSpace VS. FACEBOOK

MySpace



Figure 8.1 MySpace Desired Identity

- Presentation of a desired identity.
- Meeting of new friends based on center of interests.
- « *Monolog* » space - additional applications are limited to personal space.

Facebook

- Presentation of a real identity.
- Extension of real friendships.
- « *Dialog* » space - additional applications are developed to interact with other users.



Figure 8.2 Facebook Desired Identity

FOUR PILLARS OF SOCIAL NETWORKS

Social networks have all their specificities: four criteria can be identified:

DEGREE OF DECENTRALIZATION OF THE NETWORK - Monitoring of interactions between users and profiles and openness of the platform (for instance users developing their own applications).

NUMBER OF DIFFERENT TYPES OF INTERACTIONS ALLOWED – Dedicating of network to a unique type of service (such as online matchmaking) or allowing many more kinds of services.

TYPE OF IDENTITY – Development of real or fantasized identity on the network close to the real identity of the user.

POTENTIAL SIZE OF THE NETWORK – Calculation of Internet population that might join the network;
Niche vs. mainstream network.

GOAL: Socializing	GOAL: Career & Business Opportunities	GOAL: Soulmate	GOAL: Getting Back in Touch
Online Communities	Business Networks	Online Matchmaking	Alumni Networks
SkyRock, Facebook, MySpace	LinkedIn, Viadeo, Xing	Match.com, Meetic.fr	Facebook, Copainsdavant.com, trombi.com

Figure 9.1-Attendance of Social Networks

Classic metrics are not always relevant for analyzing the success of a social networking website.

THE EMERGENCE OF SOCIAL NETWORKS HIGHLIGHTS THE NEED FOR NEW METRICS	
Traditional Metrics are Limited	Differentiating the Metric Is Necessary
<u>Traditional metrics still applied:</u> <ul style="list-style-type: none"> Number of unique users Number of pages viewed Average time spent Number of registered / active users Number of profiles created 	<u>For business networks (Xing, LinkedIn); Irrelevant but used metrics (examples):</u> <ul style="list-style-type: none"> Number of pages Time spent by users
<u>As well as geo-socio-demographic metrics :</u> <ul style="list-style-type: none"> Gender 	<u>Relevant metrics (examples):</u> <ul style="list-style-type: none"> Number of requests transmitted or accepted Number of useful active users

- Age
- Household revenue
- Geographical data

For online matchmaking websites (Meetic, Match.com); Irrelevant but used metrics (examples):

But they are not relevant for every social networking website

- Number of profiles
- Number of pages viewed

Relevant metrics (examples):

- Number of subscribers
- Number of active users
- Churn rate and its components

Figure 9.2-Social Networks Metrics Model

Social media is media designed to be disseminated through social interaction, created using highly accessible and scalable publishing techniques. Social media supports the human need for social interaction, using Internet- and web-based technologies to transform broadcast media monologues (one to many) into social media dialogues (many to many)- source (Wikipedia).

It is a fade or is it the biggest shift since the Industrial Revolution!!!!!!

FORCES OF SOCIAL NETWORKING SITES

There are 5 five major forces that shaped social networking landscape are:

ME-DRIVEN: The user decides; social network membership, by design, is an extension of a person's interests. So it is no surprise that 50% of users visit social networking sites at least once a day. Various functionalities enable these platforms to be frequently used modes of communication. The idea of reciprocity drives these communities. It is this reciprocity that has contributed to the rise of the leading social networks, creating community on the users' terms.

PEER-DRIVEN: The influence of friends and family. Peer engagement, even those connections with several degrees of separation, are stronger than connections with advertisers. Relationships that users form through social networks keep them sticky. Advertising types trusted by Internet users;

- Text ads on mobile phones
- Online banner ads
- Search engine ads
- Ads before movies
- E-mail signed-up for
- Brand sponsorships
- Radio
- Magazines
- TV
- Brand websites
- Consumer opinions posted online
- Newspapers
- Recommendations from consumers

Connections with peers, even those with several degrees of separation, are stronger than connections with advertisers.

TRUST-DRIVEN: The fuel of social networks. For instance “A person like me” is considered the most credible source of information about a product or company. Social media platforms make those referrals not only easily available, but richer and more robust. The percentage who believe people ageing from 35 to 64 are credible sources,

- Financial/Industry analyst
- Academic
- Doctor

- CEO
- Govt. official
- A Person Like Me
- Non -profit rep
- Regular employee
- Entertainer/athlete
- Blogger

Commercial relationships will not get you very far, but forging a trusted relationship with each member will.

TIME-DRIVEN: Visiting sites that are relevant. Employees in the U. S. are working more hours than ever before. Over three-quarters suggest that they don't believe companies tell the truth in ads. It's not hard to fathom why people seek out social networks for advice and information. Competing for time and attention means changing the communication method and message the emergence of niche networks.

CAUSE-DRIVEN: Sharing and engaging members. Getting the community interested in you begins by showing interest in what the community cares about.

FUNCTIONALITY OF SOCIAL NETWORKING SITES

While SNSs have implemented a wide variety of technical features, their backbone consists of visible profiles that display an articulated list of Friends who are also users of the system. Profiles are unique pages where one can type oneself into being. After joining an SNS, an individual is asked to fill out forms containing a series of questions. The profile is generated using the answers to these questions, which typically include descriptors such as age, location, interests, and an "about me" section. Most sites also encourage users to upload a profile photo. Some sites allow users to enhance their profiles by adding multimedia content or modifying their profile's look and feel. Others, such as Facebook, allow users to add modules

("Applications") that enhance their profile. The visibility of a profile varies by site and according to user discretion. By default, profiles on Orkut or Hi5 are crawled by search engines, making them visible to anyone, regardless of whether or not the viewer has an account. Alternatively, sites like MySpace allow users to choose whether they want their profile to be public or "Friends only." Facebook takes a different approach by default; users who are part of the same "network" can view each other's profiles, unless a profile owner has decided to deny permission to those in their network. Structural variations around visibility and access are one of the primary ways that SNSs differentiate themselves from each other.

After joining a social network site, users are prompted to identify others in the system with which they have a relationship. The label for these relationships differs depending on the site popular terms include "Friends," "Contacts," and "Fans." Most SNSs require bi-directional confirmation for Friendship, but some do not. These one-directional ties are sometimes labelled as "Fans" or "Followers," but many sites call these Friends as well. The term "Friends" can be misleading, because the connection does not necessarily mean friendship in the everyday vernacular sense, and the reasons people connect are varied (Boyd, 2006). The public display of connections is a crucial component of SNSs. Most SNSs also provide a mechanism for users to leave messages on their Friends' profiles. This feature typically involves leaving "comments," although sites employ various labels for this feature. In addition, SNSs often have a private messaging feature similar to webmail.

Beyond profiles, friends, comments, and private messaging, SNSs vary greatly in their features and user base. Some have photo-sharing or video-sharing capabilities; others have built-in blogging and instant messaging technology. There are mobile-specific SNSs (e.g., *Dodgeball*), but some web-based SNSs also support limited mobile interactions (e.g., *Facebook*, *MySpace*, and *Cyworld*). Many SNSs target people from specific geographical regions or linguistic groups, although this does not always determine the site's constituency. Orkut, for example, was launched in the United States with an English-only interface, but Portuguese-speaking Brazilians quickly became the dominant user group. Some sites are designed with specific ethnic, religious, sexual orientation, political, or other identity-driven categories in mind. There are

even SNSs for dogs (*Dogster*) and cats (*Catster*), although their owners must manage their profiles. While SNSs are often designed to be widely accessible, many attract homogeneous populations initially, so it is not uncommon to find groups using sites to segregate themselves by nationality, age, educational level, or other factors that typically segment society, even if that was not the intention of the designers.

Content posted on social network

"What do you do with your social networking profile?" Active Internet Universe

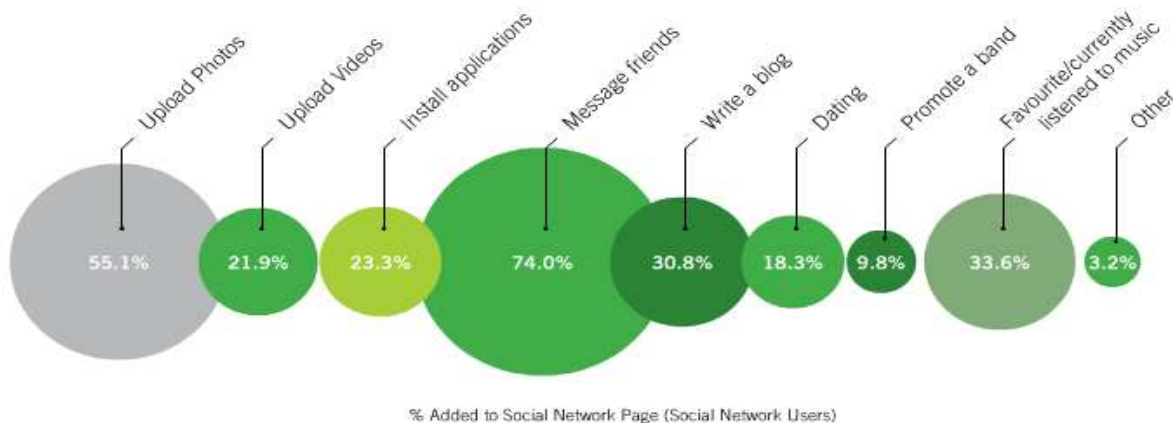


Figure 10-Example of Content Posted on Social Networks

TYPES OF DOMAIN APPLICATIONS

SNS have found for themselves a lot of applications in the following domains which are:

GOVERNMENT APPLICATIONS - Social networking serve as a quick and easy way for the government to get the opinion of the public and keep the public updated on their activity. Social networking is more recently being used by various government agencies such as *NASA uses Twitter & Flickr, National Oceanic and Atmospheric Administration uses Second Life*.

DATING APPLICATIONS - Many social networks provide an online environment for people to communicate and exchange personal information for dating purposes. Most of these social networks, just like online dating services, require users to give out certain pieces of information like *age, gender, location, interests, and perhaps a picture*. An important difference between social networks and online dating services is the fact that online dating sites usually require a

fee, where social networks are free, which is the major reason for the growth of social networking sites at the cost of online dating services.

BUSINESS APPLICATION - Social networks connect people at low cost which is beneficial for entrepreneurs and small businesses looking to expand their contact bases. Companies can also use social networks for advertising in the form of banners and text ads. Examples of such advancements are *LinkedIn.com-which aims to interconnect professionals, Hub Culture an invitation only, social network for entrepreneurs, and other business influential.*

MEDICAL APPLICATION - Social Networks are beginning to adopt by healthcare professionals as a means to manage knowledge, disseminate peer to peer knowledge and to highlight individual physicians and Institutions. The role of social networks is especially of interest to pharmacy companies who spend big chunk of amount of their marketing cost attempting to influence the opinion leaders of Social networks. A new trend is with social network created to help its members with various physical and mental ailments e.g. *Patientslikeme.com, Dailystrength.com.*

POPULAR SOCIAL NETWORKING SITES

Social networking presents a way for users to stay in contact with or re-establish lost contact with others. As thesis questionnaire showed the immense popularity of Facebook among masses; so I will discuss Facebook ins and outs slightly more than other sides just to give you a bird's eye view of its emergency and the reason behind it popularity. Below you find the detailed information about the most popular social networking sites which totally dominated the social networks at present age.

MYSPACE.COM - MySpace is a social networking website offering an interactive, user submitted network of friends, personal profiles, blogs, groups, photos, music and videos internationally. It is headquartered in Beverly Hills, California, USA, where it shares an office building with its immediate owner, Fox Interactive Media; in turn, the owner of Fox Interactive and therefore MySpace, News Corporation, is headquartered in City. According to EConsultancy Digital Marketing United (2009) although now overtaken by Facebook, MySpace is the second

largest social network, experiencing in excess of 60 million unique users each month. MySpace apparently reaches 30% of UK adults aged 15-24 - it's been suggested that it's as common to have a MySpace account in the UK as it is to own a dog. According to Knol, MySpace has more than 115m active monthly users globally with, on average, 300,000 new people signing up to the site every day. The service has gradually gained more popularity than similar websites to achieve nearly 80 percent of visits to online social networking websites. The company employs 300 staff and does not disclose revenues or profits separately from News Corporation. As of December 18, 2007, there are over 300 million accounts.

TWITTER.COM – Twitter is a micro blogging service, enabling a user to broadcast short, 140-character entries called tweets to communicate "whassup?" Other users sign up to receive a person's tweets, which appear on the user's page on Twitter but can be sent via instant messaging (IM), Short Message Service (or SMS, a protocol for delivering text messages to mobile phones), email, RSS or even via other social messaging sites like Facebook. There are also various applications you can download and install to receive tweets on various computing platforms. Twitter enables you to block certain users from receiving your updates; however, all tweets are posted to a public timeline. Although Twitter certainly doesn't provide the opportunity for in-depth product discussions, it does have an addictive quality that appeals to "need to know" types. It can serve as a perfect guerrilla marketing tool for a new product or service offered by your business: "WidgetWorks 1.0 just released! Call me now to learn more." Some people who are famous for being famous have built a significant Twitter following. It's very appealing and viral, and has great potential as a marketing tool. Organizations as diverse as *Whole Foods Market, NASA, universities, public departments and political campaigns* have already used Twitter to deliver product information and news.

Over the past twelve months, Twitter's year-on-year growth rate has broken the 1000% barrier. The company holds exact numbers close to their chest, but it's estimated that Twitter currently has between 6 - 10m global users and this is growing rapidly. According to a recent report on Twitter usage by Sysomos, 5% of Twitter users account for 75% of all activity and that 72.5% of all users joining during the first five months of 2009. The same report found that over 50% of all

updates are published using mobile and Web-based tools, other than Twitter.com own website. It also found that Tuesday is the most active day for Tweeting, followed by Wednesday and then Friday. Hitwise recently reported that one out of every 350 website visits in the UK is via Twitter, but barely 5% of users currently go to an online retail service through the medium. Not really a stat, but still quite a cool piece of info: Twitter is now officially a term in the English Dictionary.

The number of U.S. unique users was 50.8%, a sharp drop from 62.1% in June. This suggests the use of Twitter outside the U.S. has experienced significant growth over the past six months (Jan 14th, Sysmos). Data indicates that many Twitter users are not active. read "The number of Twitter users has climbed to a lofty 75 million, but the growth rate of new users is slowing anTwitter themselves finally publish numbers indicating there are 50mm tweets created each day. "Folks were tweeting 5,000 times a day in 2007. By 2008, that number was 300,000, and by 2009 it had grown to 2.5 million per day. Tweets grew 1,400% last year to 35 million per day. Today, we are seeing 50 million tweets per day—that's an average of 600 tweets per second. " Twitter, Feb 22, 2010"

ORKUT.COM – Orkut is an Internet social network service run by Google and named after its creator, Google employee Orkut Buyukkokten. It claims to be designed to help users meet new friends and maintain existing relationships. Similar to Facebook, Friendster and MySpace, Orkut goes a step further by permitting the creation of easy-to-set-up simple forums (called "communities") of users. Since October 2006, Orkut has permitted users to create accounts without an invitation. Orkut is the most visited website in Brazil, being more visited than Google Brazil, number 2 on the list. In total visits, Google is probably still more popular since it appears as the second (the Brazilian version) and seventh most visited site (the international version).The initial target market for Orkut was the United States, but the majority of its users are in Brazil. In fact, as of November 2007, 62.9% of the traffic comes from Brazil, followed by 19.2% from India.

HI5.COM – Hi5 is a social networking website, which, throughout 2007, was one of the 25 most visited sites on the web. The company was founded in 2002 by Ramu Yalamanchi who is also the current CEO. As of December 2007, hi5 had over 98 million members. In hi5, users create an online profile in order to show information such as interests, age and hometown and upload user pictures where users can post comments. Hi5 also allows the user to create personal photo albums and set up a music player in the profile. Users can also send friend requests via e-mail to other users. When a person receives a friend request, he or she may accept or decline it, or block the user altogether. If the user accepts another user as a friend, the two will be connected directly or in the 1st degree. The user will then appear on the person's friend list and vice-versa. Some users opt to make their profiles available for everyone on hi5 to view. Other users exercise the option to make their profile viewable only to those people who are in their network. The network of friends consists of a user's direct friends (1st degree), the friends of those direct friends (2nd degree) and the friends of the friends of direct friends (3rd degree).

LINKEDIN.COM – LinkedIn Business to business networking site, worldwide has 60 million business users, nearly 1 per second joining. It allows people to upload online CV with extra applications for self-promotion. Another set of connections to communicate with controlled safe and environment, everyone profile page is similar, no pop up and games and a place to jobs, groups and events. Also facilitates with the background info on a candidate or employee for sake of reading their blog. The company was valued at around \$1 billion in its last round of financing in 2008, and has been profitable for the past years. LinkedIn launched two-way integration with Twitter as well as opened up its API to developers. The company also released a new version of its iPhone app in December. It also shows when you comment in groups and answer questions. In-addition; it contain following features:

- Givers get. Contribute to the communities.
- Virtual bench with 10 connections.
- Invite contacts to help you, use your contact list.
- Previous clients have moved on to.

- Past employers recommendations.
- DON'T "I've joined, we will see what happens".
- Virtual bench, choose 10 connections to sit on your bench. Use either as a sounding board panel or people you want to work with. Grow these people with regular relevant communication to build a strong relationship.
- When sending out a job vacancy, ask for it to be passed on to anyone they think may be interested 2nd degree +.
- Keep tabs on great people who have since moved on.
- Online references from past employers.

FACEBOOK.COM - Facebook is one of the most popular social networking sites. Facebook offers access to social causes, group networks and events and entertainment. *Although there are many other social networking sites, I will focus on the Facebook site because of its popularity.*

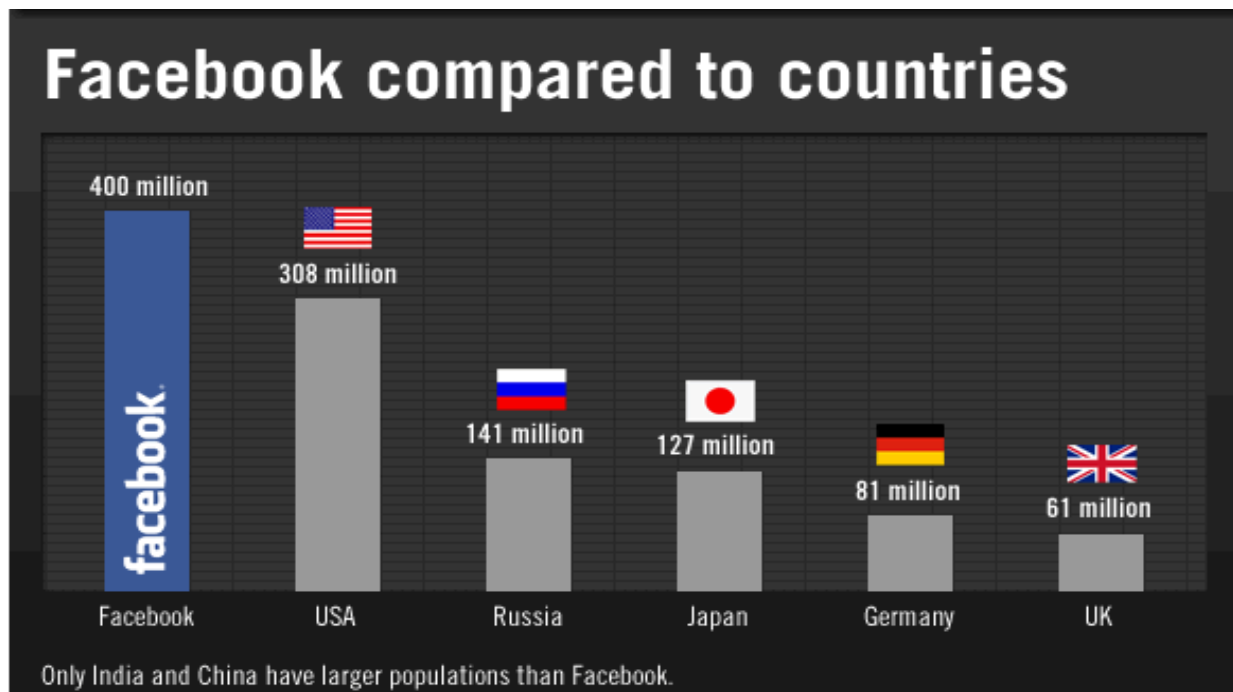


Figure 11.1 – Facebook Comparison to World's Population

ORIGIN- Facebook was founded by Mark Zuckerberg in 2004. His goal was to help people understand what was going on in their world a little better by creating an environment where people could share whatever information they wanted and to have control over the information they shared (Zuckerberg, 2006). Facebook was created by Mark Zuckerberg in his Harvard dorm room and isn't connected to any Big Media Companies. There have recently been reports of Facebook proposing an initial public offering (IPO), i.e. issue equity shares as stock to investors. However, Zuckerberg stresses that this will not be for a few more years. It can be said that Facebook may compete/annoy big media such as its rival social networking sites such as MySpace and Twitter which are equally as popular but recent statistics have suggested the following. Facebook now has nearly 400 million more worldwide users than MySpace. Facebook, still a private company, is the world's default social network. By March 2010, Facebook overtook MySpace as the largest social network site worldwide.

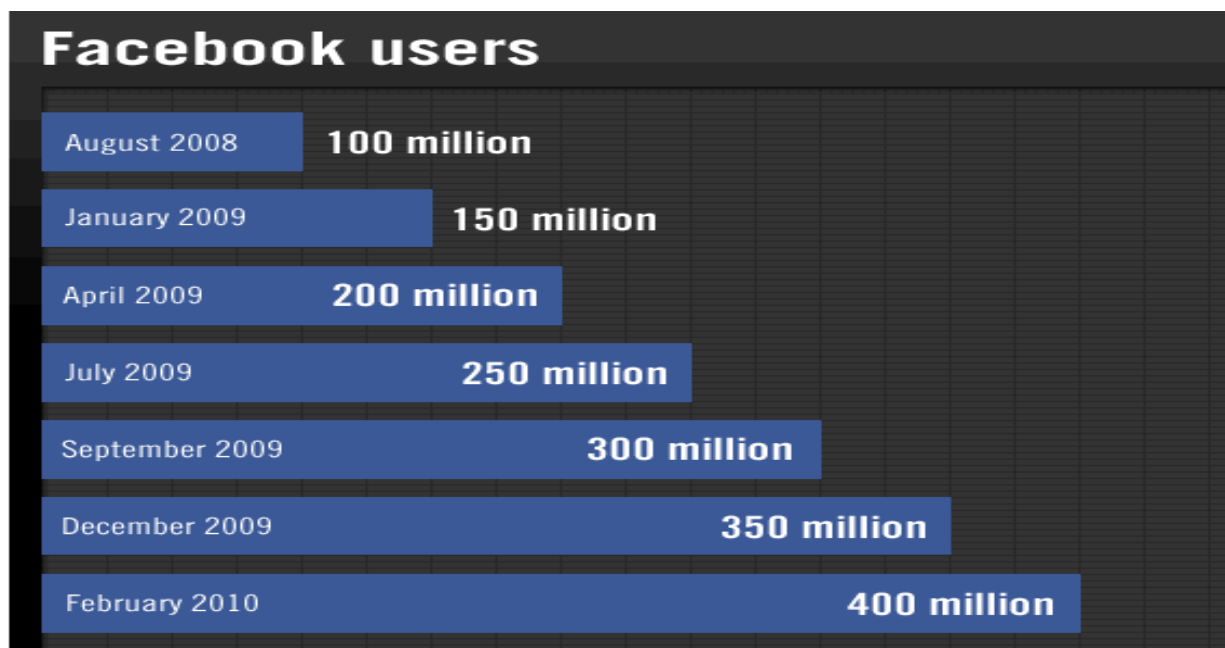


Figure 11.2 – Facebook User Statistics

Ideas that can be shared via Facebook are limitless. As I have mentioned before, users can create status updates/fan groups depending on their mood/taste/preference etc. Facebook received its first investment of \$500,000 in June 2004 from PayPal co-founder Peter Thiel. Rumours then came about, about the possible sale of Facebook to a larger media company.

Zuckerberg had already said he did not want to sell the company, and denied rumours In September 2006; serious talks between Facebook and Yahoo! took place concerning acquisition of Facebook, with prices reaching as high as \$1 billion. Thiel, by then a board member of Facebook, indicated that Facebook's internal valuation was around \$8 billion. On July 17, 2007, Zuckerberg said that selling Facebook was unlikely because he wanted to keep it independent, saying "We're not really looking to sell the company... We're not looking to IPO any time soon. It's just not the core focus of the company."

FUNCTIONALITY - These are the three fundamental uses of Facebook communication, groups and events. Facebook is not only used by college students, who were its intended audience upon creation (Kirkpatrick, 2006). Facebook is used as a marketing tool for businesses and used by some businesses and universities as a meeting place. Business has a direct link to Facebook on their websites that allows users to become fans of the business or join a group setup by the business. *Politicians* are also tapping into the broad spectrum of audience that Facebook produces. During the 2008 Presidential election, candidates from both major parties used Facebook as a means of "conversation" with the American people (Westling, 2007). Their efforts were focused on using one-way communication to control the message and tone of their campaign (Westling, 2007). This method of communication had a large impact on the Presidential campaign and made users feel as if they were an integral part of Democracy.

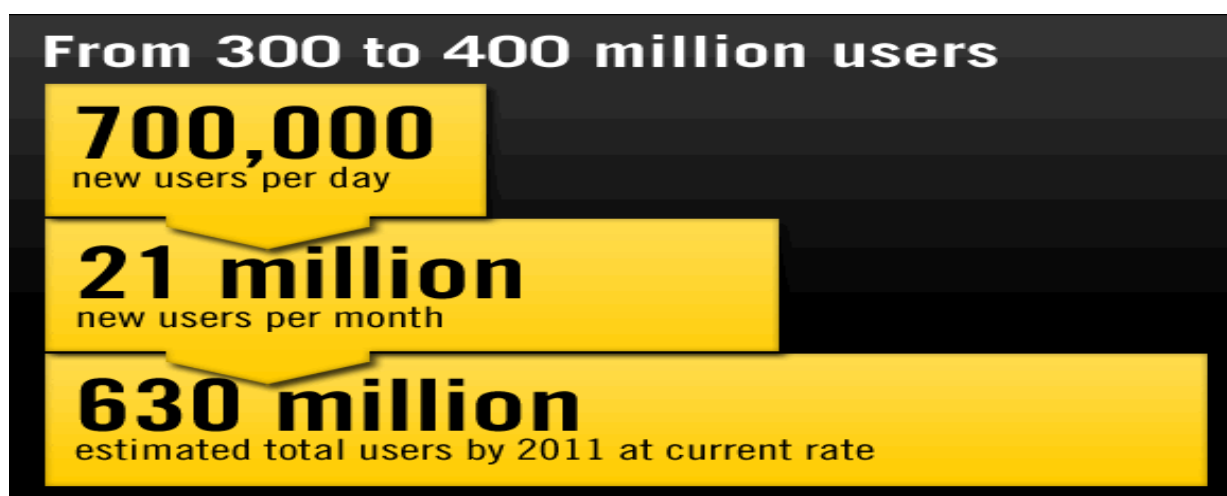


Figure 11.3 – Facebook Growth Trends

MEMBERSHIP - Facebook is a social networking site which is free to use and anyone with access to the internet can sign up for a Facebook account. Millions of people use Facebook every day to keep up with friends upload an unlimited number of photos, share links and videos, and learn more about the people they meet. The main media technologies that Facebook relies on are the Internet and the World Wide Web, and the fact that it is currently available for free. If this changes, it could limit even further the number of users of Facebook. However, it could also be said that Facebook itself is a technology. Facebook is not the first social networking website of its kind, but it is the only one that has taken off and developed so vastly and rapidly.

SOURCE OF INCOME - The main way in which Facebook makes its money is through advertising, but it also makes money if people want to buy gifts for people. Also there are many sponsored groups like *Apple*, *Southwest*, *Chase*, etc. There is no hierarchy of Facebook users; everyone (25% of the world) can enjoy the site for free. However, people can pay to advertise their business/company via Facebook. There are other sites that focus on the professional and those sites are similarly free to join and make their money by charging outside members to access data and member discussions. These sites include Sermon.com/medicine, New Reuters site/finance, INmobile.org/wireless communications and AdGabber.com/advertising.

DEMOGRAPHICS - The type of audience for Facebook is extremely wide. Facebook users can vary from 13 year old, adolescents to 60 year old pensioners and college students use Facebook. The main attraction of Facebook is its freedom to collaborate and share ideas in a fast and fun way. Other users can then 'like' or comment on their own or others' activity, which are received via 'notifications' to the user. Things people can share on Facebook are pictures, videos, links, notes, game scores (i.e. Farmville, Cafe world etc.), horoscopes, status updates, fan pages/groups and also, many websites now work in synchronisation with Facebook to allow publishing or broadcasting on the users' Facebook profile. Furthermore Facebook (like most social networking sites) bases on the idea of 'personalization' creating your own profile including a picture and a little information about yourself.

TECHNOLOGY - Users do not need to be an expert in any sort of field to be able to use Facebook, as everything is seamlessly done by the click of a button. The technology Facebook uses is

mainly the Internet and the Web which was created for free by Tim Burners Lee. This means that it is available to anyone with a valid email address and access to an internet connection. However there are aspects of the website which users do have to pay for such as 'coins and cash' on Zynga games (Facebook games applications) and advertising space on the website for a company/business or even a fan group. Facebook may also challenge ideas endorsing the human interest. For example, fan-based websites may no longer be needed since the launch of 'Fan Pages' on Facebook only controlled 30% of the market for social networking and that it has now risen to 84%. The average user has around 120 friends on the site. Every single month, more than a billion photos are uploaded to the site. More than 50 translations are available on the site, with more than 40 in development. Mobile is a big issue, with more than 30m active users accessing the site through mobile devices. It's well documented that users who access Facebook through mobile devices are almost 50% more active than those who don't.

CONTROVERSIES - Because of the open nature of Facebook, several countries have banned access to it including Syria, China, Iran and Vietnam. During the 2009 election in Iran, the website was banned because of fears that opposition movements were being organized on the website. Access has since been reinstated The Syrian government cited the ban was on the premise that the website promoted attacks on authorities. The government also feared Israeli infiltration of Syrian social networks on Facebook. At recent times; Pakistani court today banned the use of Facebook in Pakistan from May 19, 2010 to May 31, 2010. The ban was in response to a Facebook page called "Everybody Draw Mohammed Day!" Sketches of Prophet Muhammad are considered an act of blasphemy by Muslims and this Facebook page has already incurred criticism from several Muslims. But at the end issue got resolved; as Facebook apologized to Government of Pakistan and removed the content. Facebook couldn't afford to lose 45million users in Pakistan at any cost.

Furthermore, Journalists are now starting to use Facebook to promote their blog or reach a certain target audience. Social networking sites such as Facebook give way for a new subject area in society to be written about by journalists. The main belief/mission/statement of Facebook is to give people the power to share and make the world more open and connected.

The main point of view that users represent is the freedom to express whatever their point of view is. Facebook allows a free flow of ideas on its service as ideas come from people themselves and does not enforce a bias. However, it could enforce bias if the users themselves are biased for example creating a Homophobic fan page/group. These points of view may conflict with other parts of society governments/companies/organisations/religious groups as they will not always be agreed upon. There has been a case where Facebook accidentally revealed personal information of its users for instance where the CEO of Facebook had allegedly hacked into accounts of rivals (Daily Mail Article). The main challenge Facebook has brought among existing power structures is to smaller social networking sites such as Hi5 and Bebo. Facebook can be seen as the merge of all interesting aspects of the other sites, and can show why it has overpowered them all.

ISSUES OF CONCERNING SOCIAL NETWORKING SITES

“Man is a social animal”

With reference to this quote it's quite true; information can be used for useful purposes or vice versa. Where social networking sites get connected to billions of people; it also brings some provoking issues into the scene. The most debated and stand out issue is Privacy; so I would like to highlight it as a core issue. Following are the major concerns which social networking sites have risen last past years:

PRIVACY - Although many people don't think of it, social networking web sites harbor many dangerous elements and many people are concerned about some major problems that they contain. One such problem is privacy issues. On large social networking services, there have been growing concerns about user giving too much personal information and the threat of sexual predators. There is perceived privacy threat in relation to placing too much personal information in the hand of large corporation and governmental bodies. There is an issue over the control of data which may be passed to the third party by the social networking sites for e.g. for the purpose of spamming.

With social networking web sites like Orkut.com, Facebook.com and MySpace.com, it is almost too easy to retrieve personal information about someone and use it to harm them. In another study examining security issues and SNSs, Jagatic, Johnson, Jakobsson, and Menczer (2007) used freely accessible profile data from SNSs to craft a "phishing" scheme that appeared to originate from a friend on the network; their targets were much more likely to give away information to this "friend" than to a perceived stranger. Survey data offer a more optimistic perspective on the issue, suggesting that teens are aware of potential privacy threats online and that many are proactive about taking steps to minimize certain potential risks. Pew found that 55% of online teens have profiles, 66% of whom report that their profile is not visible to all Internet users (Lenhart & Madden, 2007). Of the teens with completely open profiles, 46% reported including at least some false information. Phishing can often lead to the loss of personal information such as usernames, credit card numbers, and passwords. This in turn causes great privacy issues since that person can now access personal information and then sell it off to marketing companies for a profit. (MySpace, 2007) This selling of information to companies has led to the rise in spam emails that we all receive. In analysing trust on social network sites, Dwyer, Hiltz, and Passerini (2007) argued that trust and usage goals may affect what people are willing to share; Facebook users expressed greater trust in Facebook than MySpace users did in MySpace and thus were more willing to share information on the site.

RISK FOR CHILD SAFETY - Another great issue of concern with social networking web sites is that of child safety. Research has shown that almost three out of every four teenagers who use social networking web sites are at risk due to their lack of using online safety. (Joly, Karine, 2007) A lot of the web sites do have an age requirement but it is easily bypassed by the lying about of one's age. Even if they don't lie about their age the average age requirement is around fifteen years old. Myspace.com has been specifically targeted for these child safety issues after a sixteen year old girl flew to Tel Aviv, Israel to meet and engage in sexual relations with a twenty year old male whom she had met through MySpace.com. (MySpace, 2007) Although a lot of the social networking web sites are trying to implement new ways to keep children safe, MySpace.com included, predators are finding ways around these new implementations and kids are still naive to the fact that not everyone online is who they say they are. Citizens and

government have been concerned by a misuse by child and teenagers of social network services particularly in relation to online sexual predators.

SCAMS AND HARASSMENT - A third issue of concern with social networking web sites is that of copyright infringement. With the massive amount of files shared through social networking web sites it has to tell sometimes who the original owner of the selected file is. Also, commercial products are being reproduced by individuals and uploaded to these social networking web sites. YouTube.com is a great example of how copy right infringement can come about using a social networking website. Members can pretty much upload anything they want on to YouTube.com to be viewed by anyone who comes across it. This leads to many people committing copyright infringement and uploading files and video clips that don't belong to them. The only real way that copyright infringement is reported is through the self-policing of the YouTube community. (YouTube, 2007) With the easily missed copy right infringement YouTube has been sued many times in the past and is now being sued for over one billion dollars by Viacom on the claim that YouTube.com has 160,000 videos that belong to Viacom on their site without Viacom's permission (YouTube, 2007). The relative freedom afforded by social networking services has caused concern regarding the potential of its misuse by individual patron's e. g. *online scams, identity theft*.

TIME CONSUMING - Social Networking Sites are flooded with lots of applications and people just wandered from one application to other. That's why many people considered social networking sites time consuming because with the investment of lot of time, benefits are very little.

BLOGS' TERMINOLOGIES

"When people talk, listen completely." - Ernest Hemingway (1899-1961)

In this section; I defined some of the words I have used extensively in this thesis, in order to simplify the understanding for the reader with the help of terminologies used by authors Johannes Andersson, Martin Blomkvist, Mattias Holmberg and Olga Sasinovskaya in their Bachelors Thesis of Blog Marketing – A Consumer Perspective (2007). Since many of the areas I discussed are rather new, there are not many confirmed definitions that can be used; I have therefore chosen to make my own interpretation of those words.

BLOG – A blog is a web page that contains regularly posted inlays that are archived and arranged in reversed chronological order (Wright 2006). This can include any- thing from an online diary to a more interactive page, a so called collaborative blog.

COLLABORATIVE BLOG – A blog where many people can post inlays, write comments and answer to questions in other blog posts.

DIARY BLOG – A blog that is written by one author, often about his/her everyday life, it can also include almost anything. The author also post inlays that can be used in consumption decision for others, also often the reader has the possibility to comment on the diary inlay.

BLOGGING – When people either read and/or writes in a blog.

BLOG POST – An inlay in a blog, this could be either in form of a comment or the original post itself.

BLOGGERS – Individuals who read or write in blogs. They can be paid professionals or just ordinary people.

BLOGOSPHERE – The community of blogs, bloggers and blog posts (Wright, 2006).

“There is only one thing in the world worse than being talked about, and that is not being talked about.” - Oscar Wilde (1854-1900)

CLARIFICATIONS ON FORUM, BLOGS AND ONLINE COMMUNITY

In order to clarify my research; I need to distinguish the differences between blogs, discussion forums and virtual communities.

DISCUSSION FORUMS - are divided into specific sub-forum dealing with a distinctive topic. The discussion in such a form is designed as a sub- forum where the contributions are posted in a chronological order. The main distinguishing characteristic between blogs and discussion forums is that the reader has the ability to follow the blog through specific software and received message when the blog is updated. The administrator that creates the conversation in the discussion forum can be a different user every time new conversations appear on the forum. The administrator has access to edit, close, delete comments and modify the thread on the forum that he/she created.

VIRTUAL COMMUNITIES - are a sociological group where individuals are official members that interact in a socialized approach. The communication in an online community is usually a supplemental form of face-to-face interaction, where the members write separately to each other. The distinguishing characteristic between a blog and an online community is that the latter requires registration for the user in order to take part of the content in the online community means a blog allow the reader to read.

ORIGIN OF BLOGS

When the first blogs appeared in the late 1990s, they were primary web pages that contained many links, offering mostly “personal information” and easy to update. The blogosphere has been expanding rapidly over the last few years. According to the New York Times and Pew Research, nearly one blog per second is created (Tremayne, 2007). Blogs are simple web sites, or part of web sites. Compared to the regular sites on the web, which mostly have little significant change on a daily, weekly or even monthly basis, they are updated more frequently. They are user-friendly, inexpensive, self-publication of content for a potentially vast audience on the web. The entries in the blogs are called blog posts. Blogs are more flexible and interactive than previous publication print and digital formats. They contain numerous hyperlinks that are often accompanied by comments regarding the destination of the link. Blogs are designed to be a part of a network where they are connected to each other through links, which are generally related to the content. The readers then have the possibility to comment

on the blog posts. Blogosphere is the term used to describe the global network of blog postings. Blogs can be thought of as a gateway to vast sources of information where users may respond to a blogger by sending comments and links to additional information. In this sense, it is fulfilling many needs (Tremayne, 2007).

Blogging is suddenly at the eye of the media storm. Mainstream sources such as *Business Week* and *The New York Times* are covering blogging as if it were brand new. Yet blogs are almost old news. The 2004 political conventions catered to bloggers, the White House recognizes bloggers as press, and bloggers caused CBS to reexamine its fact-checking. Marketers must look beyond the hype to determine how blogs can influence their products and how to effectively add them to the marketing mix. As the digital equivalent of Hyde Park's Speakers' Corner, blogs empower people to express their knowledge and opinions to anyone who care to listen. This is important for marketers because consumers now control part of the conversation and can influence a brand's future based on their personal perceptions. In this context, the issue is how a Web-enabled public evaluates the quality of information on blogs and related posts, and to which messages they pay attention.

DIFFERENT TYPES OF BLOGS

DIARY BLOG - A diary blog is often about what is happening in a person's life. It can be a mixture a diary and a guide site, and there are as many unique types of blogs as there are different people (Tremayne, 2007). These characteristics share a common ground that diary blogs is a web- based tool that gives the author of the diary the possibility to post information for consumption for others. Also, diary blogs gives the reader the possibility to add comments regarding its content; however, this is not applicable for all diary blogs. Diary blogs has several benefits according to Madden (2005). They are started with very little effort and necessary software is inexpensive or, most often free. Furthermore, the blogger does not need high speed internet in order to create a diary blog. The researcher that are writing on a diary blog all have different opinions regarding things and express their view of whatever they are writing about. This is a demonstration to the personal and dynamic capacity of a diary blog according to Searles and Sifry (2002). Pomerantz and Stutzman, (2006) describes diary blogs as web pages

that arranges discrete posts that contains chunks of information that may contain images, multimedia and text. According to Lamshed, Berry and Armstrong (2002) diary blogs are very personal and if the reader does not like the author and his/her opinion, it may not interest them enough to return. The blogger can use the diary blog for personal enjoyment and archive the happenings in their lives.

COLLABORATIVE BLOG - A collaborative contains information that is posted by several individuals not just one author. In collaborative blogs, readers have the possibility to contribute with links or posts comments, in order to participate with their opinions, answers and questions. Most collaborative blogs focus on a specific topic, and the researcher can be both regular people as well as experts within the topic (Holtz and Demopoulos, 2006). The collaborative blogs are an online group created by the bloggers in the blogosphere. These groups have focus on certain topics in order to encourage readers to correspond to each other, which is similar to a normal discussion group. The purpose, according to Lamshed et al. (2002), is to break down the barriers between people and to extend the blog to more than just one author, in order to create a discussion among its members. Collaborative blogs have standard rules about participation in order to avoid development of poor quality content, which do not encourage new and current readers to come back on a regular basis.

COMPANY BLOG - A company blog can include two types of blogs, product and customer service blog. *Product blogs* can consist of different approaches. One approach is to provide updates about the product so customers can receive the latest information. A second approach is to provide customers with insights and information directly from those who are responsible for the products. A product blog that keeps customers updated can build loyalty to the product and the brand/company. *The customer service blog* is rather similar to product blogs, but customer service blogs focus completely on issues on the already purchased products. The customer service blogs is a channel in order to address the issues on the products to the customers that have purchased the product (Holtz and Demopoulos, 2006).

FUNCTIONALITY OF BLOGS

People have blogged long before the term was coined, but the trend gained force with the introduction of automated published systems, especially Blogger at *blogger.com*. Thousands of people use services such as Blogger to simplify and increase the publishing process. In the beginning, the rapid growth of blogs was dependent on extreme events. Examples of event, after which blogging has rapidly increased were during and after the attack on *World Trade Center*, wars, political campaigns and natural disasters. People started using the blogs because they wanted to express themselves about these mentioned events. Blogging about these events has attracted the attention of the mainstream news media, further contributing to the popularization and adoption of this new phenomenon of computer-mediated communication. Today the blogging in the blogosphere concerns business, for example about markets, customer service, product etc. (Tremayne, 2007).

According to the search engine Technorati (2006, November 6) there were more than 57 million blogs available on the internet as of the end of October 2006. Approximately 12% of those blogs had posted comments or links. Research by the Pew Internet and American Life Project presented by Tremayne (2007) also indicates that blog readers today are similar to the early adopters of the internet and other new communication technologies. The bloggers are young, well-educated and more likely to be males. According to Tremayne (2007) the development of blogs seems to follow the traditionally diffusion path of successful new communication technologies and users with great interest in technology. The final step to become a part of the broader public of the internet community is then to shift to the general internet users.

The new stage of the development of blogs is the business sector. Business has become a new phase of the communications that appears on the blogosphere today. Bloggers communicate and share information to each other since blogs are the new ways for customers to reach out to the companies. This scenario has made the companies more alert to listen to their customers' demands through the blogosphere. Enterprises now have the opportunity to gain new knowledge from the customer and to gain an idea about what the customers are saying about

them (Tremayne, 2007). Observations have been done on why internet users connect to blogs. Blogs seem to encourage a sense of community, especially for those who seek more in-depth information than what is available through traditional media. Blog content generally reflects the bias of the blogger, who tends to take one side of an issue. Furthermore it contains a sense of belonging to a group of like-minded individuals. Information seeking is also a reason for accessing blogs. Bloggers provide the latest news and analysis by experts and other with in- side knowledge, some of which is glossed over or omitted by the traditional channels. Blog users can also frequently use one certain blog due to they follow a story for a longer period of time than that they would be able to do if the story came from traditional media (Tremayne, 2007).

BLOGGER.COM - While there are many, many blogging applications out there, the easiest by far is Blogger for the beginners. Mostly Blogger is used in some form, for the blogs that are present currently on the internet. Blogger is preferred by both Geeks and beginners for their blog. Blogger blog's are simple yet powerful in working.

TOOLS OF BLOGGING

BLOGGER DIRECTORY - These are the website which contains the list of Different kinds of blog available on the internet (they actually work like yellow pages). Some of the famous blogger directories are *Blogcatalog.com*, *Blogadda.Com*, and *Bloghernald.Com*.

GOOGLE ANALYTICS AND WEBMASTER TOOLS - Google webmaster tools are used to submit your blog into the search engines and to check how it looks to the search engines. It is also a different kind of webmaster tool, these gives you the complete detail about your blog visitors.

SEO (SEARCH ENGINE OPTIMIZATION) – It contain good content; the good design features comes along with the better Meta tags. It has content oriented domain name which helps in developing a better relation with its users. It helps in better social bookmarking of blog and use of feeds by submitting blog in directories.

CURRENT MARKET SCENARIO

While MySpace attracted the majority of media attention in the U.S. and abroad, SNSs were proliferating and growing in popularity worldwide.

- Friendster gained attraction in the Pacific Islands.
- Orkut became the premier SNS in Brazil before growing rapidly in India.
- Mixi attained wide spread adoption in Japan.
- LunarStorm took off in Sweden.
- Dutch users embraced Hyves.
- Grono captured Poland.
- Hi5 was adopted in smaller countries in South America and Europe.
- Bebo became very popular in the United Kingdom, New Zealand and Australia.
- Nexopia in Canada.
- MySpace, Twitter & LinkedIn widely used in North America.
- StudiVZ mostly in Germany.
- SkyRock, V Kontakte in Europe.
- Facebook used Worldwide.
- Tagged immensely used in Latin America.
- QQ & Xiaonei in China.
- Maktoob & Hi5 are popular in Middle East and Africa.

Additionally, previously popular communication and community services began implementing SNS features. The *Chinese QQ instant messaging service* instantly became the largest SNS worldwide when it added profiles and made friends visible (McLeod, 2006), while the forum tool Cyworld cornered the Korean market by introducing homepages and buddies (Ewers, 2006). Blogging services with complete SNS features also became popular. In the U.S. blogging tools with SNS features, such as *Xanga*, *Live Journal*, and *Vox*, attracted broad audiences. *SkyRock reigns in France*, and *Windows Live Spaces* dominates numerous markets worldwide, including in *Mexico, Italy, and Spain*. Although SNSs like QQ, Orkut, and Live

Spaces are just as large as, if not larger than, MySpace, they receive little coverage in U.S. and English-speaking media, making it difficult to track their trajectories.

GLOBAL PHENOMENON

How Much Has the Market Been Tapped?? Explosive Growth!!!

Country	Unique Audience (000)	Time per Person (hh:mm:ss)
United States	142,052	6:09:13
Japan	46,558	2:50:21
Brazil	31,345	4:33:10
United Kingdom	29,129	6:07:54
Germany	28,057	4:11:45
France	26,786	4:04:39
Spain	19,456	5:30:55
Italy	18,256	6:00:07
Australia	9,895	6:52:28
Switzerland	2,451	3:54:34
Source: The Nielsen Company		

Figure 12.1 – Social Media Global Audience (2009)

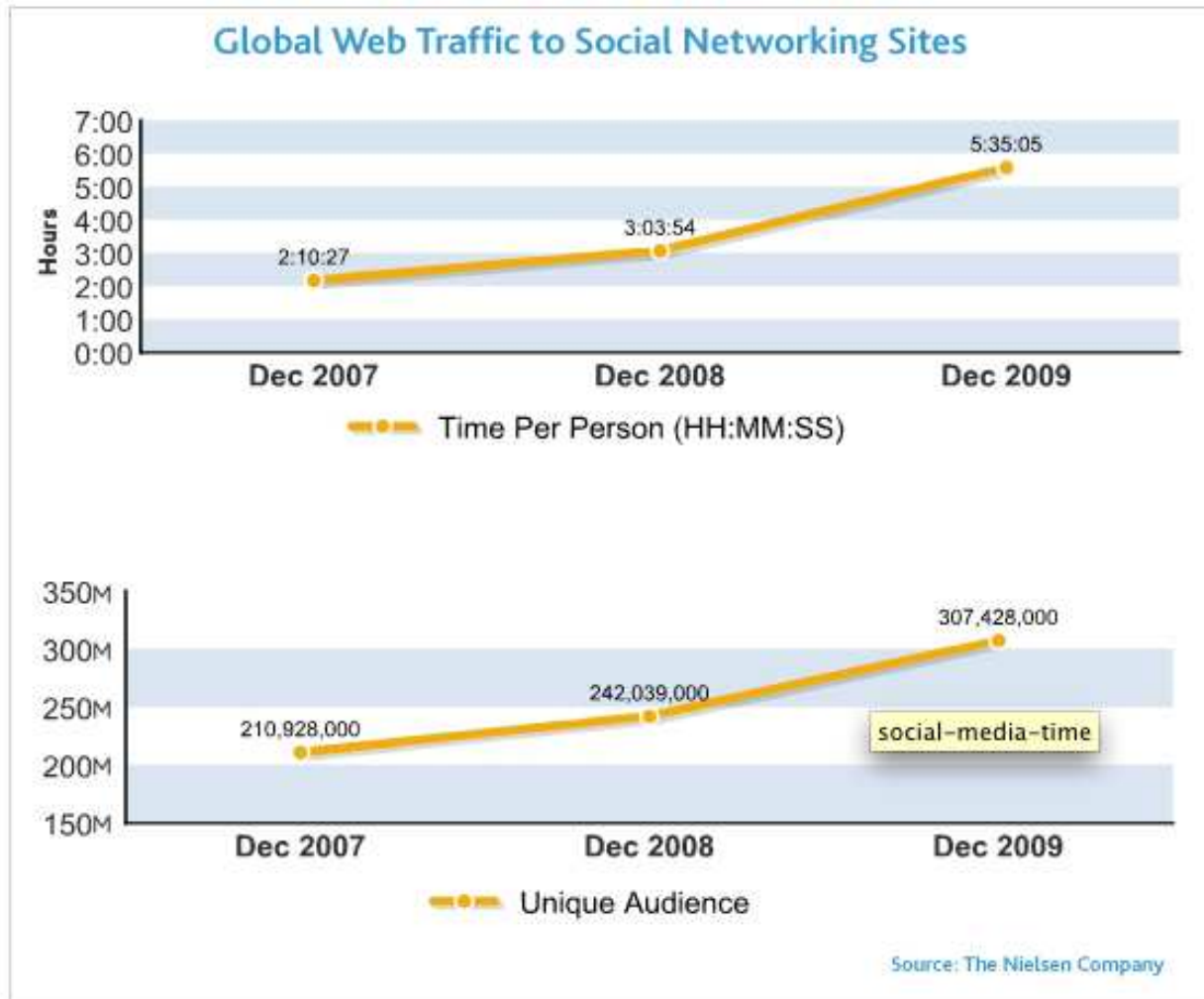


Figure 12.2 – Global Web Traffic to Social Networking Sites

As the increases in popularity of social networking are on constant rise, new uses for the technology are constantly being observed. The major new trends are *brand building*, *direct communication*, *exploit the niches*, *media and public relations*, *position companies as an expert* and *low cost*.

...But still a long way to go!!

Joined Social Network – impact versus total population

Universe Sizes versus total 16-54 population

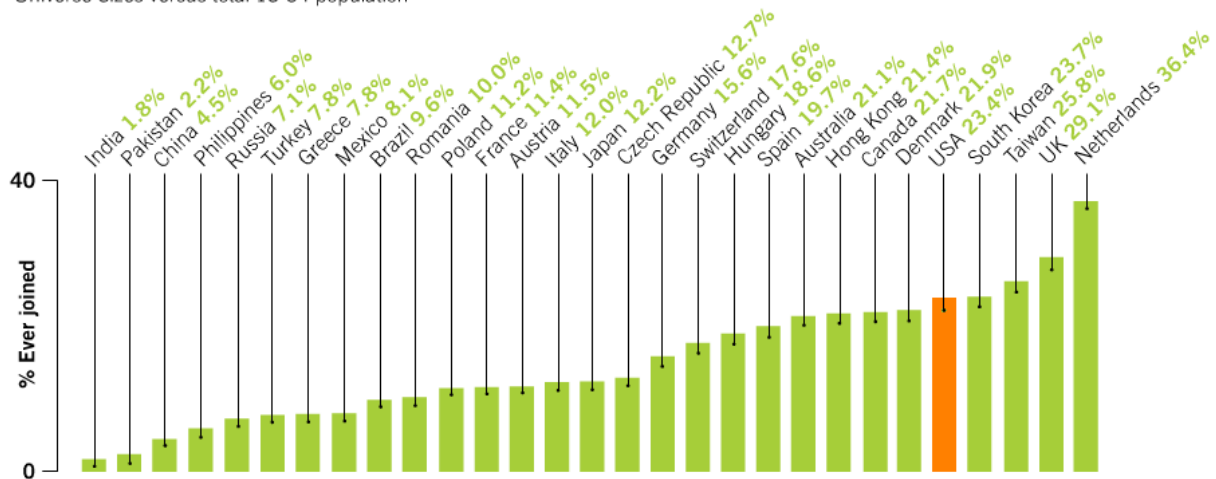


Figure 12.3 – Social Media Impact vs. Total Network

SOCIAL MEDIA REVOLUTION

- Years to Reach 50 million Users: Radio (38 Years), TV (13 Years), Internet (4 Years), iPod (3 Years) Facebook added 100 million users in less than 9 months; iPhone applications hit 1 billion in 9 months.
- By 2010 Gen Y will outnumber Baby Boomers; 96% of them have joined a social network.
- Social Media has overtaken porn as the #1 activity on the Web.
- 1 out of 8 couples married in the U.S. last year met via social media.
- If Facebook were a country it would be the world's 3rd largest between the United States and Indonesia.
- Yet, some sources say China's QZone is larger with over 300 million using their services (Facebook's ban in China plays into this).
- comScore indicates that Russia has the most engage social media audience with visitors spending 6.6 hours and viewing 1,307 pages per visitor per month – Vkontakte.ru is the # 1 social network.
- 1 in 6 higher education students are enrolled in online curriculum.
- 80 % of companies using LinkedIn as a primary tool to find employees.

- The fastest growing segment on Facebook is 55-65 year-old females.
- Ashton Kutcher and Ellen Degeneres (combined) have more Twitter followers than the population of Ireland, Norway, or Panama.
- 80% of Twitter usage is outside of Twitter people update anywhere, anytime; imagine the case of bad customer experiences.
- The #2 largest search engine in the world is YouTube, more than 1 billion upload videos.
- Wikipedia has over 13 million articles; some studies show it's more accurate than Encyclopaedia Britannic, 78% of these articles are non-English.
- There are over 200,000,000 Blogs.
- 54% = Number of bloggers who post content or tweet daily.
- Because of the speed in which social media enables communication, word of mouth now becomes world of mouth.
- If you were paid a \$1 for every time an article was posted on Wikipedia you would earn \$156.23 per hour.
- Facebook USERS translated the site from English to Spanish via a Wiki in less than 4 weeks and cost Facebook \$0.
- 25% of search results for the World's Top 20 largest brands are links to user-generated content.
- 34% of bloggers post opinions about products & brands.
- 78% of consumers trust peer recommendations.
- Only 14% trust advertisements.
- Only 18% of traditional TV campaigns generate a positive ROI.
- 90% of people that can TiVo ads do.
- 25% of Americans in the past month said they watched a short video on their phone.
- In the near future we will no longer search for products and services they will find us via social media.
- More than 1.5 million pieces of content (web links, news stories, blog posts, notes, photos, etc.) are shared on Facebook daily.

- Successful companies in social media act more like Dale Carnegie and less like David Ogilvy Listening first, selling second.
- Successful companies in social media act more like party planners, aggregators, and content providers than traditional advertiser.
- Generation Y and generation Z consider email passé. In 2009 Boston College stopped distributing e-mail addresses to incoming freshmen.
- 34% of book sales on Amazon are of kindle; 24 of the 25 Largest Newspapers are Experiencing Record Declines in Circulation.

MARKETING COMMUNICATION WITHIN SOCIAL NETWORKS AND BLOGS

There are many ways that companies can use social networks and blogs to their advantage but I am going to focus on three. The first aspect of a market communication that could use a social networks and blogs for would be the hiring of employees. Such sites as LinkedIn.com, Monster.com actually help many people searching for jobs and many companies looking for employees to find each other. It's as simple as creating your own resume and putting it out there. LinkedIn.com and Monster.com then takes your resume and compares it to the needs and wants that companies have posted on the web site and connects the company with people who meet or exceed their posted standards. This a lot faster and involves a more broad spectrum of resources for which a company can use to find the perfect employee.

Another aspect of marketing communication affected by social networks and blogs is advertising. With the millions of people that use social networking web sites, what better way to market your product then by buying space on those web sites? Whether it's through banners or links millions of people will view your ads should they be placed on a social networking website. An example is that of 1up.com. Through its great reputation to gamers many gaming companies are willing to spend thousands of dollars for advertising space since they know that gamers who view the web site will most likely learn about their product. Not only is online advertising more effective than commercial advertising such as TV ads and magazines, it's also more cost effective and reaches far more people than other forms of advertising. An example of the effectiveness of internet advertising is YouTube.com in which experts have estimated

that “Given its traffic levels, video streams and page views, some have calculated that YouTube's potential revenues could be in the millions per month.” (YouTube, 2007)

A third aspect of market communication that is affected by social networks and blogs are that of fair pricing. With so many businesses’ out there creating virtually the same product it’s easy for one to get lost in the broad spectrum of products. With social networking websites people can get advice from experts, gain knowledge of product through others who have used it, and get reviews on nearly anything that is mass produced today. This in turn is also great for businesses. With all this information out there concerning products it’s easy for a company to look through it and see what customers want and for how much. This in turn leads to better products being made to suit the customers’ needs and wants.

COMMUNICATION WITHIN WORD OF MOUTH

Word of mouth (WOM) is defined by (Blackwell) as: ***“The informal transmission of ideas, comments, opinions, and information between two people, neither one of which is a marketer”***. Further they argue that WOM consists of the same types of components as in the communication examples mentioned above. They also add that both the sender and the receiver gains from WOM, which is supported by Fill (1999), who also argues for the above. The benefits for the receiver are rather straight-forward; as they gain lots of information they would not be able to obtain otherwise. The benefits for the sender can be a little vaguer at first glance, but according to both Blackwell et al (2001) and Fill (1999) people like to talk about the purchases for a number of reasons, such as confirmation, satisfaction, status etc. According to Blackwell et al (2001) the effect of WOM has increased rapidly due to Internet. Consumers of today are able to spread the word of something faster and further than ever before.

ONLINE WORD-OF-MOUTH

Schindler and Bickart (2005) discuss that the traditional WOM and online WOM differs in the strength of ties between consumers when they are exchanging information between each other. Granovetter (1973) previously argued that the strength of ties between two individuals is a function of the amount of time spent together, the emotional intensity and degree of intimacy in the relationship. Following this discussion, online WOM is thus characterized by

weak ties. Weak ties then provide three possible benefits for the consumer. Friedkin (1982) argues that it first provides a potential input for a decision. Second, consumer information should be more diverse than that coming from stronger ties. Thirdly, it also gives consumers the opportunity to gain access to expertise which they normally would not get access to (Constant, Sproull and Kiesler, 1997). One downside is however, that consumers do not know the motives of the person that provides the online WOM. It can be difficult to access the informant's background and expertise in the topic (Schindler and Bickart, 2005).

WORD-OF-MOUTH MARKETING

Word of mouth marketing really isn't about marketers or even marketing. It's all about creating happy customers and making them your best advertisers. If people like what you do, they will want to tell their friends about your product or service as well. This is word of mouth marketing in a nutshell. Word of Mouth Marketing creates happy customers and makes it easy for them to tell their friends; let the conversation get multiplied. Word of mouth marketing is giving people a reason to talk about you and then finding ways to amplify and accentuate that conversation. When you say something, it's marketing. When your customer says the same thing, then that's word of mouth. Word of mouth marketing can technically be defined in a number of different ways:

"The art and science of building active, mutually beneficial consumer-to-consumer and consumer-to-marketer communications."

"Giving people a good reason to talk about your stuff and then making it easier for that conversation to take place."

"Having such great products, services and customer service that make people just naturally want to tell all their friends about you."

Regardless of how it is defined, word of mouth marketing has always been around because people love to talk. The difference today, however, is word of mouth marketing has evolved to

become action able rather than accidental and largely anecdotal. Word of mouth marketing has become the fastest growing form of marketing today because an array of new tool shave emerged which help facilitate this. People also understand the concept better and have learned how to harness it rather than allowing things to happen by chance. The key distinguishing feature of word of mouth marketing is the fact it is organic rather than tightly scripted. It springs naturally from what you do well rather than being orchestrated and managed. For this and other reasons, word of mouth marketing is more credible and believable. It comes across to consumers as being genuine rather than the end result of carefully designed advertising and marketing. If you have a product that people love so much they just can't stop talking about it, that's a very nice place to be. Simply put word of mouth marketing is the most profitable marketing you can do. Nothing else you can do will make you more money. There are several reasons:

NO ACQUISITION COSTS – Any customers you acquire through word of mouth marketing are free. The more you can get in this way, the lower your average costs of acquiring new customers becomes for your business overall.

WORD OF MOUTH IS FREE ADVERTISING – It doesn't cost a cent and won't show up on your financial records.

WORD OF MOUTH CAN INCREASE THE EFFECTIVENESS OF ALL OTHER FORMS OF ADVERTISING – Meaning you get more bang for your buck when you do advertise.

WORD OF MOUTH MAKES YOUR SALES PEOPLE MORE PRODUCTIVE –Because positive feedback makes it easier for them to close more deals in the future.

With this in mind, satisfied customers are the most powerful marketing asset any marketers have as a business. Companies' marketing communication should be doing everything possible *to treat them with respect and protect them, to listen to their ideas and act on them and to keep adding new people to this pool of satisfied customers.*

Word of mouth marketing really isn't "marketing" at all. It really comes down to providing such great customer service that your existing customers want to tell their friends. Or supplying such fantastic products or services people rave about them and can't resist showing them off. Word of mouth is "organic" – it springs naturally from the positive qualities of your company. This is the opposite of paid advertising which is merely the amplified wishes of your marketing department. Consumers reward the companies which earn their respect with great word of mouth. If more companies understood this, they would stop advertising tomorrow and instead put all their resources into better customer service. This is what has made TiVo such an interesting company. They hardly advertise at all but almost everyone knows what TiVo is. This is because TiVo owners are fanatics who can't stop talking about it. The result is the company grows through word of mouth endorsements rather than paid for advertising. Word of mouth is about giving companies' customers a voice. To achieve that, they have to be honest. They can't use stealth marketing techniques or deception. They can't trick customers into giving you a word of mouth recommendation. Nor can it be faked. Word of mouth only succeeds when you are the genuine article and when you deliver on what you have promised in the first place. If you try and fake some word of mouth, you'll get found out. People are incredibly good at sniffing out fake information. They will take note if the same review pops up again and again, supposedly submitted by completely different people.

If companies do that, word of mouth will work in reverse. Everyone will start passing on the fact you tried to be deceptive and therefore something weird is probably going on. There's no problem whatsoever with you joining in any ongoing conversations as long as you disclose who you are right up front and what you stand for. You also have to make sure all your employees or volunteers follow this same high standard of disclosure. When you pause and think about your business, you'll probably realize word of mouth already has a much larger impact than you've acknowledged thus far. Businesses have a number of ways to describe word of mouth using different terminology. Also, since word of mouth doesn't cost anything, you really can't calculate your return-on-investment rate. It doesn't show u budget item so you can't calculate what the return is on zero investment. But it's probably been there generating more new

customers than all of your more “traditional” marketing tactics combined. *“Traditional marketing is no longer the safe way to go. It may make you feel more comfortable, but it is becoming gradually less and less effective for more and more companies. It’s time to focus on making customers happy earning their trust and respect and getting them talking about your stuff.”* Andy Sernovitz

FACTS RELATED TO WORD-OF-MOUTH MARKETING COMMUNICATION

Most Traditional Media is an Inefficient Cost; word of mouth is a wise investment. 7 Reasons for marketers to adopt word of mouth marketing as their communication tool:

REASON #1 – WORD OF MOUTH GETS NOTICED

- 4% any ad recall from last TV show watched (down from 34% in 1965).
- 70% of people frequently consume multiple media simultaneously.
- 93% of people believe word of mouth is the most reliable way to find out information about products and services.

REASON #2 – WORD OF MOUTH STIMULATES ACTION

- 90% - proportion of people who can skip ads, do skip ads.
- 70% - percentage of people affected by word of mouth conversations
 - 37% buy it/try it, 24% consider it, and 9% avoid it

REASON #3 – WORD OF MOUTH IS A COMPETITIVE ADVANTAGE

- Only 1-2% of marketing budgets are currently spent directly on creating word of mouth.

REASON #4 – WORD OF MOUTH TARGETS INFLUENCE

- With rare exception (i.e. magazines), mainstream media has a tough time targeting audiences and specifically influencers.
- 70% of Wikipedia’s content is produced by 1.7% of its audience
 - Top ranked Influencer belief – “I love talking to others about things I’ve just discovered”.

REASON #5 – WORD OF MOUTH IS MORE TRUSTED

- 60% of people have a much more negative view of marketing and advertising than a few years ago.
- 27% trust manufacturers.
- 14% trust ads.
- 8% trust celebrities.
- Word of mouth is the #1 trusted source, up 50% vs. a generation ago.
- 61% of people claim to buy the same brands as their friends.
- 82% trust their friends.

REASON #6 – WORD OF MOUTH IS MORE CUSTOMER CENTRIC

- *Mass Media Provides:*
 - Entertainment Value.
 - Information Value.
- *WOM Provides:*
 - Entertainment Value.
 - Informational Value.
 - Explicit value (rewards).
 - Intrinsic value (feeling of belonging).
 - Experiential value (immersion).
 - Social value (making connections).
 - Talent value (expressing skills/creativity).
 - Service value (adds to the product).
 - Collaborative value (1+1=3).

REASON #7 – WORD OF MOUTH IS THE NOW & THE FUTURE

- *Marketers plan on spending more/less in 2009:*

	More	Less
Newspaper	5%	32%

Radio	5%	33%
TV	4%	37%
Magazines	3%	39%
Social Media	23%	16%

58% of marketers agree that word of mouth influence will overtake traditional media influence within a generation and 73% of marketers believe marketers will become much more important in an organization by leveraging word of mouth strategies and tactics. Companies' should plan, seed, incubate execute, measure, live and breathe the spectrum of word of mouth.

TYPES OF WORD-OF-MOUTH

INTEGRATED

- Brand Community-building.
- Influencer-driven.
- Challenge/intervention.
- Grassroots sponsorship/cause-driven.

OFFLINE

- Experiential.
- Buzz/Guerrilla.

ONLINE

- Social Media Production/Outreach.
- Viral.
- User-generated.

CONSUMER USE OF WORD-OF-MOUTH

Sernovitz (2006) uses a very good quote from Oscar Wilde on page 8 in his book *“Word of Mouth Marketing: How Smart Companies Get People Talking”*: *“There is only one thing in the world worse than being talked about, and that is not being talked about.”* Sernovitz (2006)

defines word of mouth in two ways. A more advanced definition describes it as the art and science of building a communication between the consumer-to-consumer and consumer-to-marketer, being beneficial for both. The author however prefers to use a more simplified version by stating that it is everything you can do in order to make people talk about you. Word of mouth is about conversations between consumers (C2C) instead of marketers controlling the conversations. What marketers have to do is to give the consumers an idea that is worth their time and effort to talk about and spread the word of. Making consumers talk though is not always easy. With this information age that is currently taking place consumers are overwhelmed with information and do not have the same amount of time anymore to either look deeper into or evaluate products. According to Silverman (2001) this is the reason to why the traditional advertising has started to decline where magazines are having problems, television networks are losing viewers and print and broadcast are becoming more expensive and results are decreasing. This is why word of mouth has started to play such an important role. When consumers do not have the time, this way of receiving information saves time because others have already gone through the information, sorted it out and then offered the benefits with their experience. Word of mouth moreover offer consumers a way to cut through the large mass of messages that is sent out, receive the necessary information and gain the benefits of it, especially from experts who's thoughts are highly valued. Thanks to technology such as Web sites, teleconferences, chat rooms, E-mail and so forth word of mouth saves consumers time and money. This new trend of using word of mouth is the fastest growing form of marketing since we nowadays have the tools and knowledge in order to use it the right way for a specific cause. Platforms also offer people the ability to listen to a wider audience of consumers in more than one way. In addition to this it is now possible to trace and measure conversations to a larger extent and thanks to the Web and blogs we can see what is said about us. However, word of mouth not only benefits consumers when evaluating products and services but marketers as well. It is nowadays also used when working towards a marketing objective, so therefore the M in Word-of- Mouth has come to stand for marketing. As Sernovitz (2006) adds this form of marketing is also actionable, traceable and plan able as with other types of marketing, which brings us to the next notion.

VIRAL MARKETING

Viral marketing could be defined as a marketing phenomenon that facilitates and encourages people to pass along a marketing message (Marketingterms.com, 2007). The main driver of the technique is to get as many people as possible to forward your marketing message, and as more people do a snowball effect is achieved where the message spreads in a virus like manner, hence the name. Of course, the opposite also holds true and if only minimal forwarding is attained the virus, if you will, quickly fizzles and dies. Basically, the notion of viral marketing is an attempt to take control of, steer and even initiate the talks that are going on about your company. The tools for doing this have certainly been dramatically enhanced through the convergence of Social Medias and the proliferation of the Internet, blogs and communities, in fact, when one talks about viral marketing it is implied that the technique is used with the just mentioned technologies.

It also describes as any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence. Like viruses, such strategies take advantage of rapid multiplication to explode the message to thousands, to millions. Off the Internet, viral marketing has been referred to as "word-of-mouth," "creating a buzz," "leveraging the media," "network marketing." But on the Internet, for better or worse, it's called "viral marketing." It also refer to marketing techniques that use pre-existing social networks to produce increases in brand awareness or to achieve other marketing objectives (such as product sales) through self-replicating viral processes, analogous to the spread of pathological and computer viruses. It can be word-of-mouth delivered or enhanced by the network effects of the Internet. Viral marketing is a marketing phenomenon that facilitates and encourages people to pass along a marketing message voluntarily.

EVOLUTION OF VIRAL

The term *Viral Marketing* was coined by a Harvard Business School professor, Jeffrey Rayport, in December 1996 article for Fast Company *The Virus of Marketing*. Among the first to write about viral marketing on the Internet was media critic Douglas Rushkoff in his 1994 book *Media Virus*. The assumption is that if such an advertisement reaches a "susceptible" user, that user

will become "infected" (i.e., sign up for an account) and can then go on to infect other susceptible users. As long as each infected user sends mail to more than one susceptible user on average (i.e., the basic reproductive rate is greater than one), standard in epidemiology imply that the number of infected users will grow according to a logistic curve, whose initial segment appears exponential. The term "Viral Marketing" is almost ten years old now, and refers to a new incarnation of "word of mouth" advertising, a technique that's existed since time began. The concept of viral marketing is that it perpetuates itself through existing (low or no cost) media: word of mouth is exactly that in its purest form. Since Cain heard how much Abel was popular and got jealous, this type of advertisement has been generating reactions from others. The media's of viral marketing can be in form of *Video clips (animations), Interactive Flash Games, Advergames, E-book, Images and Text messages*.

THE CLASSIC HOTMAIL.COM EXAMPLE - Hotmail.com, one of the first free Web-based e-mail services.

The strategy is simple:

- Give away free e-mail addresses and services,
- Attach a simple tag at the bottom of every free message sent out: "Get your private, free email at <http://www.hotmail.com>" and,
- Then stand back while people e-mail to their own network of friends and associates,
- Who see the message,
- Sign up for their own free e-mail service, and then
- Propel the message still wider to their own ever-increasing circles of friends and associates.

Hotmail owes its success to viral marketing. Sabeer Bhatia, creator of Hotmail. Sunil George Kuruvilla. It was supposed to be the advertising agency's nightmare. After all, who would need an advertising agency when the consumer himself passes the advertising message voluntarily to others? It was supposed to be the next Big Bang. Instead, most of the campaigns often end in a whimper. Yes, I am talking about viral marketing. Viral marketing uses social networks to create and spread brand awareness. An analogy can be drawn with pathological and computer viruses in the way the viral message passes from one consumer to another. Outside the context of Internet, viral marketing has been referred to as word-of-mouth, buzz creation, network

marketing, Twisting Shakespeare's words; what is in a name? That which we call a virus by any other name would be as nasty. Well, as we will see, there is a lot in a name. A good illustration of viral marketing is the practice of Hotmail to append its own advertisement to every outgoing mail. What it means for Hotmail is that every recipient of a mail would also find an invitation to join Hotmail. Let's say one of your friends sends a mail to you from his Hotmail account. You got mail. You read the mail and notice a tiny message at its bottom. The message says, "Get your private, free e-mail at <http://www.hotmail.com>. You click on it. You open the free account. Voila! You got virus! Now, you send a mail to your aunt in New Jersey. She sends a mail to her son in Boston, who in turn sends a mail to his newfound girlfriend in Paris, so on and so forth. This is exactly how Hotmail became the largest mail service provider in the world. What started as flu is an epidemic now.

PRINCIPLES OF VIRAL MARKETING

Viral marketing, or "refer-a-friend," email campaigns have received a lot of attention in the media recently. These campaigns, which encourage recipients of promotional emails to forward the messages to their friends, have garnered both positive and negative reviews from consumers, privacy advocates, and industry pundits. At the heart of the issue are concerns over sending unsolicited email, but by using viral marketing tactics carefully, marketers may avoid negative reactions and gain an excellent return on investment (ROI) as they increase the reach of a marketing message to a targeted group far beyond their original audience. I admit it. The term "viral marketing" is offensive. In a few short generations, a virus population can explode. The elements of viral marketing strategy are *to give away products or services, provides for effortless transfer to others, scales easily from small to very large, exploits common motivations and behaviors, utilizes existing communication networks and takes advantage of others' resources*.

POWER OF VIRAL MARKETING

- According to a research when one person has a good online experience, he or she will turn around and tell 12 more people? By the same token, if that person has a bad

experience, 12 others will also know about it. This is the dynamic that powers viral marketing.

- Viral marketing has become the Holy Grail for Internet marketers looking to copy the success of Hotmail. Most everyone wants to take his or her product and "make it viral." It's important, though, to stop and think about what underlies viral marketing.
- When people talk about viral marketing, they may not realize that they're really talking about several variations of the same theme. These variations of viral marketing operate for different reasons and by different mechanisms, and they have different effects. However, most seem to have the same mechanism at their core a focus on providing the user with quality products or experiences.

SOCIAL MEDIA OPTIMIZATION-SMO AND VIRAL MARKETING

"It's gone viral" are beautiful words to hear when you want to market a product or service. When so many people talk about how "you've got to get product name" until others rush out and buy it, that's a marketing success story. The way to get your social media marketing or networking to "go viral" is to engage in a process called social media optimization-SMO. SMO means that your company should do everything that it can to encourage users to share your content via social media tools and services. For example, you should set up your content for distribution as an RSS feed and include the RSS icon/widget on the content page so users can easily subscribe. Or include the buttons for bookmarking services like Digg. You also should try to mash up (combine) content from various forms of social media, such as including your company's YouTube videos or online photo content in a blog. Viral marketing, sometimes called viral networking, entails doing everything you can think of to encourage your content to spread. Sometimes social media terminology might sound hopelessly over the head of the average non-technical person, but it's more like hip slang than anything else. For example, viral marketing refers to the marketing that uses social media tools to generate word of mouth, and SMO in general refers to adding links and widgets for social media tools to your website to encourage the distribution of your information to other sources. This class will introduce the terms you need to know to understand and get involved in social media.

TYPES OF VIRAL MARKETING

PASS-ALONG - A message which encourages the user to send the message to others. The crudest form of this is chain letters where a message at the bottom of the e-mail prompts the reader to forward the message.

INCENTIVIZED VIRAL - A reward is offered for either passing a message along or providing someone else's address. This can dramatically increase referrals. However, this is most effective when the offer requires another person to take action.

UNDERCOVER - A viral message presented as a cool or unusual page, activity, or piece of news, without obvious incitements to link or pass along. In Undercover Marketing, it is not immediately apparent that anything is being marketed "Edgy Gossip/Buzz marketing" ads or messages that create controversy by challenging the borders of taste or appropriateness. Discussion of the resulting controversy can be considered to generate buzz and word of mouth advertising. Prior to releasing a movie, some Hollywood movie stars get married, get divorced, or get arrested, or become involved in some controversy that directs conversational attention to them.

USER-MANAGED DATABASE - Users create and manage their own lists of contacts using a database provided by an online service provider. By inviting other members to participate in their community, users create a viral, self-propagating chain of contacts that naturally grows and encourages others to sign up as well.

BRIDGING ONLINE AND OFFLINE SOCIAL NETWORKS

Although exceptions exist, the available research suggests that most SNSs primarily support pre-existing social relations. Ellison, Steinfield, and Lampe (2007) suggest that Facebook is used to maintain existing offline relationships or solidify offline connections, as opposed to meeting new people. These relationships may be weak ties, but typically there is some common offline element among individuals who friend one another, such as a shared class at school. This is one of the chief dimensions that differentiate SNSs from earlier forms of public CMC such as

newsgroups (Ellison et al., 2007). Research in this vein has investigated how online interactions interface with offline ones. For instance, Lampe, Ellison, and Steinfield (2006) found that Facebook users engage in "searching" for people with whom they have an offline connection more than they "browse" for complete strangers to meet.

CONSUMERS REBEL AGAINST IRRELEVANT PROMOTIONS

Though 64% of consumers say promotional offers dominate both the email and traditional mail they receive, only 41% view them as must-read communications and many even steer clear of a brand in protest of such irrelevant mailings, according to a study by the Chief Marketing Officer (CMO) Council and InfoPrint Solutions Company. The study results, the CMO Council said, point to an overall dissatisfaction with the shotgun approach to promotional message and demonstrate that consumers are taking more control of in-bound communication channels, unsubscribing to irrelevant email, and defecting from brands that deliver irrelevant content and random mass mailings. In fact, some 41% of overall respondents say they would consider ending a brand relationship because of irrelevant promotions, and an additional 22% say they would definitely defect from the brand. In a more specific example of this behavior, of the 91% of consumers who opt out or unsubscribe to emails, 46% are driven to brand defection because the messages are simply not relevant.

CONSUMERS WANT TO BE UNDERSTOOD

The study found that, when given the opportunity to choose, 51% of consumers prefer to receive product or service promotions via traditional mail while 44% prefer email. More importantly, however, the study also revealed that while marketers continue to weigh the pros and cons of email vs. printed postal mail, consumers are much more concerned about the level of individualization and understanding of their needs and relationship with the brand. "Irrelevant, impersonal communications, be it email or traditional mail, is a waste as it does not engage a receptive recipient," said Liz Miller, VP programs and operations, CMO Council. "It is no surprise that consumers are opting out of irrelevant emails. However, what is a grave sign for marketers to heed is that customers will disconnect and stop doing business with brands

who continue to send messages that demonstrate a lack of intimacy, customer insight and individual understanding.”

INFLUENCE OF THE BLOGOSPHERE

As the World Wide Web approaches its teens, we have new expectations about both the right to express an opinion and access to information upon which to base that opinion. Blogs have played on a role in raising those expectations; thus, blogs have demonstrated influence: the power to affect events. In the early 1990s, the Web promised active communities and social networks, sharing ideas and shaping new realities. Everyone who wished to be would be a publisher; democratization of information (and, consequently, power) would follow. Indeed, the growth of the Web was nothing short of phenomenal. In November 1990, there was one Web host (CERN); in 1994, the U.S. Senate and House of Representatives added Web servers; and, by 1998, there were Permission to make digital or hard copies of all or part of this work for personal or classroom use is granted without fee provided that copies are not made or distributed for profit or commercial advantage and that copies bear this notice and the full citation on the first page. To copy otherwise, or republish, to post on servers or to redistribute to lists requires prior specific permission and/or a fee. About 300 million WebPages and Network Solutions registered its 2 millionth domain. Personal publishing got a boost with the advent of GeoCities, which eliminated the need to know HTML or understand FTP. Much as they did in the early days of Aldus PageMaker, novice writers and designers enthusiastically embraced the new technology, creating communications that made classically educated communicators and designers shudder; they then ceased up-dating the sites when the newness faded. When Yahoo! Purchased GeoCities in 1999, it hosted 3.5 million individual Web sites; by 1998, there were a handful of sites that we would identify today as blogs. In 1999, the Poynter Institute hired Jim Romanesko to produce the “MediaNews” blog; by 2002, analysts estimated the universe at 500,000 blogs. Perseus estimates today’s universe at 5 million blogs. Blogs are sometimes characterized by their technology, often a personal content management system such as Blogger, Greymatter, Live Journal, Manila, Movable Type, or UserLand. Blogging has become so ubiquitous that AOL implemented a version in 2003. Nokia announced in March 2004 that it was adding LifeBlog to its phones.

Recent Pew Internet and American Life research suggests that 11 percent of American Net users have read blogs and 2-7 percent has created them; this translates to between 2.4 and 8.4 million bloggers. Net users with a college degree are the most likely bloggers. Primary characteristics of a blog include:

- Reverse chronological journaling (format).
- Regular, date-stamped entries (timeliness).
- Links to related news articles, documents, blog entries within each entry (attribution).
- Archived entries (old content remains accessible).
- Links to related blogs (blog rolling).
- RSS or XML feed (ease of syndication).
- Passion (voice) The act of updating a blog (adding an entry) is called “blogging;” someone who writes a blog is a “blogger.”

POPULARITY OF SOCIAL NETWORKING SITES AND BLOGS-GENERAL

Social networking websites, over the past few years, have rapidly increased in popularity; there is just something about these websites that draw in millions of Internet users. With a wide variety of different social networking websites available, there are a wide variety of different reasons for their popularity.

EASY TO USE - One of the good reasons is the ease of use. Social networking websites are, for the most part, easy to use. Most sites are easy to navigate. In fact, many require little knowledge of the Internet. In addition to being easy to navigate, social networking websites also make it easier to meet new people online. There are many Internet users who would love to make new friends online; however, that can sometimes be difficult to do. Without social networking websites, you would have to connect with Internet users, often in chat rooms, and learn about their interests before deciding if you would like to consider them your “buddy.” Social networking sites allow you to learn information about another Internet user before ever having to make contact with them.

FREE ACCESS - Another one of the many reasons why social networking sites are popular is because many are free to use. In fact, the majority of social networking sites, such as MySpace and Yahoo! 360, are free to use. Despite being free to use, many websites require that you register with them. This registration will not only allow you to create your own profile or online webpage, but it will also allow you to contact other networking members. Although most social networking websites are free to use, there are some that are not. Classmates is one of those websites. Many of these websites give you a free trial period or a free membership. That membership can be used to help you determine whether or not the website is worth paying for. What is nice about paid online social networking websites is that many can be considered exclusive. Since most Internet users would not want to pay for something that they can get for free, most paid social networking sites are limited on the number of members they have. This may work out to your advantage because it tends to eliminate those who create fake accounts or aim to cause controversy online.

VARIETY OF FORMATS - Social networking websites are also popular because they come in a wide variety of different formats. Websites like Yahoo! 360 and MySpace focus on a wide variety of different topics. This means that just about anyone can join. However, there are other social networking sites out there that have a particular focus. These focuses may be on a particular religion, political following, or hobby. Most specialty social networking sites restrict the individuals that can participate in their network; thus, making your experience more enjoyable. Finally, social networking websites focus on meeting new people, especially online, but over recent months, many have started including additional features only available to their online members. Many social networking members can receive their own free webpage; get free access to popular music videos, a free blog, and much more. Although social networking websites are popular enough to bring in members on their own, these additional features are, in a way, providing Internet users with an incentive to join.

PARTICIPATION IN ONLINE SOCIAL ACTIVITIES AROUND THE WORLD						
The percentage indicates the portion of online consumers who participate in the indicated activity at least once per month.						
	US	UK	FRANCE	GERMANY	JAPAN	S. KOREA
Read Blogs	25%	10%	21%	10%	52%	31%
Write Blogs	11%	3%	7%	2%	12%	18%
Watch User Generated Videos	29%	17%	15%	16%	20%	5%
Visit Social Networking Sites	25%	21%	3%	10%	20%	35%
Participates in Discussion Forum	18%	12%	12%	15%	22%	7%
Read Rating/Reviews	25%	2%	12%	28%	38%	16%
Post Rating/Reviews	11%	5%	3%	8%	11%	11%
Use Simple Syndication-RSS	8%	3%	5%	4%	0%	1%

Figure 13 - Forrester Research Techno-graphics Consumer Survey-2007

IMPORTANCE OF BLOGS- SOME PRACTICAL EXAMPLES

DELL MISHAP

In 2005, Dell didn't have a blog. But one of their customers did; this customer was very upset with Dell's customer service. He wrote about his experience on his blog; so did another blogger, whose post was so popular, it led to the creation of a new term for Dell.

What The Fuck is with Dell Technical Support?!

Some random bits scribbled by Jeremy Zawodny



[Customer Service](#)
Solutions for Your Small Business.
Business Begins Here.

[Customer service](#)
Find Support, Services & the Latest Info
for the Channel & IT Resellers

Ads by Google

I'm on hold waiting to speak with a [Dell](#) Tech Support representative, presumably in India. The Dell 2405FPW UltraSharp Flat Panel LCD Monitor I recently purchased (using our corporate discount at work) arrived in a broken state.

When powered on, the video display is horribly distorted. I should be seeing the on screen display (before I hook up any [video sources](#)) but instead I see what looks like a single line of pixels stretched vertically to the point that they consume the entire display. Attaching a real video source (VGA or DVI) fails to rectify the problem.

So I found the [on-line Dell 2405FPW manual](#) and confirmed that I've attempted all the troubleshooting ideas they've published. No help there. It's still messed up.

I then [found the phone number](#) to call:  1-800-822-8965  (for individual home consumers who purchased through an Employee Purchase Program). On the first try, I navigated the annoyingly stupid IVR system. It starts by making me press buttons on the phone and then strangely transitions to using voice response, which I hate. It's slower, less accurate, and more frustrating. I was eventually put into a holding queue where I waited about 10 minutes before simply being disconnected.

I called back and repeated the previous steps. But this time I found myself patched through to a



up
[blog home page](#)

previous
[The Combined Power of Celebrity People, Products, and Companies](#)

next
[You Never Forget Your First Web Server](#)

recent blog entries

- ◆ [DiggKiller Considered Harmful](#)
- ◆ [Defrag and Fragmented Services: My Defrag 2007 Talk & Some Videos](#)
- ◆ [How not to catch the early flight...](#)
- ◆ [Announcing the YDN Hadoop & Distributed Computing blog](#)
- ◆ [Yahoo! Developer Network Theater Launched](#)
- ◆ [At Defrag Conference](#)


visitor roll

Recent Readers

 You!
Join Our Community

Figure 14.1 – Example of Blog against DELL

illuminea@gmail.com | [Web History](#) | [My Account](#) | [Sign out](#)


Web [Images](#) [Groups](#) [News](#) [Scholar](#) [more »](#)

[Advanced Search](#)
[Preferences](#)

Search: ☒ the web ☐ pages from Israel

Web
Personalized Results 1 - 10 of about 2,290,000 for [dell hell](#). (0.20 seconds)

[Dell Hell](#) ✓

I've recommended **Dell** computers for many years. But my confidence in them was shaken when I got a new laptop in Fall 2004, and I ended up in "**Dell Hell**". ...
www.thisistrue.com/dellhell.html - 33k - [Cached](#) - [Similar pages](#)

[BuzzMachine](#) ✓

I don't know whether this is the end of my saga of **Dell Hell**: the story come full By the way, I note that **Dell Hell** is now much farther down Google ...
www.buzzmachine.com/?tag=dell - 56k - [Cached](#) - [Similar pages](#)

[BuzzMachine: Dell Archives](#) ✓

They're going to wait a very, very long time: When **Dell Hell** freezes over. Well, my **Dell hell** continues. The machine's networking just goes off on its ...
www.buzzmachine.com/archives/cat_dell.html - 39k - [Cached](#) - [Similar pages](#)
[\[More results from www.buzzmachine.com \]](#)

[Gripes about Dell Computers - a.k.a. Dell Hell](#) ✓

You can tell the New York Attorney General your **Dell Hell** story at this website www.nyagdell.com which also has the full details of the lawsuit. Wow. ...
www.computergripes.com/Dell.html - 101k - [Cached](#) - [Similar pages](#)

[Inside "Dell Hell"](#) ✓

My colleague Louise Lee's new story digging into **Dell's** customer-service challenges won't come as a surprise to the many folks who commented on a post that ...
www.businessweek.com/the_thread/techbeat/archives/2005/09/inside_dell_hell.html - 202k - [Cached](#) - [Similar pages](#)

Figure 14.2 – Example of Google Search- DELL

If you search for Dell Hell in Google, that guy's post is the first result. As a result, Dell got negative press coverage in the New York Times and Wall Street Journal. Dell couldn't fight back; Dell didn't have a blog, so they were unable to communicate with the angry blogosphere. But there was a happy ending. Dell set up its own blog. *"In the age of customers empowered by blogs and social media, Dell has leapt from worst to first."* –Jeff Jarvis, Business Week. Dell took immediate step and dispatched technicians to reach out to complaining bloggers and solve their problems, earning pleasantly surprised buzz in return. Below there is a snapshot of Dell's new blog;

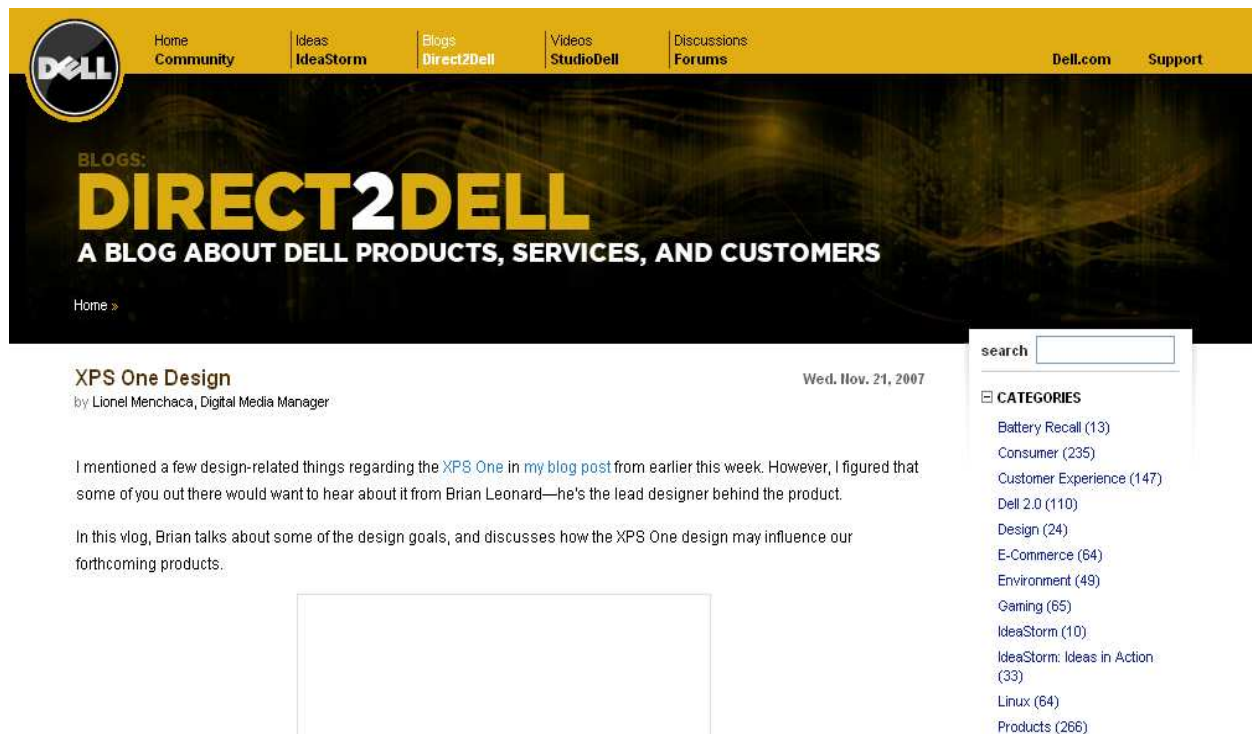


Figure 14.3 – Example of DELL Official Blog

It showed some measurable results; Dell saw a 27 point decrease in negative blog posts, from 49 percent at the peak of Dell Hell to the current 22 percent. Cost would have been hundreds of millions for similar ad campaign. Dell had to spend hundreds of millions of dollars for a brand that large to achieve the same result but though there is no surety of wide spread of their marketing communication. Michael Dell: "A company this size is not going to be about a couple of people coming up with ideas. It's going to be about millions of people and harnessing the power of those ideas."

APPLE LOST BILLIONS

At the hands of bloggers..."Applegate", May 2007: "...earlier yesterday technology blog Engadget published what it claimed was an internal email from Apple that stated the iPhone launch would be delayed until October and that the Leopard operating system would be delayed until January 2008. Six minutes after the post, Apple's share value had sunk to \$103.42, cutting Apple's company value by \$4bn. – TechCrunch. "Apple has received formal government

approval to sell its much-anticipated iPhone in the US, just a day after a bogus email, dubbed *"Applegate"*, wiped \$4bn from the company's stock market value." – Guardian.

Target's not on target; Target PR becomes a Nightmare. A rep from a non-profit concerned with media and marketing's impact on kids writes to Target objecting to the ad on the previous slide. Target's unfortunate response; Target: *"unfortunately we are unable to respond to your inquiry because Target does not participate with non-traditional media outlets. This practice is in place to allow us to focus on publications that reach our core guest."* Target was publicly slammed for having questionable advertising practices and elitist public relations policies. Story was picked up and repeated throughout the blogosphere. Shaping Youth is a small, grass-roots organization *that has a blog*. Target is #33 in the Fortune 50 with \$59 Billion in revenue *but no blog*.

COMCAST COUCH GUY

In 2006, Brian Finkelstein, a law student, was having trouble with the cable modem in his home. A repairman from Comcast Cable Communications Inc. arrived to fix the problem, but when the technician had to call the home office for a key piece of information, he was put on hold for so long that he fell asleep on Finkelstein's couch. Outraged and frustrated, Finkelstein made a video of the sleeping technician and posted it on YouTube. The clip became a hit, with more than one million viewings, and to this day the image continues to undermine Comcast's attempts to improve its reputation for customer service. From the blog:

"A Comcast technician came to replace a faulty modem. After spending an hour on hold with Comcast's central office, he fell asleep on my couch. I've been in my apartment for three weeks and my internet connection is still non-functional. This is my tribute to Comcast, their low quality technology and their poor customer service." Number of views on YouTube: 1,181,809.

AOL – CANCEL MY ACCOUNT!

Comcast is not alone. Another popular YouTube clip contains dialogue between a customer trying to cancel his subscription and America Online. Vincent Ferrari wanted to cancel his AOL account. It took him 21 minutes of frustration to succeed. At one point the AOL rep asked 30 year old Ferrari to speak to his dad. Unfortunately for AOL, Ferrari recorded the conversation and published it on YouTube. What should have been a simple conversation becomes a battle as the AOL service representative stubbornly persists in trying to retain the customer, sorely trying his patience. Finally, the customer says,

"I don't know how to make this any clearer for you: Cancel the account. When I say 'cancel the account,' I don't mean help me figure out how to keep it. I mean cancel the account."


Apparently, the clip struck a nerve as hundreds of people posted comments on the YouTube page, many of them bashing AOL and relaying similar experiences with the company. CNBC even devoted a report to the whole flap. This video also later covered on MSNBC and elsewhere; number of views on YouTube: 218,391.

GENERAL MOTORS

GM leader in social media GM launched blog in 2005 – Fastlane. Written by Vice Chairman; GM reached the milestone of 200 years; now it's time for GM to expand social media strategy to include GMNext. Forrester compared the results of GM's Fastlane blog to those of a focus group, and since a focus group costs about \$15,000 a month, which works out to \$180,000 each year, GM has achieved similar results via their blog, and saved itself \$180,000 in cash per year. GM is trying to engage their customer's one car at a time. It increases the transparency, chances of reaching younger buyers and profits. "To find something comparable, you have to go back 500 years to the printing press, the birth of mass media...Technology is shifting power away from the editors, the publishers, the establishment, and the media elite. Now it's the people who are taking control." *Rupert Murdoch, quoted in Wired, July 2006.*

JOHNSON & JOHNSON SUES RED CROSS OVER USE OF RED CROSS!

J&J uses their blog to take the dialogue beyond the standard corporate PR, and communicates on their blog.



JNJ BTW

a three dimensional view of
Johnson & Johnson

You're Doing What?!

August 9th, 2007

It was a busy night,

As a former journalist, I appreciated how undeniably juicy the story would be: Johnson & Johnson sues the American Red Cross and other parties over.... What?! ... the use of the RED CROSS?!

It was almost too easy.

I also know that companies, like Johnson & Johnson, built on innovation and long-lived brands must resolutely defend their rights in these innovations, and in these brands.

One of Johnson & Johnson's oldest trademarks is the Red Cross design. We began using the Red Cross design and "Red Cross" word trademarks in the United States in 1887, predating the chartering of the American Red Cross. The company has had exclusive rights to use the Red Cross trademark on products in certain categories for over 100 years. Since its creation, the American Red Cross has had the rights to use the Red Cross trademark in connection with its non-profit relief services.

Here's a collage of our early products, including a couple using this trademark (click to

JNJ BTW

By The Way... Everyone else is talking about our company, so why can't we? There are more than 120,000 people who work for Johnson & Johnson and its operating companies. We're some of them, and through JNJ BTW, we will try to find a voice that often gets lost in formal communications. Like any conversation, there are certain ground rules that will be followed on JNJ BTW and you should read our comments policy to be familiar with what we will do here.

Things to Know

- [About JNJ BTW](#)
- [About the Editor](#)
- [Comments Policy](#)

Figure 15 – Example of JNJ Negative Blog Communication

As a result; a large number of comments and stories generally providing broad support for J&J's point of view. While there are negative comments, the blog achieved what no other crisis communication's vehicle would have delivered.

GROWING PAINS: FORD

Ford released their first social media release; Ford's lawyers did a very unsocial thing and stopped some of their most exuberant fans from printing up a fan calendar with photos of their own Ford cars in it. "The folks at BMC (Black Mustang Club) automotive forum wanted to put together a calendar featuring members' cars, and print it through CafePress. Photos were submitted, the layout was set, and CafePress notifies the site admin that pictures of Ford cars cannot be printed. Not just Ford logos, not just Mustang logos, the car as a whole is a Ford trademark and its image can't be reproduced without permission. So even though Ford has a lineup of enthusiasts who want to show off their Ford cars, the company is bent on alienating them. 'Them' being some of the most loyal owners and future buyers that they have. Or rather, that they had, because many have decided that they will not be doing business with Ford again if this matter isn't resolved." (From BoingBoing). "Ford pulled the spark-plug right outta their hearts." – *Todd Defren*.

BLOG MARKETING-TOOL FOR POLITICAL ELECTIONS CAMPAIGN

Political campaigns began using the Web to provide information about issues and schedules in the 1996 election. However, there was little impact due in part to paucity of Americans on the Internet. That situation has changed; Pew Internet Research estimates that there are 126 million Web users in America; 77% used the Internet in connection with the war in Iraq during the first week of action. Given this increased level of awareness 55 percent of Americans use the Net regularly and 70 percent have access; it is not surprising that Democratic Presidential candidates Wesley Clark, Howard Dean, John Edwards, Bob Graham and John Kerry included blogs on their Web sites. Dean was the first candidate to create a blog, called Blog for America; the campaign also created a separate blog to target younger voters. Reflecting the culture of blogging following presidential candidates came up with their own individual blogs for sake of marketing their election campaigns. Following are the list of blogs:

- ***<http://campaign.forclark.com>***
- ***<http://blogforamerica.com>***
- ***<http://blog.johnedwards2004.com>***
- ***<http://blog.johnkerry.com>***

Dean's blog allowed comments and Trackback. By September 2003, it had 30,000 visitors per day. Clark, on the other hand, had less than 2,000 members as of December. Kerry launched his blog in August 2003 and ran into problems with a no-registration-required commenting policy; that policy changed in November. Bob Graham launched his blog in August and his campaign in October. Edwards requires registration before entering. In addition to using Web sites and blogs to provide timely information about issues, candidates can, and do, use them as a constant pitch for money. The tension between "commerce" and "content" is evident in politics, just as it is with online news sites. The campaigns experienced predictable challenges with the use of a new technology and a fast-growing customer base. Now that there are effectively only two candidates, the latest political blogging tool provides a side-by-side comparison of the Kerry and Bush blogs.

BLOGS MARKETING-TOOL FOR HOLLYWOOD/BOLLYWOOD MOVIES PROMOTION

With the emergence of social networking sites, there has also been a small influx of a niche in this Hollywood industry. Each one has its pros and cons as they relate to the future and where to go in the future. Below is a detailed look at each one.

IMDB.COM - The perfect movie information site. It has virtually every director, actor, writer, movie, TV movie, year released known to man. The site is quoted more times than any other movie site. Often, the information found here is considered law. Its social network side of things is a little blah and lacks a lot to be desired. It has a few login features and some list generation, but other than that it is nothing to get excited about especially something user and users' friends would want to get involved with. The overall outlook of the site is incredibly promising. It has everything that is needed for a movie site, and could easily incorporate a few more interactions with the social side of things.

ROTTENTOMATOES.COM - A monster movie review site. It has all the critical reviews compiled for each movie. It does a great job of getting people into or out of the theater with an idea of how good the movie will be. It also provides some info for release dates, actors etc. But, for social networking it lacks a little something. It does have some movie list functions and some

message boards to keep people interested in coming back signed in. But, there is no substance or nothing really pushing you to interact.

FLIXSTER.COM - A newer true social networking site dedicated to movies. Users can do all sorts of stuff as well as recommend movies, rate movies, review them, and talk with friends. The movie information is there as well. But, it doesn't push you to come back to the site. It has some nice features, but most users frequent the site for a short time never to return. It does have a Facebook application, but how much it draws users to the site is unknown. Some call this the MySpace of movie social networking; this was the first.

YMDB.COM (SHOMPY) - Old, outdated, and not frequented much. It has one feature movie lists. Users can fairly easily create a top movie list, explain why they think it is good, and then chat with a few friends who may stumble across their list. It has no movie reviews, no true social interaction, and nothing intuitive. It is a one and done site that never really generated revenue. No one knows how it is able to keep afloat. It is possible to get some knowledge about non English films.

SPOUT.COM - This little site has a decent amount of movie information and some cool tools. It finally has some type of movie review feature although all it really is a blog attached to it. The design is nice and the people seem nice as well. It lacks social interaction and a bug free site. I enjoyed looking for movie via an instant movie search, but it was buggy. It had some good movie list functions and a way to look at hot or not films. In the end though it was a confusing site that most will not go back to many times.

FILM CRAVE.COM - A very young but ambitious social networking site. It lacks a strong movie database (though it looks like it is growing), some social interaction, and a solid heart. What it does have is almost everything else. Strong movie reviews, intuitive movie list creation, enough social networking, and potential. It is less than a month old by the looks of it so it is not known where it will go or grow, but everything looks promising.

YAHOO MOVIES.COM - A very large part of yahoo is yahoo movies. They have movie reviews, movie lists, recommendations, critics, and number ones. They pretty much have it all. It is not focused or very intuitive. It is a site that can be used once in a while or very often. It has great movie data but as far as social interaction it may be too spread out to get users to enjoy the company of others. It looks like it is mostly used for movie reviews. Most sites have good and bad points. It is up to user to decide if any or all of them are worth joining. Someday, one of these sites will do all of them combined better than anyone else. Currently, it looks like it could be flixster or filmcrave.

SUPER 8 AND VIRAL MARKETING

J.J Abrams, Hollywood director known for movies *die hard*, *Lost*, *Mission Impossible III*, *Fringe*, and *Star Trek*. He's one of the few talents in Hollywood who seems to remember what life was like before trailers, TV spots and the Internet. He remembers that part of what made going to the movies so special decades ago was discovering something you knew next to nothing about. He has earned the clout to convince a major studio like Paramount to be more modest in their traditional ad campaigns.

Abrams is one of the few people in Hollywood who also actively encourages people to try to subvert the controlled flow of promotional materials by digging around online and discovering info for themselves. Viral marketing campaigns have been around since well before Abrams got into the game, but his repeated involvement with projects that revel in their own mysteries has married his name to the concept. And now that his next directorial project, *Super 8*, is (publicly) underway with Steven Spielberg on board as an executive producer and noted creative influence, Abrams is once again standing behind the kind of viral projects that became staples of *Cloverfield* and *Lost*. *Super 8* trailer attached to Iron Man 2 or bootlegged online, but there is a hitch moviegoer start noticing the Easter eggs hidden at the end of the trailer that launched the film's viral marketing efforts.



Some moviegoers noticed that during the last seconds of the trailer, some letters flash through the lens of the film camera. Then they start Twitting if anyone could figure out what the letters spelt. The awesome sleuths at the *UnfictionForum* were able to screen capture all of the letters:

Figure 16.1 – Super 8 Trailer

```
PDP-11 Simulator
License 1130-A23R-12TR-2090
-----
Copyright 1977, DAC, Acton, Mass.
THIS SOFTWARE IS FURNISHED TO A PURCHASER UNDER A LICENSE FOR
USE ON A SINGLE COMPUTER SYSTEM AND CAN BE COPIED ONLY FOR USE
IN SUCH SYSTEM, EXCEPT AS MAY OTHERWISE BE PROVIDED IN WRITING
BY DAC OF ACTON, MASS. U.S.A.

VERSION 05.5

D. MORRIS 05-FEB-77
```

Figure 16.2 – Super 8 Viral Marketing

If you try to print all pages, you get prompted with the following message:

Stop posting publicly. I can answer your questions.

I have proof.

>>>>



Figure 16.3 – Super 8 Trailer Snapshots

The spelt: ***“Scariest Thing I Ever Saw”***

The website *ScariestThingIEverSaw.com* was register a little over a week after the film’s official website *super8-movie.com*, and by the same registration company.

TRON LEGACY

Another example is about under production movie *Tron Legacy*; Disney's viral campaign for their highly anticipated sequel has fans not only digging around online, but heading out into the

real world to track down one-of-a-kind collectibles. That's a rare kind of reciprocation in the viral movie world.

BUSINESS THROUGH SOCIAL NETWORKING WEBSITES

Facebook, MySpace and now Twitter; these are internet's fastest growing traffic generator. Customers have shifted from mainstream media to the business owner. It creates leveling of businesses and also breaking down communication barriers. The other possible positive aspects are:

- Affordable Visibility
- Expand Network Easily
- For Making New Relationship
- For Recruitment
- Encourage Development of New Skills
- Make It Easier To Get Answers
- Help Out Companies

It based on simple concept of Connect, Connect & Connect. Social Networking Sites are more helpful than harmful. It enables users to stay connected despite the hindrances of distance and time. The problems to be tackled like online bullying, protecting privacy. Above all social networking sites should remain as vehicles in which larger communities can be formed and expressed. And think of it as a nice-to-have, not a must-have.

SOCIAL NETWORK MARKETING-COMPANY PROSPECTIVE

Here I mention few guidelines for the companies for adopting social networks as their marketing communication tool. The Social Networking Plan of Action comprises of following steps:

Step 1: Research free Social Networking Platforms & how to strategize within each.

Step 2: Define the Key Social Networking platforms to be used on a consistent basis.

Step 3: Redesign & Construct the website to reflect your current strategy (if necessary).

Step 4: Hardcode the Blog Site.

1. Implement Blog rush (or similar service) into the design

Step 5: Prepare Social Networking websites design to reflect the cause, website, and blog.

- a. Collect content, pictures, videos, audio, press, coupons/discounts

Step 6: Hardcode & Construct an invite only, Forum/Messaging Board for Industry Leaders & Agitators.

Step 7: Implement Analyzing tools within each platform, including website.

1. *Web Analytics*
 - a. Google Analytics
 - b. Mint
2. RSS Analytics
 - a. Feedburner
3. Link Trackers
 - a. Technorati
4. Keyword Alerts
 - a. Google Alerts
 - b. Yahoo! Alerts
 - c. Filtr Box

Step 8: Gain baseline understanding of our position vs. competitors.

**Note: This should also be performed during Market Research.*

1. Activity: where do people discuss? How much
2. Sentiment
3. Share of voice
4. Themes: what are people talking about?
5. Who are the key influencers? Are they discussing us?

Step 9: Identify Key Players in the industry that are active on the web.

1. Market Research on the Competition & Resources
2. Instigate conversations on all platforms to find Your Reputation (Who)?
 - a. Pundits
 - b. Agitators (*Most people watch agitators but do not respond to their advice*)
 - c. Customers
 - d. Colleagues
3. Identify Key Players & Industry Leaders.
4. Invite them to an “Invite Only” Messaging Forum.
 - a. Identify yourself personally & honestly.
 - b. Describe the cause and reason for recruiting them to the cause.
 - c. Build a helpful & supportive Laser Tattoo Removal focus group.

Step 10: Define Objectives & Create a consistent process.

Step 11: Unveil Social Networking & Blog to public.

Step 12: Google, MSN & Yahoo! Ad words.

ONGOING:

Analyze the

1. Contribution
2. Audience growth
3. Conversation rate
4. Citations
5. Cost

6. Benefit

1. Feed subscribers
2. Conversation rate
3. Unique visitors
4. Bounce rate

Continue determining how to further analyze our efforts success over time.

Subscribers = feedburner, Conversation Rate=general stats plug-in with word press & measure map, Authority= technocrati

IMPLEMENTATION OF SOCIAL APPLICATIONS

Companies can deploy social applications as a marketing communication tool in different department to accomplish a variety of objectives.

USING SOCIAL APPLICATIONS IN DIFFERENT DEPARTMENTS

Manager's Role or Department	Appropriate Social Applications	Success Metric
Research & Development	<ul style="list-style-type: none">▪ Brand monitoring▪ Research communities▪ Innovation communities	<ul style="list-style-type: none">▪ Insight gained▪ Useable product ideas▪ Increased speed of development
Marketing	<ul style="list-style-type: none">▪ Blog communities▪ Video on user-generated sites	<ul style="list-style-type: none">▪ Better market awareness▪ Online 'buzz'▪ Time spend on sites▪ Increased sales
Sales	<ul style="list-style-type: none">▪ Social networking sites▪ Brand ambassador	<ul style="list-style-type: none">▪ Community membership▪ Online 'buzz'

	programs <ul style="list-style-type: none"> ▪ Communities Embedded ▪ “Widgets” 	<ul style="list-style-type: none"> ▪ Increased sales
Customer Support	<ul style="list-style-type: none"> ▪ Support forums ▪ Wikis 	<ul style="list-style-type: none"> ▪ Number of members participating ▪ Volume of questions answered online ▪ Decreased volume of support calls
Operations	<ul style="list-style-type: none"> ▪ Internal social networks ▪ Wikis 	<ul style="list-style-type: none"> ▪ Number of members participating ▪ Increased operational efficiency ▪ Decreased volume of emails

Figure 17 – Social Applications Model

IMPLEMENTATION OF BLOG MARKETING

GENERAL

- Low cost and fast to set up
- Transparent and authentic
- Information is always up-to-date
- Blogging is innovative = you are innovative

REACH

- Get the right information to the right people at the right time.
- Broad reach via RSS and email subscriptions
- Opening a new marketing channel for products and services

FINANCIAL

- Test out ideas on the blog before development

- Forrester research: savings from customer insights

SEARCH ENGINES

Search engines like:

- Sites that publish fresh content
- Sites with inbound links
- Keywords

CHARISMATIC LEADERSHIP

- Position you and your company as thought leaders in competitive markets
- Establish a true, credible voice in the marketplace
- Tim Ferris launched The 4 Hour Workweek to New York Times bestseller list through blogging

BRANDING

- Strengthen and promote your brand
- Give your company a human face
- Forrester research: increased brand visibility
- Forrester research: reduced impact from negative user-generated content, and increased sales efficiency

PR

- Free and controlled news desk
- Damage control!
- Rapid response tool
- Create buzz - give small hints abt. new products, generate press interest
- Announce conferences/events

CUSTOMER RELATIONS

- Customer queries answered leading to reduced customer service or technical support calls
- Enhance customer loyalty
- Build sense of community

- Turn customers into your sales force
- Reach an active, passionate consumer base
- Reach people on their own terms

LEAD GENERATION

- Better communication with prospects
- Leverage existing customer base to spread your message
- Increased enquiries generated
- A living white paper
- Word of Mouth 80% of online users trust the opinion of a friend *or acquaintance* more than any other possible web source

INTELLIGENCE

- GM's Fastlane Blog's Bob Lutz, says he receives better consumer intelligence from reading the comments on his blog than those from traditional market research channels, like surveys and focus groups.
- Quickly and easily poll your customers
- Get feedback
- Build better products from 2-way conversation

IMPLEMENTATION OF WOM MARKETING

In April 2005 survey by CMO magazine, which asked marketers what type of digital media they were either using or planning to use, found that 43% planned to employ WOM campaigns within the next six months. The main benefits are:

- The formation of favorable attitudes.
- Research indicates that word of mouth communication (WOM) has a significant effect on consumer purchasing behavior.
- The reduction of risk or uncertainty associated with buying decisions.
- According to E – Marketer two – third of all economic activity in the US is influenced by shared opinion about a product, brand, or service.

- According to researchers at northwestern University, 15% of every conversation includes something about a product or a service.

IMPLEMENTATION OF INNOVATIONS DIFFUSION THEORY

This theory refers to the dissemination of information, abstract ideas, concepts, and practices within a particular group. Rogers (1995) identifies four key elements in the diffusion of innovations theory are *Innovation, Communication Channels, Social System and Time*. The viral impact and several strengths like Expense, Voluntary Nature and Targeting along with some weakness like *Measurement Difficulty and Lack of Control*. Marketer extract maximum out of viral marketing action if the marketing communication should be well structured by keeping in view few core points:

- Fun, intriguing, and capture the imagination
- Attached to a highly visible/easy to use product and be communicated with various available technologies.
- Well-targeted to reference groups and other opinion leaders who play significant roles in consumers' decision making
- Associated with a credible source to enhance believability.

THE CORPORATE WEBSITE IS BECOMING IRRELEVANT



"But we're tired of the corporate website and all its happy marketing speak, stock photos of smart looking dudes or minority women crowded around the computer raving about your product, the positive press release, the happy customer testimonials, the row of executive portraits, the donations your corporate made to disaster relief, the one-sided view never ends." – Jeremiah Owyang, Sr. Analyst at Forrester Research: Social Computing.

Figure 18.1 – Irrelevant Corporate Website Structure

The new corporate website should follow certain steps:

- Websites are created with customers
- Unfiltered customer testimonials will appear
- Content will have both negative and positive views about your products
- Company website will be a Community Resource

Outcome; customers will make company site the first place to go for information, trust will increase, company may be able to build better products and services with real-time customer feedback, and most importantly, they will be a community resource that will help them meet their customer needs faster.

WEB STRATEGY: HOW TO EVOLVE YOUR IRRELEVANT CORPORATE WEBSITE



“To blog or not to blog? The answer, simply enough, is to blog. No better opportunity exists to engage in an open dialog and exchange of ideas with customers and potential customers” *Bob Lutz, Vice Chairman, General Motors.*
 “If you blog, you exist.”- *Shai Agassi, former Board Member, SAP.*

Figure 18. 2 – Web Strategy Tools

“It’s a new media world that really returns us to old Main Street ethics. A shopkeeper within the town builds great relationships with his/her community members. There’s an intrinsic understanding that they need the community as much if not more so than the community needs the shop. And so the shopkeeper works hard for the community, and treats it well.” – *The Participation Ethos.*

RESEARCH METHODOLOGY

In this section; I discuss a plan for the method of conducting my research. This involves discussion on research approach, collection methods, and method for analyzing the data. *You will be shortly presented with relevant theories and I will motivate my choice of how to carry out the study. The aim is that, after reading this section, you will not only know how the data is collected and analyzed but you will also be aware of certain limiting aspects concerning the methodology of this study.*

A considerable amount of work has been done in this field and several articles are available on the internet and magazines about the social networks and blogs. So first I carried out a literature survey of the available data for collection of secondary information. I followed it by a descriptive research design in order to understand the problem and carry out the research in a lucid manner.

QUALITATIVE VS. QUANTITATIVE

There are two broad categories of methods to discuss; quantitative and qualitative methods of choice. *Quantitative methods* are concerned with gathering numerical data or data that will be quantified. *Qualitative method* then refers to collecting non-numerical data or data that will not be quantified (Saunders 2003). Due to the empirical and numerical inherent of quantitative research method, it is seldom able to capture the subjects' perspectives.

As my purpose is taken from the consumer's perspective, I believe that quantitative method will take me closer to the informant's perspective (Quantitative method used for knowing consumer viewpoint by formulating different questionnaires targeting different nationalities). As I want to explore, I need to get deep into the minds of my respondents. Using a quantitative research method will enable me get this numeric description from the respondents and to understand the phenomena I am studying even better. Thus it will allow me to understand the meaning that the informants' attach to their experiences of social networking and blogging. This approach will allow me to get this non-standardized data as well as locked standardized set

of questions. This is because the nature of the questions will need to be flexible and open-ended for quantitative approach order to explore what emerges during the thesis survey.

DATA COLLECTION METHOD

After secondary data collection through data collection over the internet, a primary research was carried out through a questionnaire. The questionnaire was well structured and the responses were sought from the respondents. The nature of the questions was such that it avoided ambiguous responses from the respondents and it also helped in quick analysis of the data collected. Two methods of questioning were used for the data collection:

PERSON ASSISTED - The responses were collected by personal questioning. The responses were taken from the students in Italy (LUISS Guido Carli, Rome) this form of questioning helped the respondent to understand the questions better and answer accordingly. I chose this method for Italy due to my own physical presence; as I can easily approached to students residing in Rome.

WED ENABLED - The questionnaire was electronically circulated with the help of software (SurveyMonkey) to Pakistan (IQRA University, Islamabad), Spain (ESADE, Barcelona) and Uzbekistan (Nationwide). Those who attempt to filled the questionnaire it then automatically saved in the database. A flaw that I realized here was that some of the respondents did not understand the questions and hence could not answer them to the best of their capability, unlike the other method employed where the questions could be explained if required. Like some respondents confused with the concept of buying from social networks and blogs and impact of marketing communication through social networks and blogs to influence the consumer buying behavior. For this purpose; I tried my level best to assist them online in case of any clarification.

SAMPLING

To identify my respondents, I first used a self-selection sampling. This sampling method allows the individual to identify their desire to take part in the research (Saunders 2003). I put up advertise notes in Facebook for 10 different nationalities, however I did only get 4 responses which I included. When I judge that I would get any more responses, I turned to people whom I

knew use social networking sites and blogs, and request them to fill the questionnaire. People whom the researchers were familiar with were selected because of the difficulties to identify other members of the population. I discovered that some of my friends, or friends to them social networking sites and blogs, a lot. This thus made me able to get suitable participants who had rich experiences of social networking and blogging. The low number of respondents can be justified by that it allows us to get a richer description of the phenomena that I am studying. Furthermore, I do not intend to generalize my findings, instead to I want to seek an understanding of my research participants.

SAMPLING DESIGN - The target population for my research was defined as the students who are heavy users of social networks and blogs. This was done to have a better insight into the research as the target population was one which is the most avid user of these sites and could provide good responses. Even the understanding of the questionnaire was easy to them as they were familiar with the social network sites and blogs, and quite clear about the reasons they use it for and the various problems that they face.

SAMPLING FRAME - can be defined as all the users of social networks and blogs in the vicinity of Italy, Pakistan, Uzbekistan and Spain. Once the sampling frame was decided, simple random sampling method was used to select the respondents. In the person assisted survey, almost everyone in the sampling frame had an equal chance of being selected and we got the responses filled through those people who were readily and willingly accepting to fill it. To some extent judgment sampling was also used, especially in the online survey.

EMPIRICAL FINDINGS

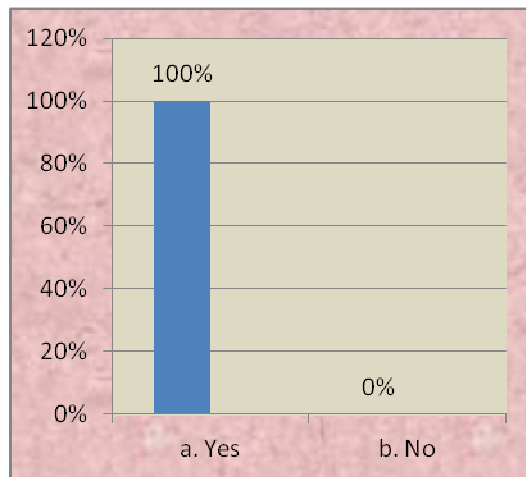
Here below I present the empirical findings for this thesis. I will, in this section, underline some findings and reflections that have occurred to me during the research process that is of benefit for companies. Further, I discuss the limitations with my findings and areas with my subject that could be further researched. A total number of two different questionnaires formulated; among those one targeted to Italian youth and other targeted to Spanish, Uzbek and Pakistani youth followed by 2 interviews from marketing experts. The interviews are structured according to the themes that were found during the empirical gathering process, and also in consideration to my research questions.

ANALYSIS AND INTERPRETATION

In this section the empirical findings will be analyzed in the light of the theory and my viewpoint. The disposition of the analysis will follow the research questionnaires targeting psyche of four different nationalities; however, the sections will be named according to the theories used for analyzing. Each survey question will instead, be stated below:

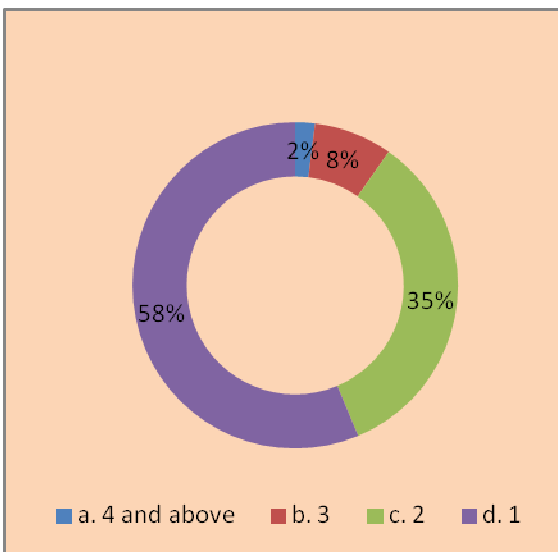
FEEDBACK FROM ITALY

Do you use any social networking sites? If yes, continue. Otherwise terminate.



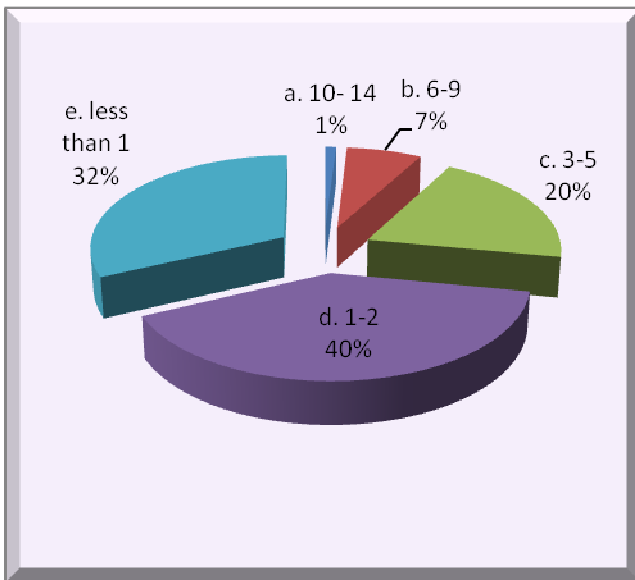
The popularity of the social networking sites is immense, especially amongst the youth. Only 2 respondents out of 125 respondents don't use social network sites. But for sake of authentic research I filter responses based on the complete information of respondents choices. For that purpose I have choose 100 respondents who 100% completed the questionnaire form without skipping any part.

How many social networking sites do the respondents use?



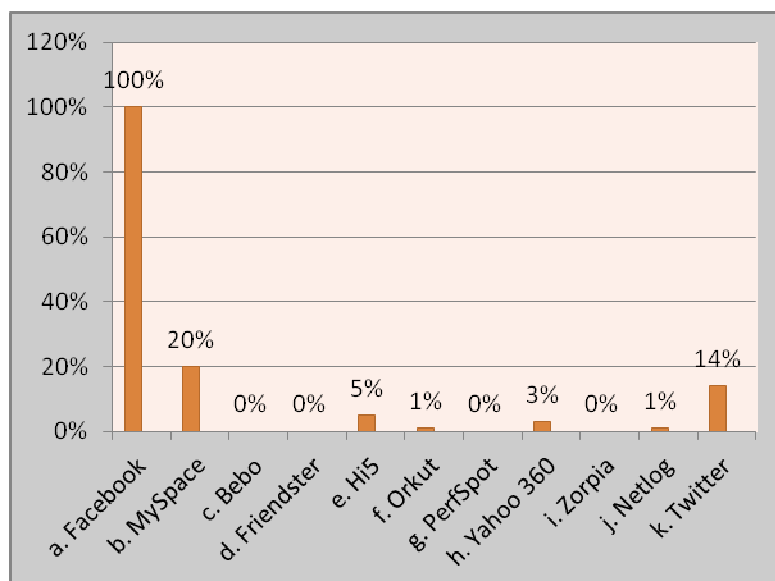
Analysis of the data tells that 58% of the students actively use at least one of the networking sites. Out of the ones who use more than one site, 35% amongst them use two sites and 8% use three sites with an exception of 2% use four and above networking sites. By this I infer that although these networking sites are getting very popular these days, most of the students use one site with the second majority being of those who use two networking sites.

Select the sites that you use:



Now I will analyze which sites are the most popular ones. Facebook is a hand down winner in this regard. One major interpretation here is that 58% users who use only one networking sites, 100% of them use Facebook. Considering the overall data, 100% students seem to use Facebook site which makes it the most popular one. The second most popular is MySpace which is used by 20% people followed by a 14% and 5% share by Twitter and Hi5.

How many hours per day do you spend on using these sites?

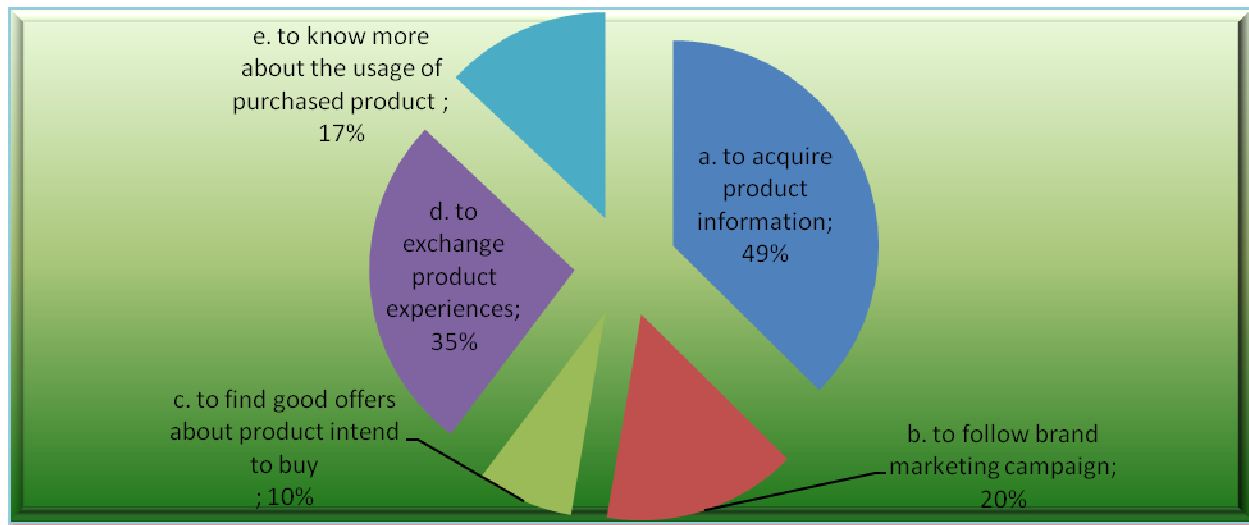


It should be analyzed here to determine what impact it would have on the users. The more the time spent, more probability of these sites being beneficial for companies to communicate with their customers.

The majority of the students 40% spend on an average of about 1 to 2 hours every day surfing these networking sites. Amongst those about 32% users spend 1 hour every day, 20% users spend ranging 3 to 6 hours, 7% users spend 6 to 9 hours followed by 1% exceptional 10-14 hours per day.

What do you use social networking sites for?

Let me see what respondents do use these social networking sites;



This shows that the desire to acquire product information along with the need to exchange product experiences is making more and more students use these networking sites. Also 20% tend to follow brand marketing campaign followed by 17% users want to know more about the usage of purchased product. In only rare case, 10% people are looking for good offers about product intend to buy.

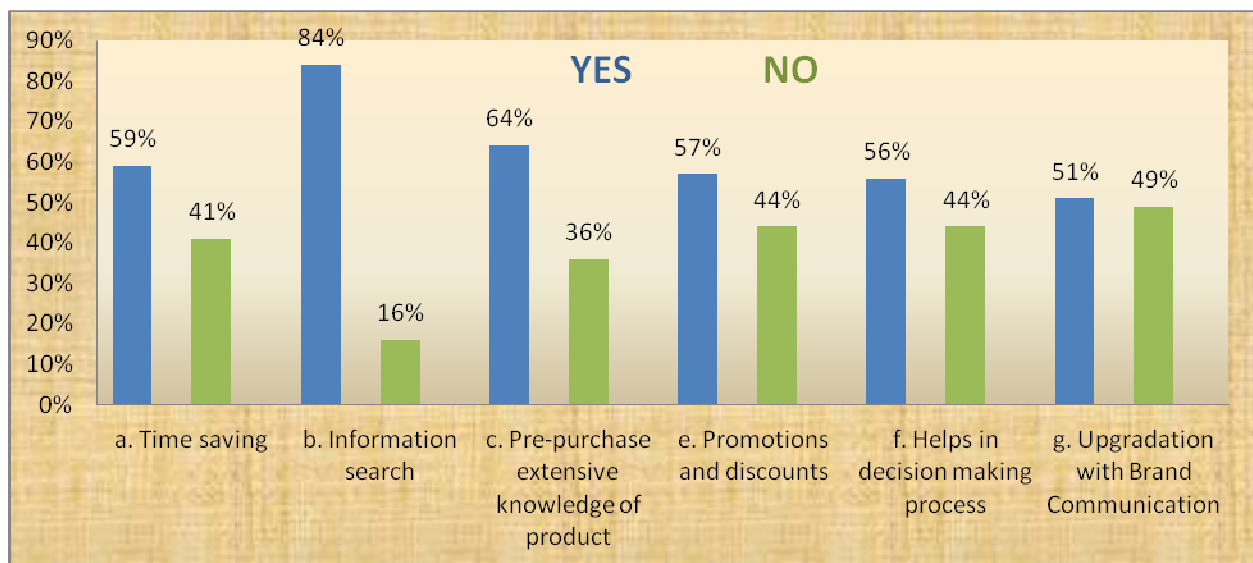
Do you feel these networking sites have created positive impact on your buying / purchasing behavior? If yes, then what do you feel can be these impacts?

Let me examine the positive and negatives impact of using social networking sites on consumers. As per the survey, majority users find that there is no as such negative impact in their buying behavior. Only few of the sample population feel that there is a negative impact on their buying behavior. The respondents assign 55% weight to Positive impacts and 35% to Negative impacts. If No,

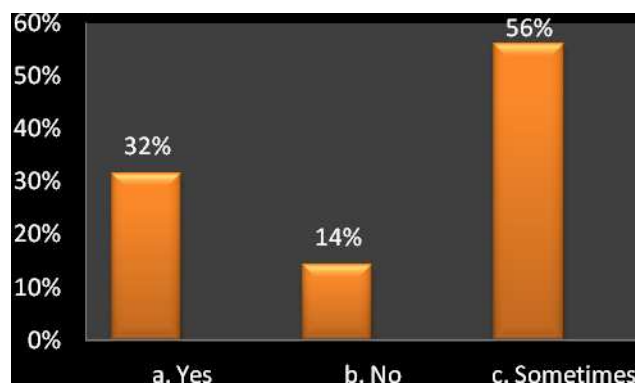
From that of 35%, 41% denied the fact that social networking sites have positive impact on their buying/purchasing behavior in context of up-gradation of brand communication; while 39% feels it doesn't help in decision making process for a intended purchase and 37% feels that

it is not a medium to save time and to get to know promotions and discounts. Only 15% of the 35% people feel that it not a platform for information search.

In context of positive impacts; let's examine the impacts which these networking sites have created respondents buying / purchasing behavior. If Yes,

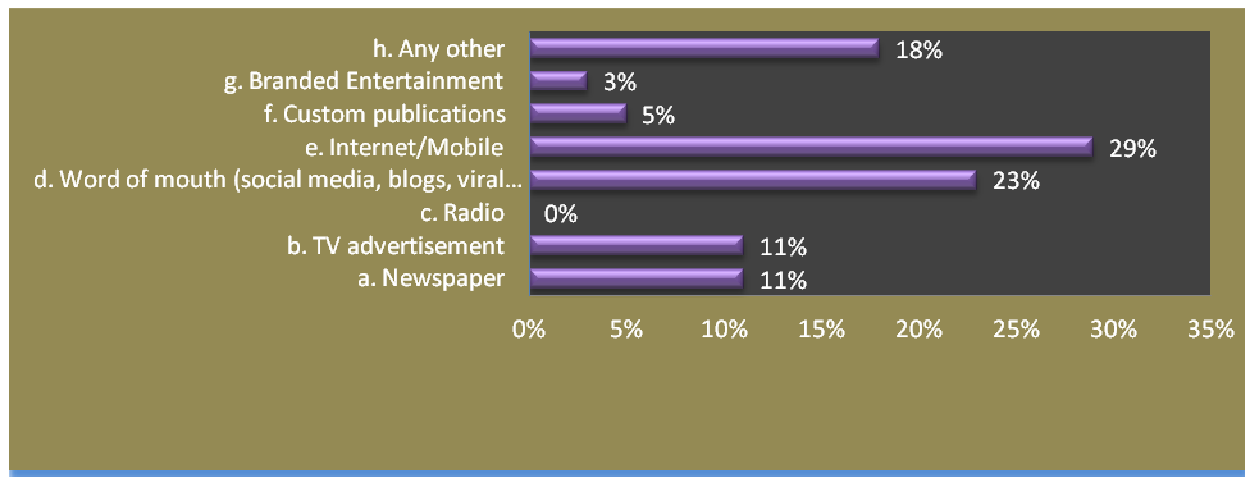


Do you plan your purchase?



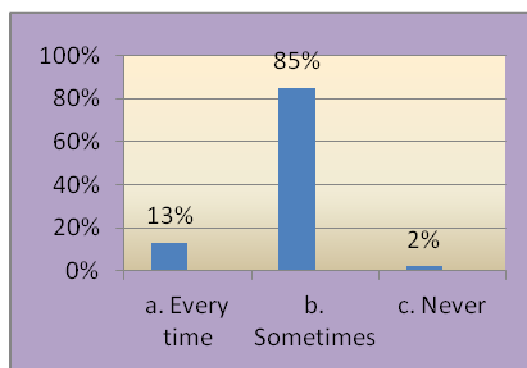
Replying to this question; 32% users are agree on the fact of planning on their purchase but majority 56% do purchase spontaneously along with 14% users; who never plan their purchase. Only 2 respondents out of 100 don't respond to this question.

What are the bases of their purchase decision?



The survey shows that majority relies on the medium of Internet/Mobile advertisement. As; they have technology on their hand and makes easier for them to follow any piece of communication by companies. Most of the mobile companies are offering build in software of social networks as a commanding selling feature for sake of getting connected even away from our laptop. It also highlights the fact as technology is going advance people are tendency to buy fully equipped gadgets which increase their connectivity around the clock. 23% users strongly believe in word-of-mouth and 13%, 11%, 11%, 5% and 0% assigned to Branded entertainment, Newspaper, TV advertisement, Custom publication and Radio respectively; which proves the fact that untraditional marketing have make a marked over traditionally marketing.

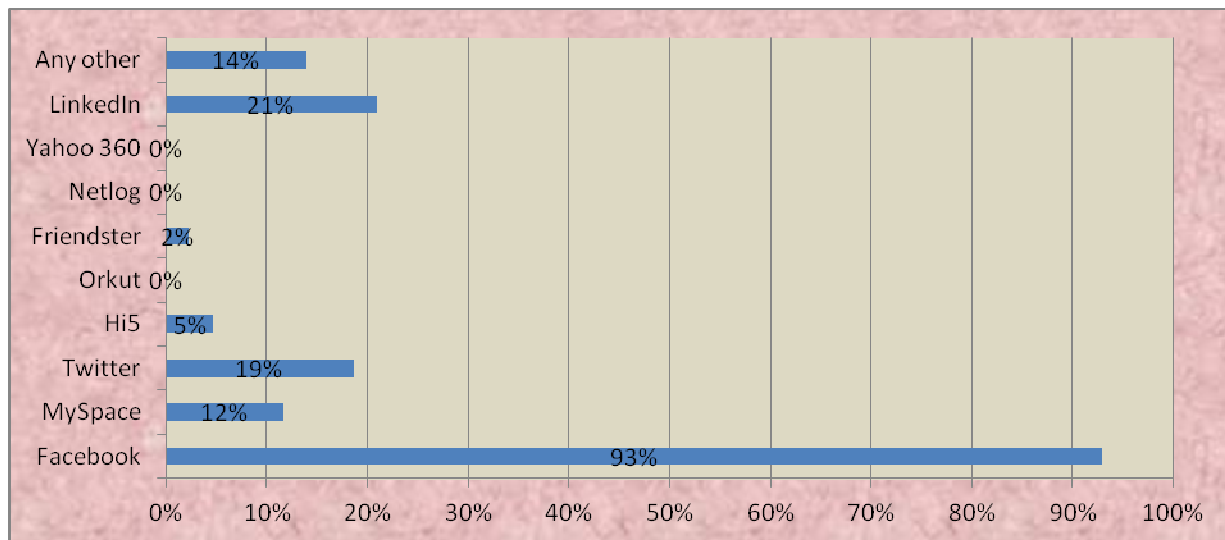
At which level respondents prefer word of mouth information while buying or purchasing?



Here majority of users are fall in the category of sometimes 85% followed by the 13% who strongly prefer word-of-mouth and 2% users never considered it at all. These results positively reflect the familiarity of consumers' understanding with the communication strategies of companies.

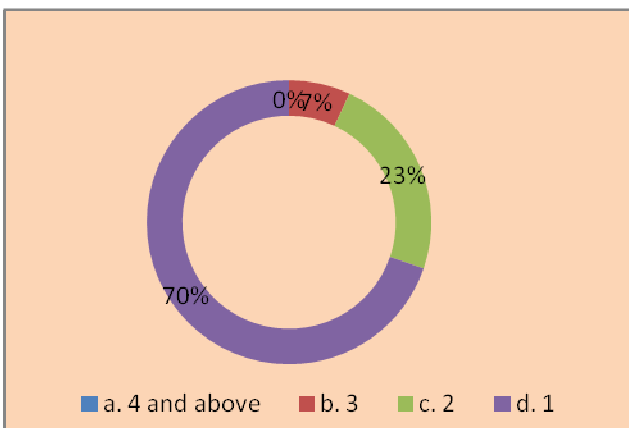
FEEDBACK FROM SPAIN

Select the social networking sites that you use: (If No then terminate the questionnaire).



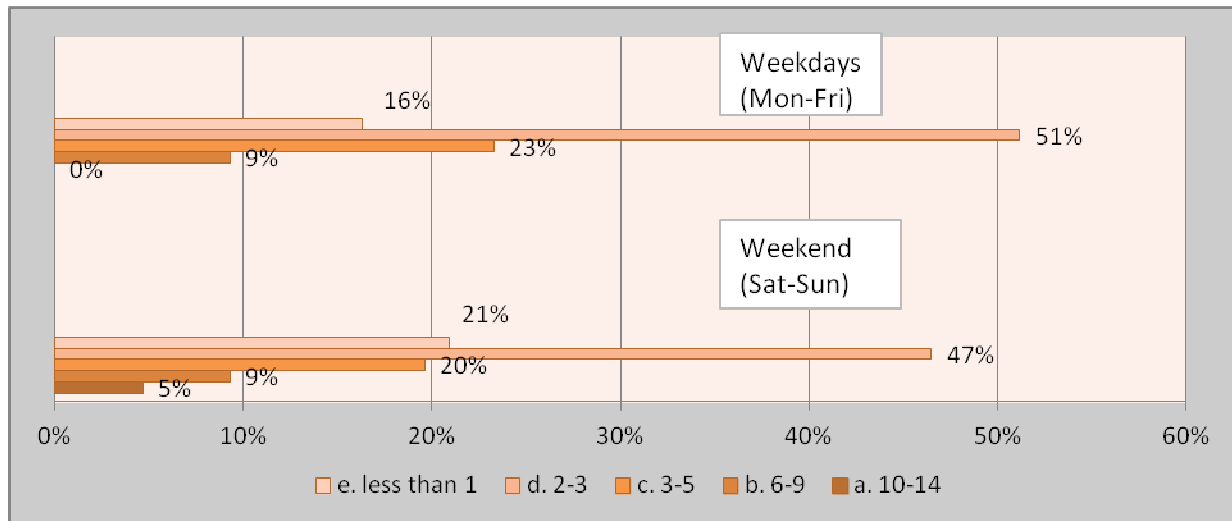
As seen earlier with context to feedback from Italy Facebook also ranked first in case of Spain. With reference to any other social networking sites; majority nominated Spanish social network site *www.tuenti.com*. Rests of the SNSs are *Flickr* and *Windows Live Spaces*.

How many social networking sites do the respondents use?



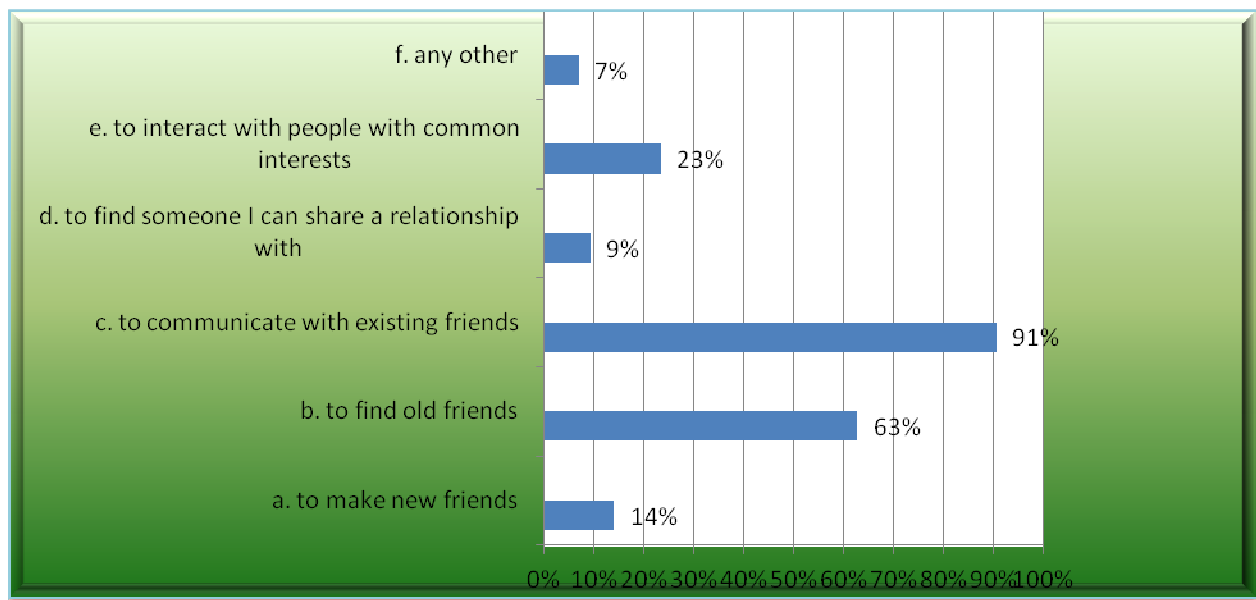
It shows 70% of the students actively use at least one of the networking sites. Out of the ones who use more than one site, 23% amongst them use two sites and 7% use three sites. But it's quite interesting that users are becoming loyal to the social networking sites they use.

How many hours per day do you spend on using these sites?



The figures indicate that users have tendency to use social networks and blogs for 2-3 hours but mostly on weekdays which is 51% as compared to weekends 47%. It reflects that users on weekends preferably spend their time for outdoor activities while during working days they tend to use SSNs on regular basis.

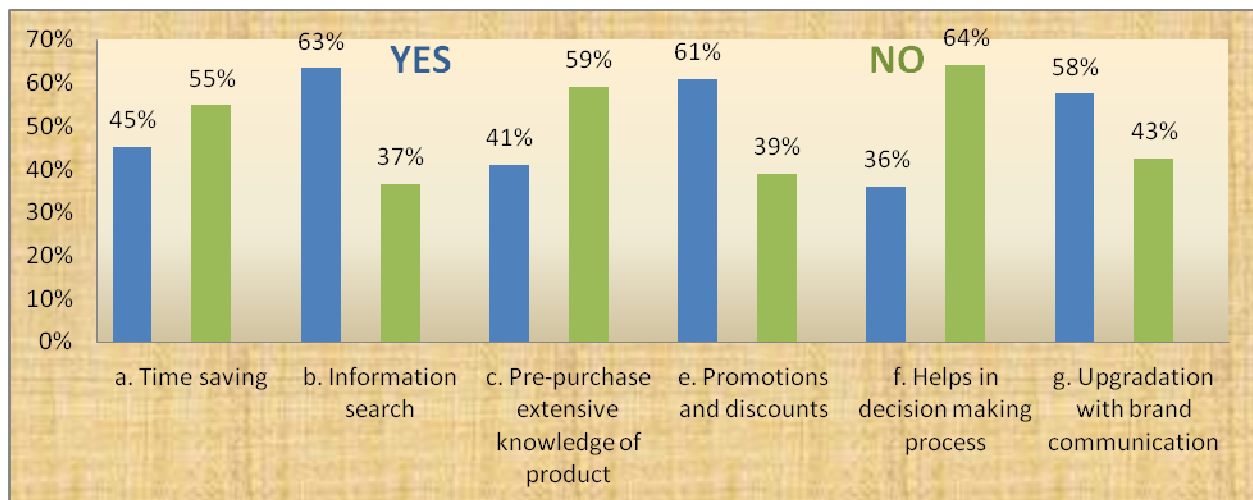
What do you use social networking sites for?



Most of the users 91% surf SNSs to communicate with their existing friends. What is it that attracts the students to spend time surfing rather than doing other things. Some said it was because they could make more friends, some said it was easier for them to find old friends 63%, for others it was to interact with people with common interest 23%, for some 14% it's a platform to make new friends or to find someone they can share a relationship with 9%. Besides the given choices, 7% respondents surf social networking sites to flirt, to find jobs and to have promotions & discounts for movies and music concerts.

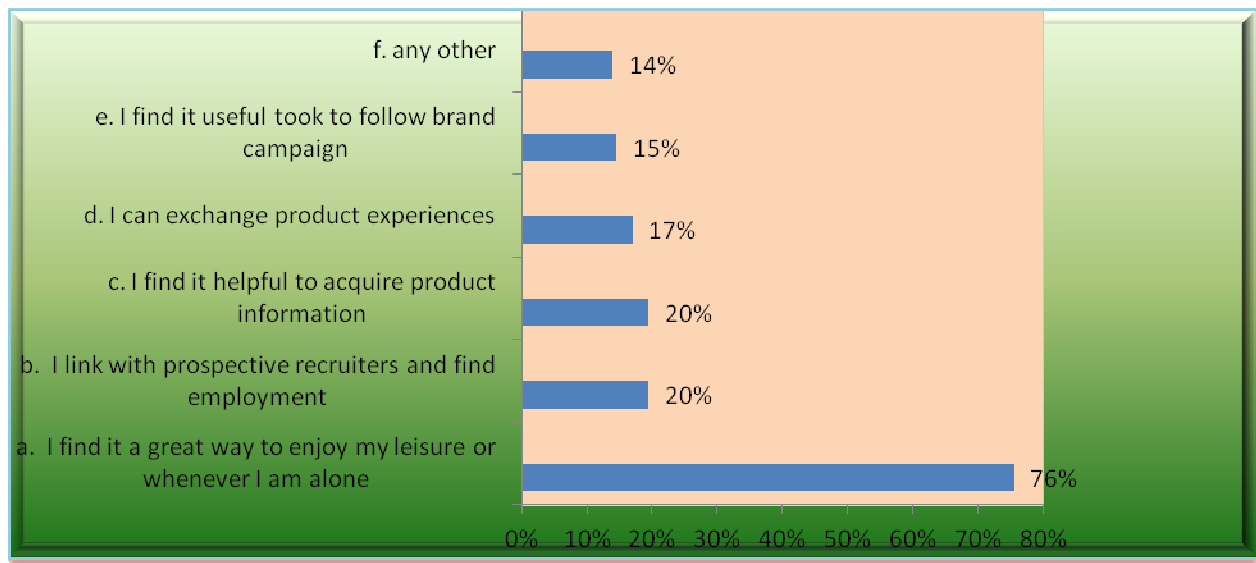
Different people whom I have spoken; they have mentioned different ways in which networking sites have had an impact on their buying behavior. Please let me know which of these do you agree with If yes, then what do you feel can be these impacts?

By comparing the positive and negatives impact of using social networking sites on consumers; users assigned 63% to information search considering it as a positive impact on their buying behavior, on the other hand 64% completely disagree that SNSs helps in their decision making process. Let me examine the other criteria's:



This shows that the desire to do information search 63% and follow promotions and discounts 61% along with the need to upgrade with the brand communication 58% and for sake of saving time 45% regarding their potential purchase and also to acquire the pre-purchase extensive knowledge 41% of product had created strong impact on their buying behavior.

How has social networking sites and blogs benefited you as a user?



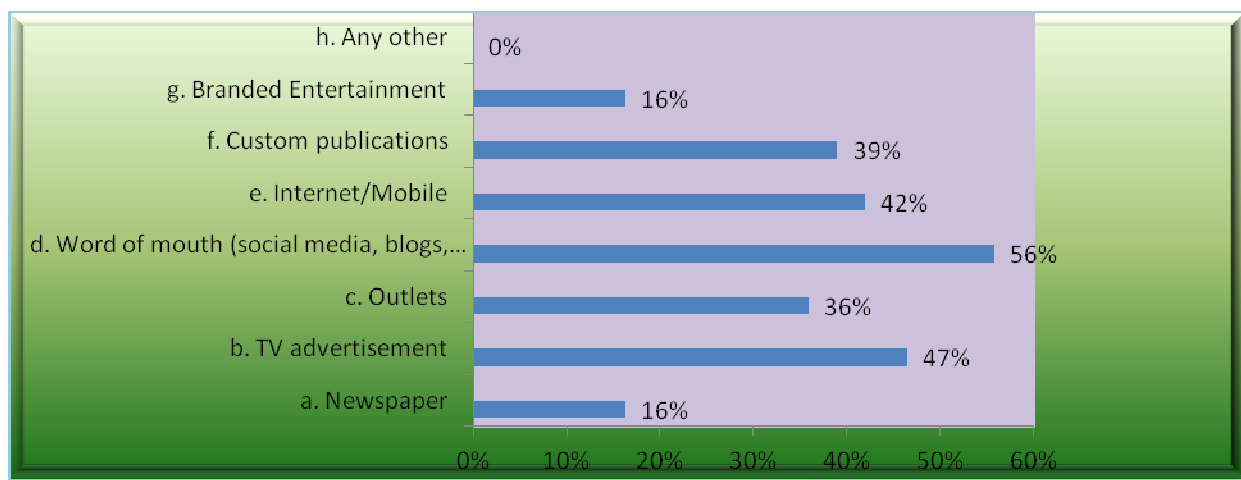
Besides the given choices, 14% respondents who falls on *any other* category; found it beneficial as it interesting to look at photos and people preferences, some want to maintain a network of friends and colleagues without great effort, it help them to keep in touch with people hardly ever see-specially people from other countries, to find it obligation to keep in touch with friends and some said SNSs are a great source to be in touch with friends.

Do you plan your purchase; choose appropriate answer according to the type of consumer goods?

The results are quite impressive; it indicates 51% of users planned their purchase when it comes to Durable Consumer Goods (*kitchenware, consumer electronics*) followed by Shopping 49% *Consumer Goods (clothing items, home furnishing)* and 46% *Specialty Consumer Goods (antiques, jewelry, cars)* respectively. As a universal fundament; 17% user hardly gives a thought to *Convenience Consumer Goods (fast foods, ice cream)* because of its impulse buying.



What are the bases of your purchase decision?

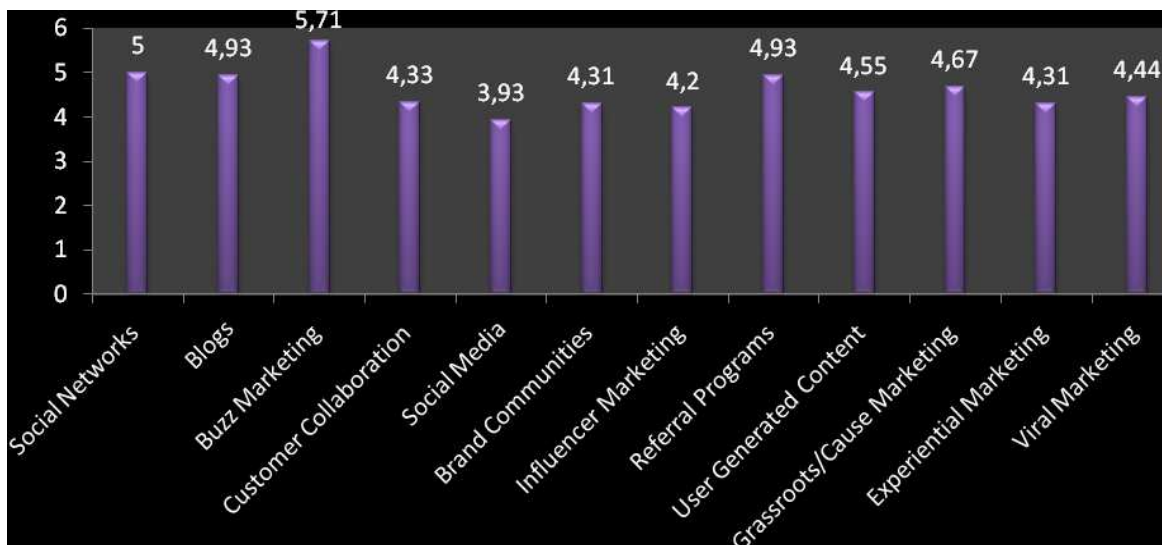


The previous survey showed that the Italian market is mix of many channel but currently popular one is Internet/Mobile advertisement (29%) within masses. Above listed chart shows us the importance of word-of-mouth marketing (social media, blogs and viral marketing) weighted 56% in Spanish market. It also highlighted the point consumer still has strong likeness for the traditional medium of communication which is TV advertisements (47%). Internet/Mobile advertisement (42%) also seems to be popular channel of communication along with the custom publication 39% and outlets 36% (which is a growing channel in term of buying behavior). It also shows the decline in the popularity of newspapers (17%).

What percentage would you assign in terms of influence on your purchase decision to different forms of word of mouth marketing-WoM?

I will present you the ratings of different modes of WoM marketing with regards to respondents rating. Firstly; let me present you the range of scale given to respondents to assign weights:

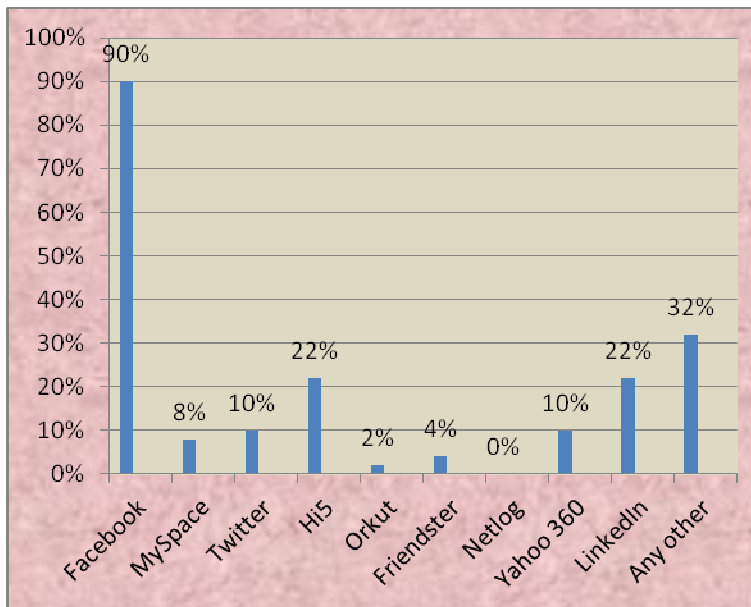
Above 90%	75%-90%	60%-75%	45%-60%
30%-45%	15%-30%	less than 15%	



Above chart clearly indicates the fact Spanish respondents have strong influence of *Buzz marketing* (5.71) which is nominated the highest rating among all nationalities and also in all above mentioned forms of word-of-mouth marketing. *After this social networks* (5) also plays a vital role when it comes to the buying behavior. *Blogs* (4.93) and *referral programs* (4.93) holds a strong position in the minds of consumer followed by *user generated content* (4.67) and *experimental marketing* (4.32).

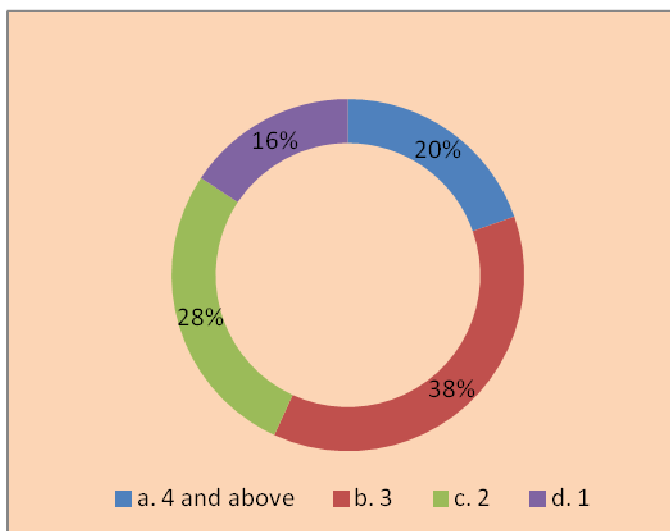
FEEDBACK FROM UZBEKISTAN

Select the social networking sites that you use: (If No then terminate the questionnaire).



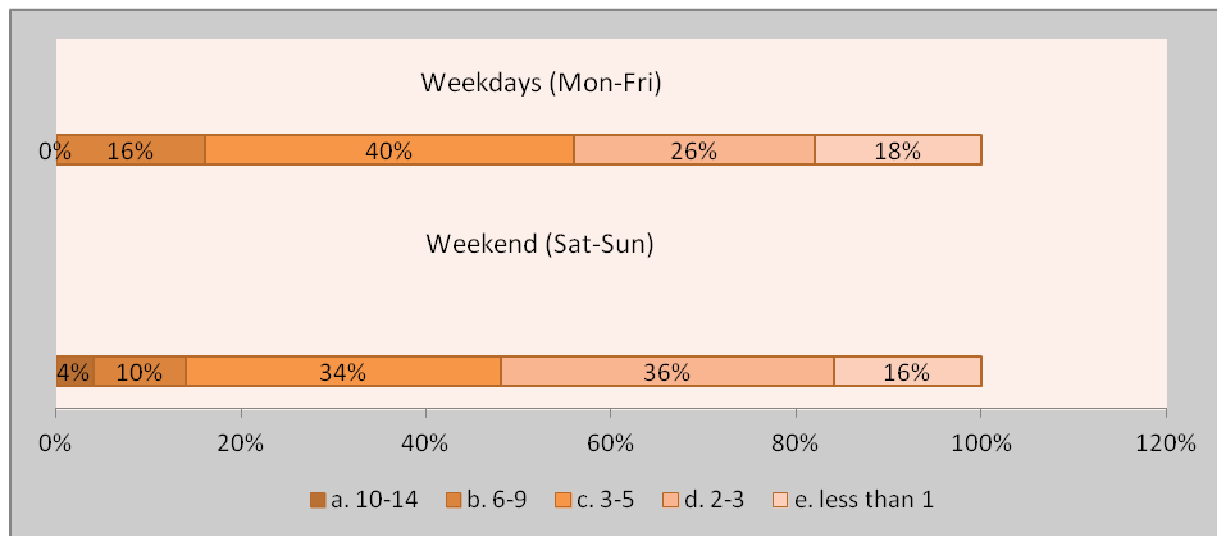
In the light of any other social networking sites; majority nominated Russian social network site *www.odnoklassniki.ru* followed by *Moymir.ru*. Rest of the SNSs is *Scribd*, *Academia.edu*, *Vsetut.uz*, *Tagged*, *Vkontakte*, *Bottegaverde.it*, *Englishtown.com*, *MyMail* and *Studivz*.

How many social networking sites do the respondents use?



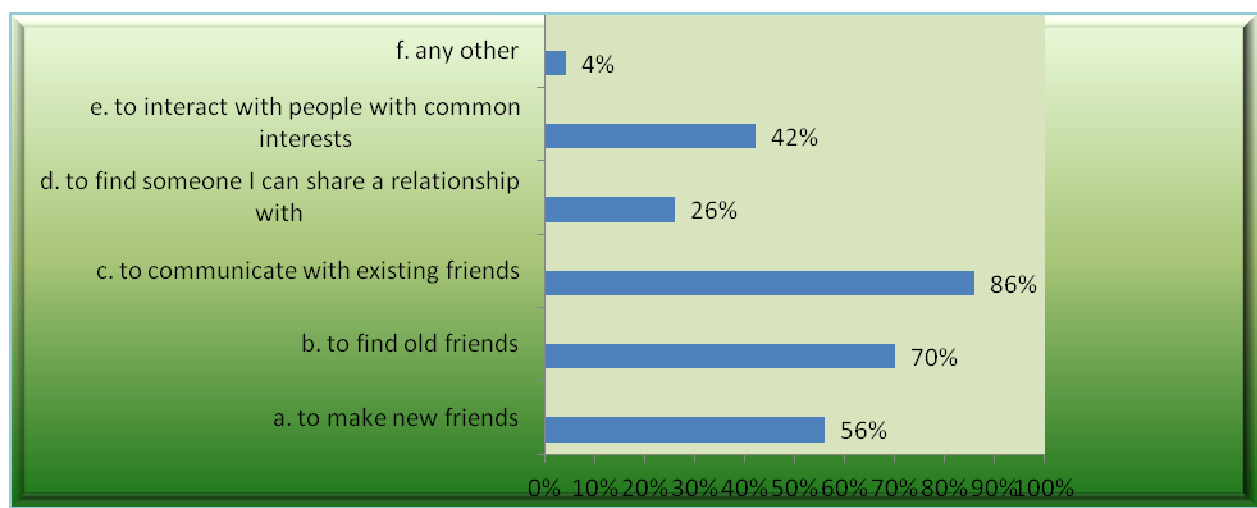
It shows only 38% of the users actively use at least one of the networking sites which is quite low as compared to Italy and Spain analysis. Here result shows lack of consumer loyalty to these sites; they tend to switch SNS sites based on their peer circle or attractive features of social networking sites.

How many hours per day do you spend on using these sites?



It illustrates that users heavily spend time on these social online activities especially on weekdays 40% by closely tag along with 34% time spend of 3to 5 hours on weekend. It also notify that Uzbek users have more aptitude to surf social networking sites if compare with Italian and Spanish users which have tendency to spend 2 to 3 hours among weekdays and weekend.

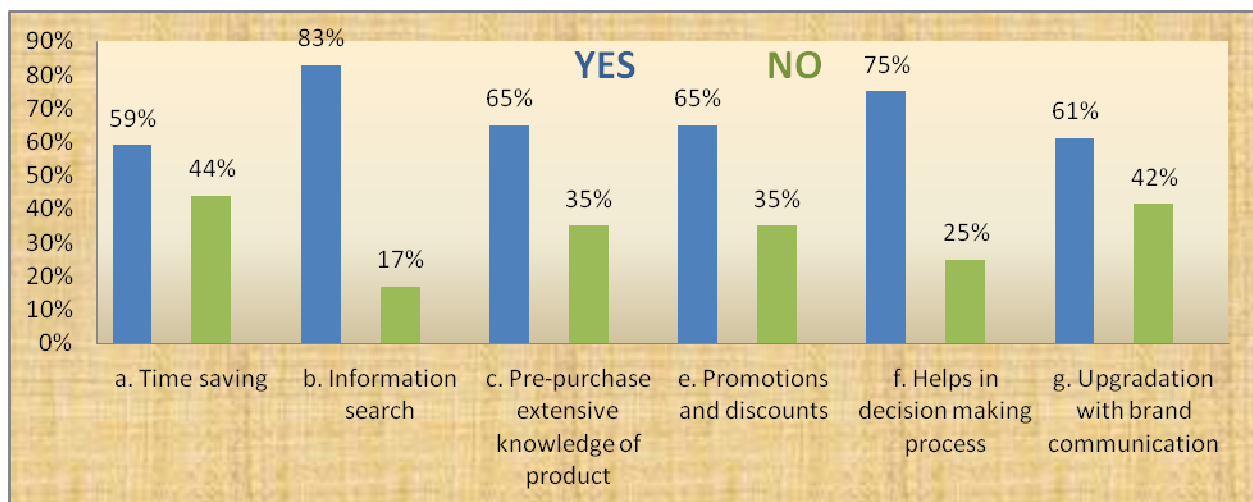
What do you use social networking sites for?



Certain aspects are common in all nationalities like when asked about the social networking sites Facebook stood alone in all above mentioned countries. Same with the purpose of surfing

SNSs amazingly is the same which is to communicate with the existing friends (86%). Besides the given choices, among 4% of users 2% respondents use social networking sites to share photos and news followed by 2% users who exchange knowledge through above mentioned SNSs.

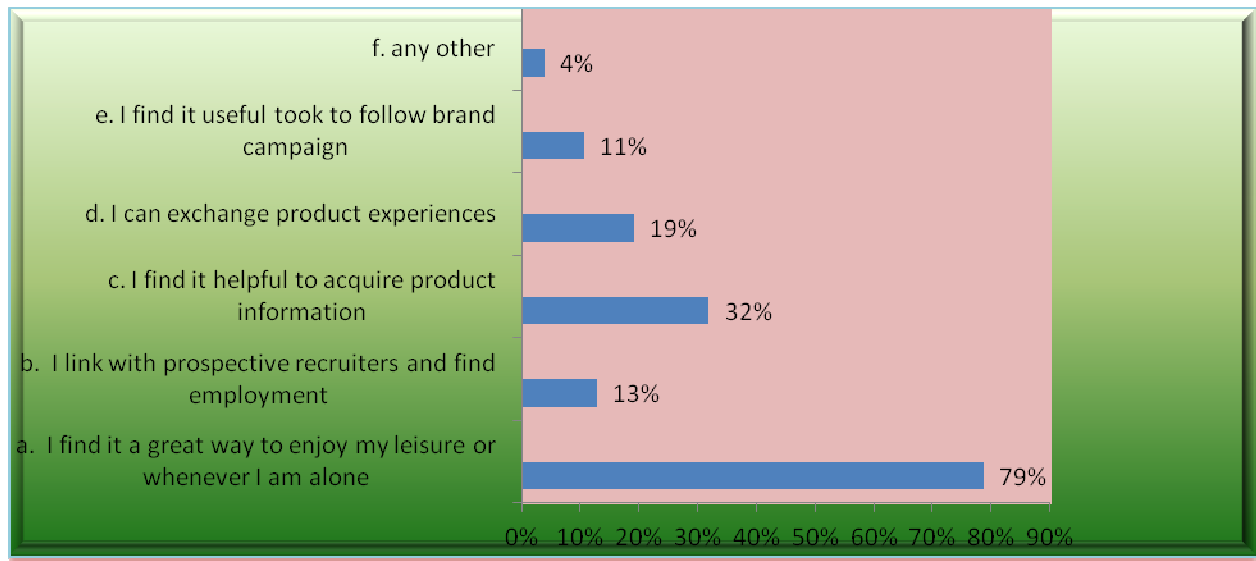
Different people whom I have spoken; they have mentioned different ways in which networking sites have had an impact on their buying behavior. Please let me know which of these do you agree with If yes, then what do you feel can be these impacts?



With allusion to the positive and negatives impact of using social networking sites reflecting their buying behavior; respondents allocated 83% weight to information search which is also ranked first when asked from Italian and Spanish users, on the other hand 44% don't convince with the fact that SNSs is a tool to save time.

How has social networking sites and blogs benefited you as a user?

As per given choices, among 4% of users 2% respondents found it beneficial to promote his own business while 2% users found it as a fun tool by commenting on photos.



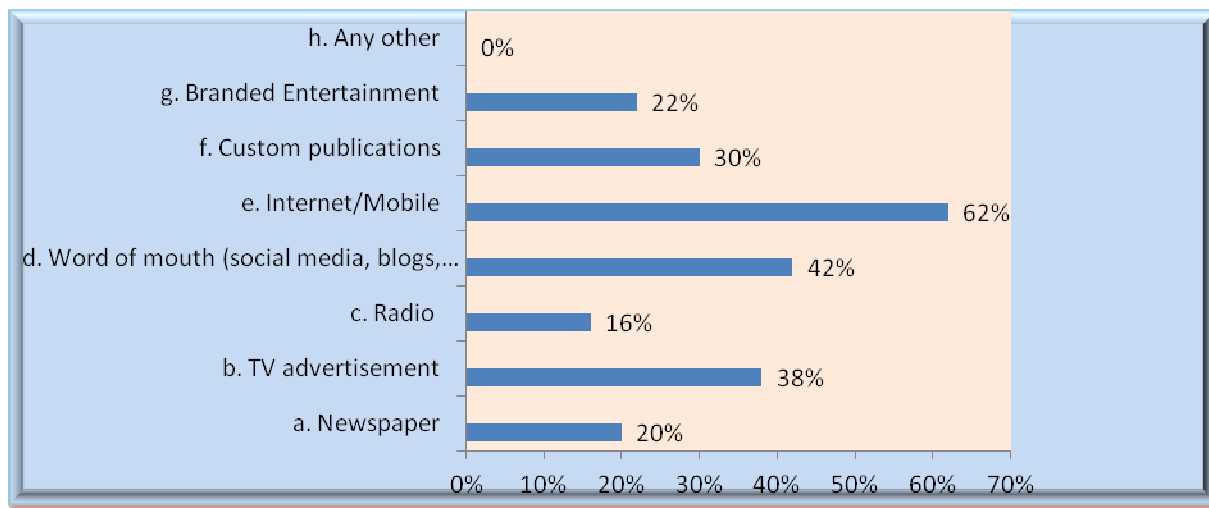
Do you plan your purchase; choose appropriate answer according to the type of consumer goods?



The results are more or less same compared to Italian and Spanish respondents; 52% of users planned their purchase for Durable Consumer Goods (*kitchenware, consumer electronics*) followed by Shopping 42% Consumer Goods (*clothing items, home furnishing*) and 39% Specialty Consumer Goods (*antiques, jewelry, cars*) respectively.

What are the bases of your purchase decision?

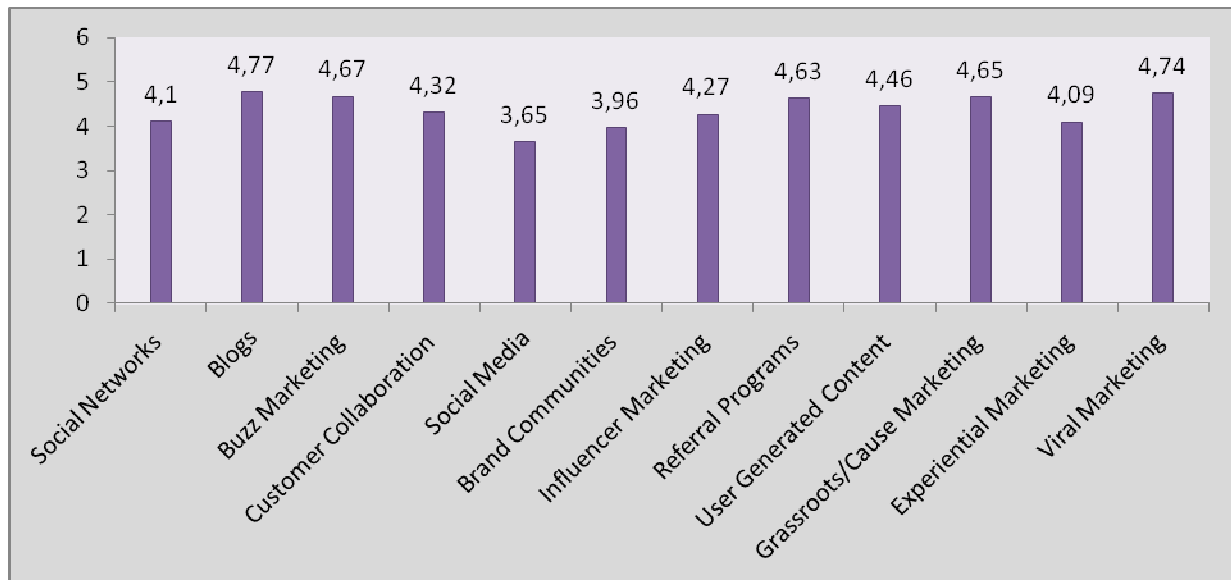
The previous survey showed that the Spanish market strongly holds word-of-mouth a reliable source of marketing communication; which plays an integral part in their buying decision process. But here like Italian consumer market; Uzbekistan market is also rely on prefer Internet/Mobile advertisement (62%) followed by other channels of communication mostly dominated by word-of-mouth marketing (social media, blogs and viral marketing) 42%.



What percentage would you assign in terms of influence on your purchase decision to different forms of word of mouth marketing-WoM?

I will present you the ratings of different modes of WoM marketing with regards to respondents rating. Firstly; let me present you the range of scale given to respondents to assign weights:

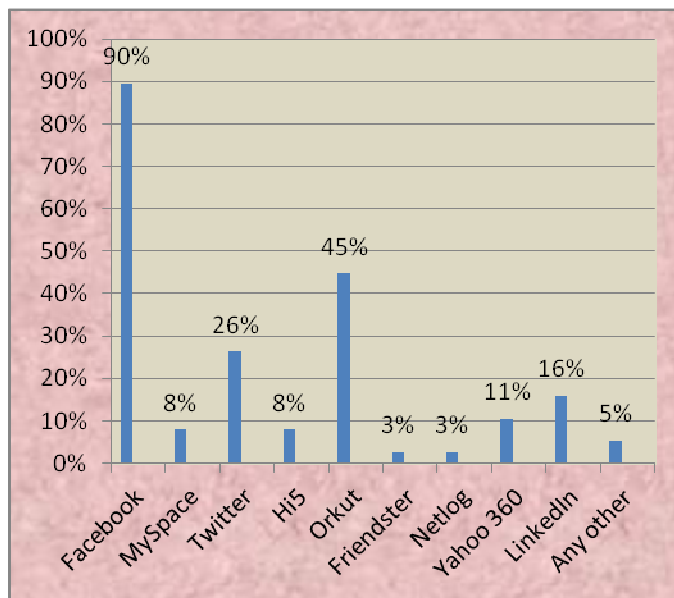
Above 90%	75%-90%	60%-75%	45%-60%
30%-45%	15%-30%	less than 15%	



The above mentioned figures show the blogs (4.77) and viral marketing (4.74) are the strong contender as an influencing form of word-of-mouth marketing.

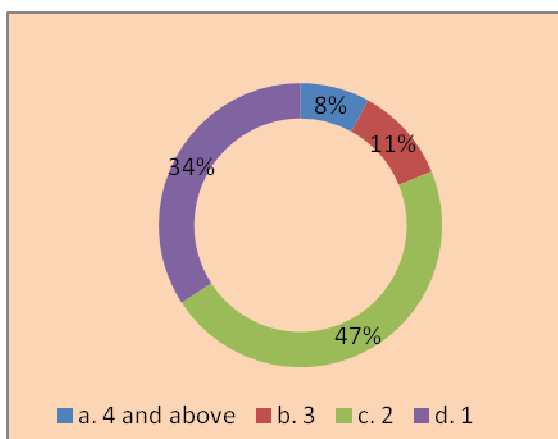
FEEDBACK FROM PAKISTAN

Select the social networking sites that you use: (If No then terminate the questionnaire).



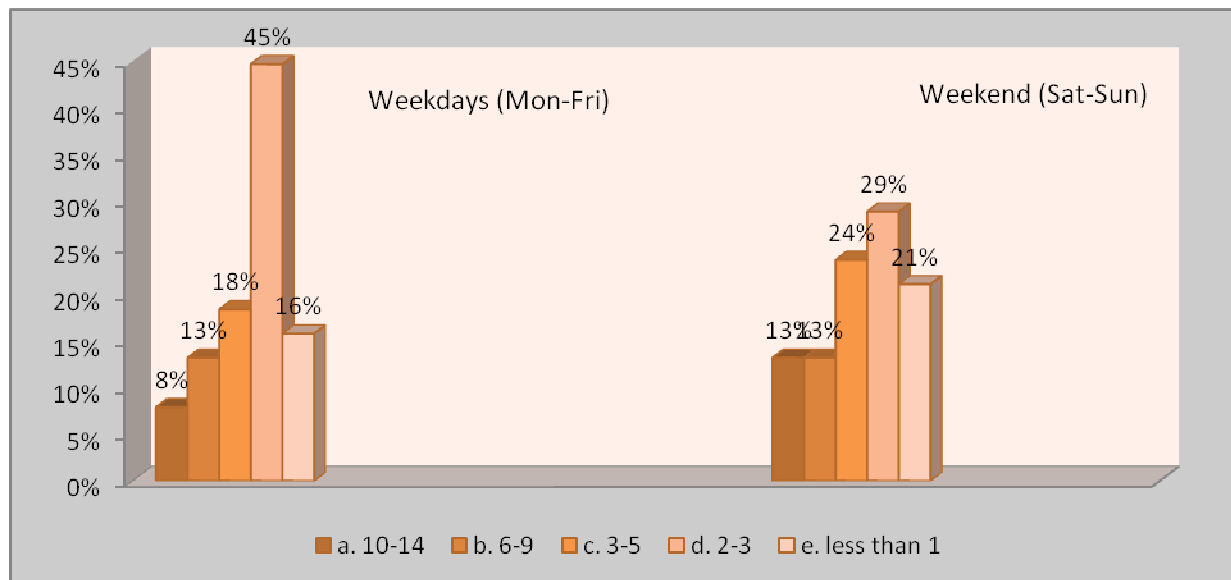
In case of Pakistan, once again Facebook proven to be famous worldwide; as it is not only surfed in Europe but also in Asia. With context to any other social networking sites only 2% users use *Windows Live Spaces* and *Dailyboot.com*.

How many social networking sites do the respondents use?



It shows only 47% of the users actively use at least one of the networking sites which is quite comparable with Italy, Spain and Uzbekistan analysis. Here Pakistani respondents' shows mix response of using 2 sites by 47% users and 34% using only 1.

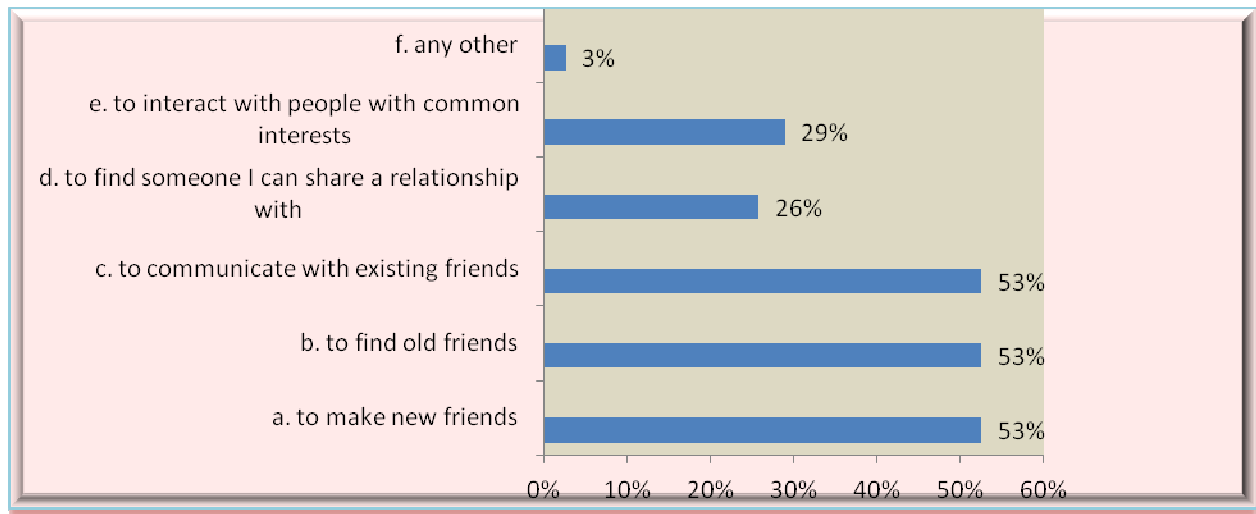
How many hours per day do you spend on using these sites?



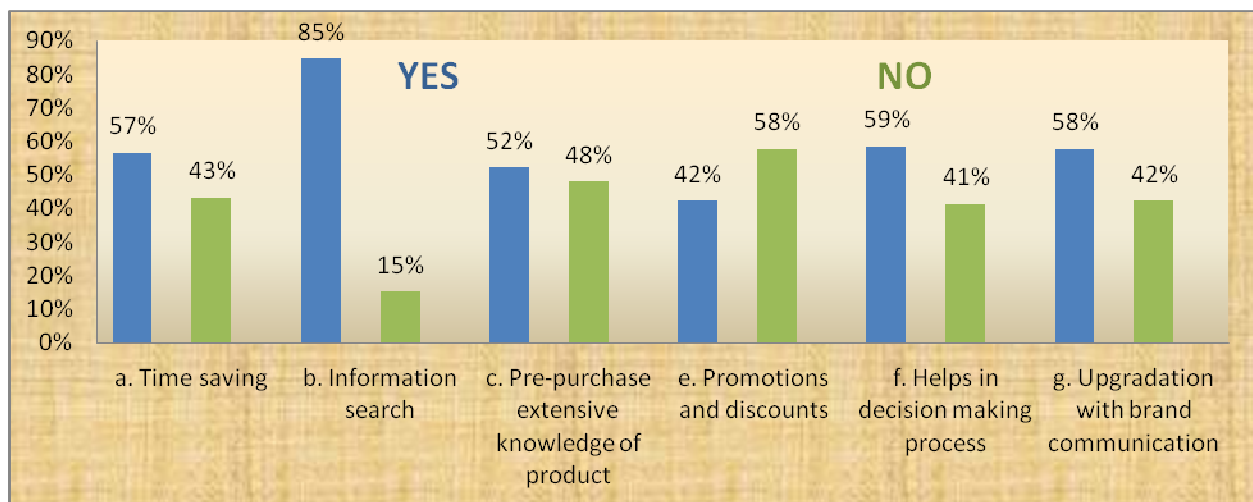
Pakistani respondents (45%) fond of surfing SNSs in their normal working days but on weekends the situation is quite different. As per chart only 29% people surf it on Saturday and Sunday which gives marketers a clear indication that their marketing communication works better if they target their audience on weekdays-not weekends. Else, their purpose of spreading communication message to consumer would be more likely to be ignored. Respondents prefer to do other stuff (taking care of family, hanging out with friends, finish the pending things to do) rather than surfing online social activities.

What do you use social networking sites for?

When asked about for what purpose you use social networking sites out of the ordinary 53% respondents replied to the same way; *as they want to communicate with existing friends, want to find old friends and also want to make new friends*. All three choices assigned 53% weight followed by *to interact with people with common interests* (29%) and *to find someone I can share a relationship with* (26%). Besides the given choices, respondents also use social networking sites *to be updated socially, share stuffs (videos, images, comments etc.)*.

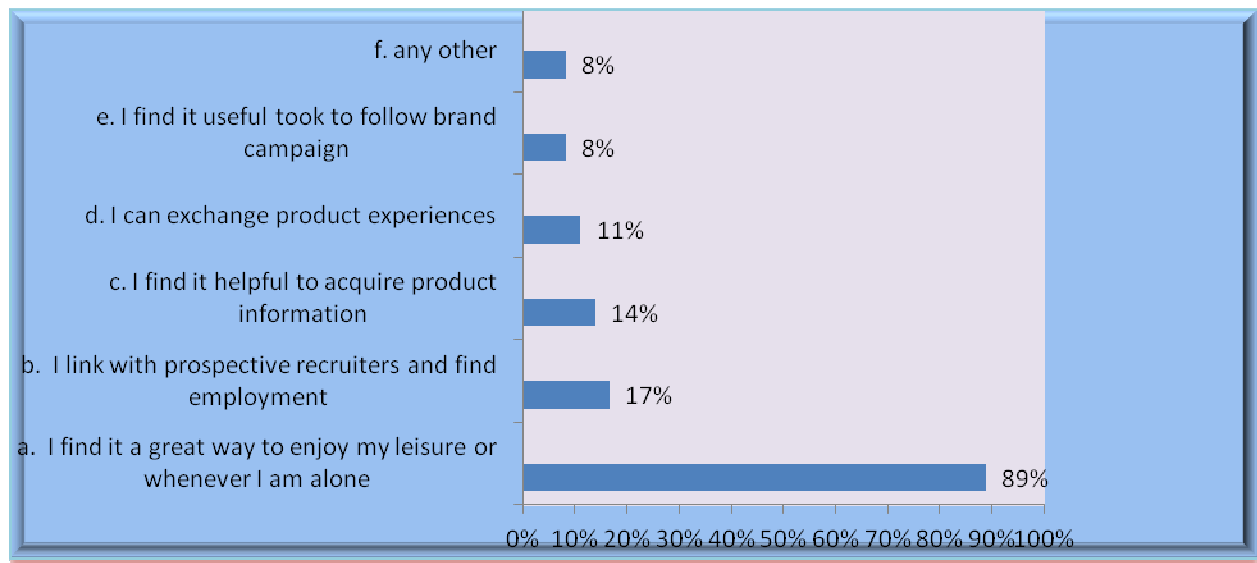


Different people whom I have spoken; they have mentioned different ways in which networking sites have had an impact on their buying behavior. Please let me know which of these do you agree with If yes, then what do you feel can be these impacts?



With insinuation to the positive and negatives impact of using social networking sites, 58% users strongly disagree with the choice of having promotions and discounts on SNSs. They are reluctant towards online buying. As they prefer to enquire information but at the same time seeking promotions and discounts themselves by witnessing the physical presence of the desired product. Even in case of Pakistan 83% believes in information search as other countries do.

How has social networking sites and blogs benefited you as a user?



Besides the given choices, 8% respondents found it beneficial as it provides them the platform to exchange ideology, also proves to be a useful tool for interactive exploration and nice to be in touch with friends and others for sake of socializing.

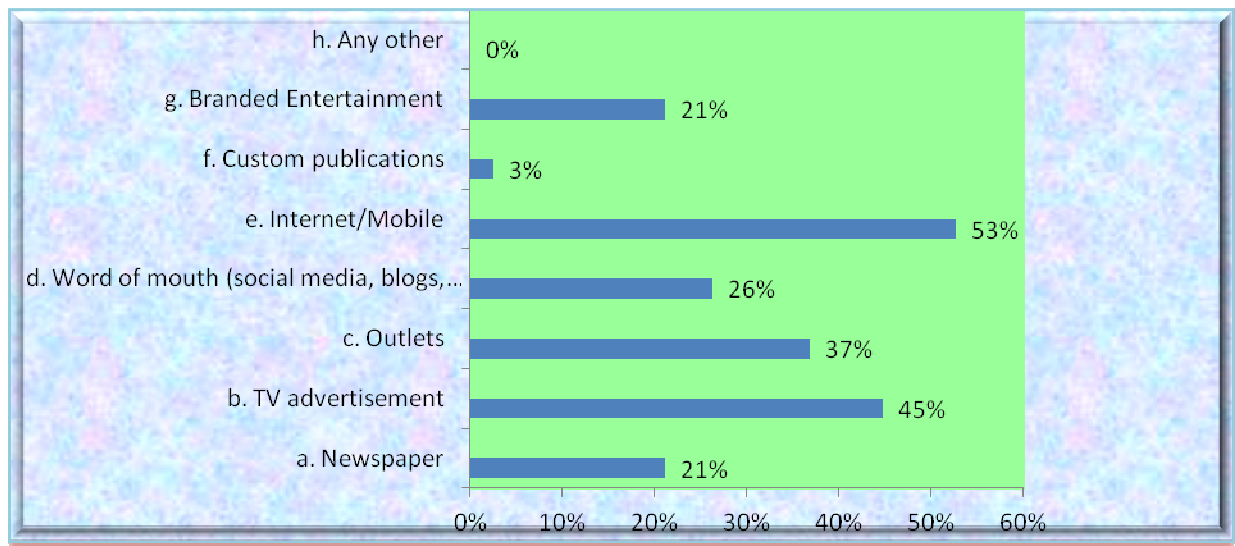
Do you plan your purchase; choose appropriate answer according to the type of consumer goods?



The results are by far stand out as majority of respondents planned for the purchase of Convenience Consumer Goods (fast foods, ice cream)-47% and surprisingly users don't plan

their purchase for Durable Consumer Goods (*kitchenware, consumer electronics-55%*). Marketers should tag this segment for good. Also 31% respond they plan their purchase occasionally for *Shopping Consumer Goods (clothing items, home furnishing)*.

What are the bases of your purchase decision?



Here the percentage demonstrates that along with Internet/Mobile advertisement (53%), TV advertisement (45%) and outlets (37%) are still considered essential tools of marketing communication in Pakistan. People watch TV programs and advertisement on regular basis, for them it's like part and parcel of their lives. Still there is some room for improvement for word-of-mouth marketing (25%) which is on growing stage but still it has some impact on the Pakistani society.

What percentage would you assign in terms of influence on your purchase decision to different forms of word of mouth marketing-WoM?

I will present you the ratings of different modes of WoM marketing with regards to respondents rating. Firstly; let me present you the range of scale given to respondents to assign weights:

Above 90%

75%-90%

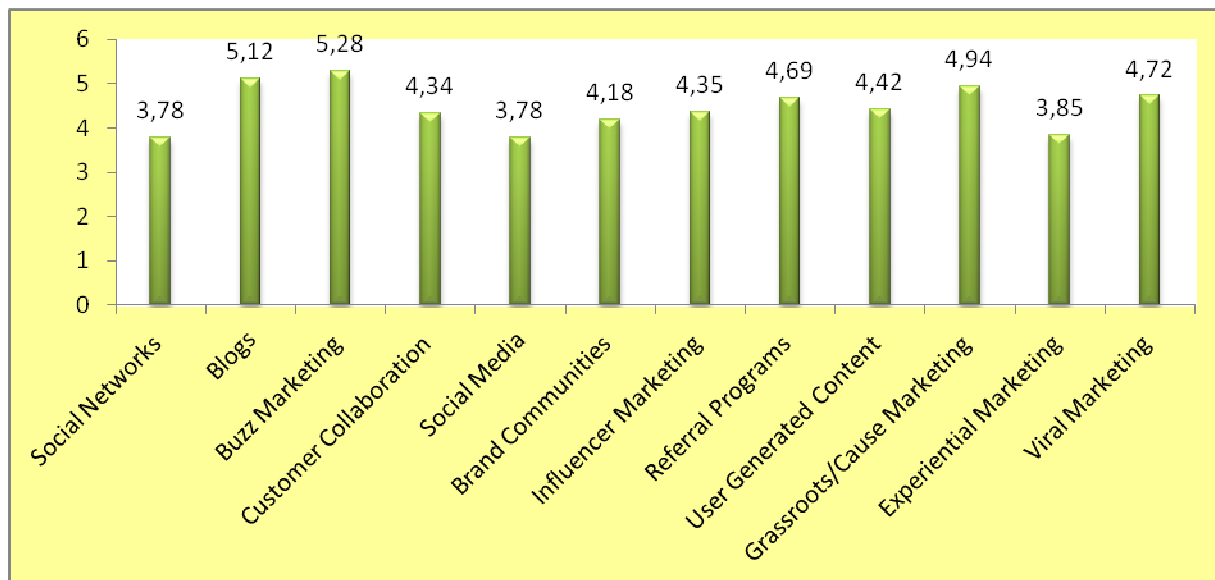
60%-75%

45%-60%

30%-45%

15%-30%

less than 15%



The above cited rating shows that the *buzz marketing* (5.28) and *blogs* (5.12) marked a bench marked on others. Other strong forms of word-of-mouth marketing are *grassroots/cause marketing* (4.94), *viral marketing* (4.72), *referral programs* (4.96) and *user generated content* (4.42).

INFLUENCE OF NETWORKING SITES AND BLOGS ON BUYING BEHAVIOR

Social networks and blogs have some or the other sort of influence on the buying behavior on consumer. While some people did not feel that it influences the purchase decision as they use these social networks and blogs just for connecting with friends and did not feel its influence on their buying behavior.

On the other hand, those who feel that it has some influence on their buying behavior had a lot to share. The responses suggest that some people have got addicted to the networking sites and use them more often and as such their life is completely influenced by these. People find it trendy to use these social networks and blogs and being a member of the social media, groups, forums are considered trendy and in vogue thing. Some people surf these sites to interact with people with similar preferences and it helps in their decision-making ability. They take the views and suggestions of the people before taking any such decisions and feel quite comfortable with it. Some people get knowledge about latest trends in fashion, electronic gadgets etc.

IMPACT OF SOCIAL NETWORKS AND BLOGS ON CONSUMER PURCHASE DECISIONS

The internet stands apart from other media in enabling its "users" to interact. From this perspective, the internet will always be, at its core, a tool for interpersonal communication. While consumers find emotional and practical benefits in participating in online discussions, these conversations have profound commercial implications as well. Everyday consumers are wielding greater control over their media habits and their role in the commercial marketplace. Consumer is using social network sites to:

- Extract information about people & groups
- Connect through their common interests.
- Creating communities and connections
- Acquire information about brands, products through spam, mails, and messages.
- Freedom of speech by giving feedback and post comments.
- Influence on other buying decisions.
- Knowing brand and their values which lead to innovation.

Moreover, with the growth of online participation, consumers exert greater influence over the products and brands considered for purchase. This research examines consumer adoption of social media as a marketing communication tool and the impact those rants, raves, comments, and reviews are having on purchase decisions today. The internet stands apart from other media in enabling its "users" to interact. From this perspective, the internet will always be, at its core, a tool for interpersonal communication. Even the tagging, posting and sharing of popular videos on YouTube are fundamentally community related pursuits. Facilitated by countless blogs, forums, chat rooms, and social networking sites, we now live in a 24-hour rolling, emotive, media world where we can satisfy our indelible need to feel a part of the events that unfold around users. While there are practical and emotional benefits to participating in online discussions (Piper Jaffray, 2007), these conversations have profound commercial implications as well. Everyday consumers are wielding greater control over their media habits and their role in the commercial marketplace. Moreover, with the growth of online participation, consumers exert greater influence over the products and brands considered for purchase. This research discusses the growth of "social networks and blogs," and the influence it is bringing to bear on purchase decisions. First, I explore the extent to which broadband users of various age groups are communicating online through various tools and applications. Next, I evaluate how they contribute to the content that is online, exploring certain segments demographic and psychographic that tends to participate more than others. Next, we examine the influence of social networks and blogs on purchase decisions, across various product categories, purchase channels, and user groups. Finally, I look at the Facebook and MySpace generation—13 to 34 year olds to consider what may be in store for online word of mouth (WOM) in the years ahead, blogs and social networking sites) have grown in recent years. With a better understanding of the role these sources play in purchase decisions, compared to other sources and across varying product categories and purchase channels, marketers can navigate an increasingly complicated media world more successfully. Finally, "always on" access via a broadband connection has been shown to deepen fans' engagement with their passions (e.g., video games, movies) (Yahoo, 2005). I wanted to explore how fans

participate online everything from posting comments to sharing and understand the motivations that prompt them to participate.

OTHER INSIGHTS

Social networks and blogs have become a way of expression for some individuals. They feel that life would have been incomplete without these SNS. These have shrunk the entire world and provided a common platform for all. Some people find it very important in this age of ever changing world where people move from one place to another very frequently. It has also bridged borders and brought about cross-cultural understanding and sensitivity. The need is to utilize it effectively for good reasons and find ways to curb its negative influence. The situation also demands some kind of moral trafficking and policing to regulate its use. Even the use of a social security number or some unique national identity could be asked for while opening an account to prevent its misuse. Privacy is a concern which some of the sites like Facebook, MySpace have got sensitized to and are providing security option to the users as to enable them use it as per their own discretion and avoid mishandling of their information or pictures, etc. All the uses of these networking sites vary from person to person and their mentalities. Like each system has its good things as well as bad things, these sites also have both the aspects. It now depends on the individual how well they are going to use the same. Effective utilization is the source to gaining maximum advantage out of these networking sites.

COMPANIES DON'T BLOG; PEOPLE BLOG

It sounds obvious, but many corporations get it wrong. They create sites with a blog-like format but no personality. Their sites are updated frequently, but without identifying who the people posting are. Or, they are posted with intriguing thoughts and ideas, but don't allow for public comments and discussion on the site. A sure way to drive readers away is to write a blog using a corporate voice rather than the discernible, unmistakable voice of a human being. Companies can join the blogging movement in several ways. First, they can develop an outward facing corporate blog or internally written employee blogs, which are supported by the organization to achieve specific results whether those results are boosting the thought leadership of executives and employees to improve employee satisfaction and morale by giving employees a platform to exercise their voices, or to build better relationships through online conversations

with customers and constituents. Organizations may even choose not to blog at all from a corporate perspective, but to instead support and encourage employees in doing so on their own.

Corporations are also using blogs internally to facilitate knowledge management, collaboration, customer relationship management, sales, and product development processes. There are as many uses for blogs as there are people to write them. But the point for business is: Conversations are already taking place among the millions of blogs that organizations can tap into. These conversations about brands, industries, companies, competitors, and market will occur whether organization participate in them or not. Effective blogging will help organizations to participate in the kind of conversations that enhance their business; building relationships that make people want to do business with them. They can engage their prospects, better understand them, and even get them to respect and like them (if they are likeable to begin with, of course). They can add wit, smarts, or information to blogs by participating in blog comment areas often attached to each post where possible. Companies can appoint their own Blogger in Residence, Chief Blogging Officer, or “Technical Evangelist” (*as Robert Scoble is for Microsoft* <http://radio.weblogs.com/0001011/>) to represent their organization in the discussion. Companies can support bloggers whom they feel are doing interesting things by underwriting their blogs. They can encourage their employees to meet the market in areas that interest them outside of your products and services giving employees a platform for discussing things they’re passionate about with others who share similar interests, just as Sun Microsystems’ thousand-plus employee bloggers do.

FUTURE OF SOCIAL NETWORKS AND BLOGS

Some say that social networking will continue to grow in popularity and become integral in our future pursuits of technology; others say that the continued popularity of social networking sites depends on audience participation and membership. But as technology progresses, so will our human need to progress with it. New tools to help users “connect” with one another are on the horizon; newer generations of techno savvy individuals are waiting to emerge. The only

limitations that a man endures exist within the limitations of his mind. The key to unlocking the future is waiting to be explored

Traditional marketing is in crisis, because customers are increasingly inured to television commercials, direct mailings, etc. At the same time, companies like Amazon, Google and Hotmail succeed with virtually no marketing, based solely on word of mouth. A recent study found that positive word of mouth among customers is by far the best predictor of a company's growth. Word- of-mouth marketing has the key advantage that a recommendation from a friend or other trusted source has the credibility that advertisements lack. Because it leverages customers themselves to do the marketing, it can also produce unparalleled returns on investment. However, until now it has been somewhat of a black art. Beyond marketing, word-of-mouth optimization is potentially applicable in any setting where companies desire to produce a large social outcome with only limited resources. Examples include reducing the spread of HIV, combating teenage smoking, and grass-roots political initiatives. Real social networks evolve in time, have multiple types of arcs and nodes, are affected by the actions of multiple players, and can be mined from a combination of sources.

LIMITATIONS

Through my research process I have realized some boundaries with my work. One thing that occurred to me throughout the whole process is that people in general does not have very good knowledge about social media jargons. For example, they might be using blogs without actually knowing that it is a blog, or they might think they have used a blog when in fact they used a forum, also they consider chat messenger as a social networking site. Due to this, there is a risk that some of my questions have been misinterpreted, even though I carefully explained everything. It is however hard to hedge against this kinds of issues when dealing with individuals and their interpretation of things. The main aspect for this is that social networks and blogs are, as mention before, a new concept and the definition and perception of what a social networks and blogs are and is not completely clear.

- The questionnaire is circulated to 10 different countries (Italy-125 responses, Spain-43 responses, Uzbekistan-50 responses, Pakistan-38 responses, Greece-9 responses,

France-6 responses, Germany-1 response, Poland-0 response, China-0 response and Netherlands-1 response respectively).

- The sample size that I have taken *is 100 for Italian youth* which I am assuming that it is homogeneous and enough to carry out the research.
- Due to the shortage of time and limited access, I have to restrict my sample size for *Spain 43, Uzbekistan 50, and Pakistan 38*. I circulate the questionnaire to maximum people by every single possible way but people are reluctant to fill the questionnaire.
- Most of the sample population consists of students and hence my research mainly focuses on students using social networks and blogs.
- The analysis done is mainly judgmental in nature.
- The concept of social networks and blogs is not very old all over the world thus not much of research has been done in regards to its effects.
- The expertise of the questionnaire design is limited.
- The underlying assumption is that the survey conducted in different nationalities represents the general psyche of the users of the social networks and blogs.

CONCLUSION

A social networking web site is an online community in which people can connect to others with similar interests. Since their start in 1995 with Classmates.com, social networking web sites have grown enormously to include such huge sites today as Facebook.com, MySpace.com and Twitter.com. Through these sites companies can use social networks and blogs to communicate their offerings to potential employees, market new products, and get feedback on their current products as well as new ideas for future products. Although there are many valuable assets to social networks and blogs, there are also major issues that the sites must address such as the protection of private information, the protection of children, and the protection of copyrighted material. Although they have issues, social networking web sites are still one of the best inventions of the modern era because they connect so many people.

The work described above contributes to an on-going dialogue about the importance of social networks and blogs, both for practitioners and researchers. Vast, uncharted waters still remain

to be explored. Methodologically, SNS researcher's ability to make causal claims is limited by a lack of experimental or longitudinal studies. Although the situation is rapidly changing, scholars still have a limited understanding of who is and who is not using these sites, why, and for what purposes. Such questions will require large-scale quantitative and qualitative research. I hope that my findings and the work described here will help build a foundation for future investigations of these and other important issues surrounding social networks and blogs.

APPENDIX

1 A. LIST OF ELECTRONIC LINKS FOR QUESTIONNAIRES

NETHERLANDS

<http://www.surveymonkey.com/s/LC33QDH>

SPAIN

<http://www.surveymonkey.com/s/KVXYRPX>

FRANCE

<http://www.surveymonkey.com/s/VVGM5K8>

CHINA

<http://www.surveymonkey.com/s/LHFMWZ7>

GERMANY

<http://www.surveymonkey.com/s/VMR6B3P>

GREECE

<http://www.surveymonkey.com/s/2D22QY9>

UZBEKISTAN

<http://www.surveymonkey.com/s/26PCCXL>

PAKISTAN

<http://www.surveymonkey.com/s/2ZDDXGW>

POLAND

<http://www.surveymonkey.com/s/CGMS3ZM>

B. SURVEY QUESTIONNAIRE (ITALY)

MARKETING COMMUNICATION PHENOMENON WITHIN SOCIAL NETWORKS AND BLOGS-Italy

Hi! I am MSc General Management student representing LUISS Guido Carli. I am doing a market research to assess A STUDY ON “MARKETING COMMUNICATION PHENOMENON WITHIN SOCIAL NETWORKS AND BLOGS; IMPACT ON CONSUMER’S BUYING BEHAVIOR”. I will be obliged if you spare few minutes from your time to fill up this questionnaire. I assure you that the information imparted by you will be kept confidential. Thanks in advance for your cooperation.

1. DO YOU USE ANY SOCIAL NETWORKING SITES?

IF YES, CONTINUE. OTHERWISE TERMINATE.

- ☐ a. Yes ☐ b. No

Do you use any social networking sites? If yes, continue. Otherwise terminate.

2. HOW MANY SOCIAL NETWORKING SITES DO YOU USE ACTIVELY?

- ☐ a. 4 and above ☐ b. 3 ☐ c. 2 ☐ d. 1

3. SELECT THE SITES THAT YOU USE:

- | | | |
|--|---------------------------------------|-------------------------------------|
| <input type="checkbox"/> a. Facebook | <input type="checkbox"/> e. Hi5 | <input type="checkbox"/> i. Zorpia |
| <input type="checkbox"/> b. MySpace | <input type="checkbox"/> f. Orkut | <input type="checkbox"/> j. Netlog |
| <input type="checkbox"/> c. Bebo | <input type="checkbox"/> g. PerfSpot | <input type="checkbox"/> k. Twitter |
| <input type="checkbox"/> d. Friendster | <input type="checkbox"/> h. Yahoo 360 | |

4. HOW MANY HOURS PER DAY DO YOU SPEND ON USING THESE SITES?

- ☐ a. 10-14 ☐ b. 6-9 ☐ c. 3-5 ☐ d. 1-2
- ☐ e. less than 1

5. WHAT DO YOU USE SOCIAL NETWORKING SITES FOR?

- ☐ What do you use social networking sites for?
- ☐ a. to acquire product information
- ☐ b. to follow brand marketing campaign
- ☐ c. to find good offers about product intend to buy
- ☐ d. to exchange product experiences
- ☐ e. to know more about the usage of purchased product

6. DO YOU FEEL THESE NETWORKING SITES HAVE CREATED POSITIVE IMPACT ON YOUR BUYING / PURCHASING BEHAVIOR?

IF YES, THEN WHAT DO YOU FEEL CAN BE THESE IMPACTS?

	Yes	No
a. Time saving	<input type="checkbox"/>	<input type="checkbox"/>
b. Information search	<input type="checkbox"/>	<input type="checkbox"/>
c. Pre-purchase extensive knowledge of product	<input type="checkbox"/>	<input type="checkbox"/>
e. Promotions and discounts	<input type="checkbox"/>	<input type="checkbox"/>
f. Helps in decision making process	<input type="checkbox"/>	<input type="checkbox"/>
g. Up-gradation with Brand	<input type="checkbox"/>	<input type="checkbox"/>

Yes

No

Communication

7. DO YOU PLAN YOUR PURCHASE?

- ☐ a. Yes ☐ b. No ☐ c. Sometimes

8. WHAT ARE THE BASES OF YOUR PURCHASE DECISION?

- ☐ a. Newspaper ☐ d. Word of Mouth (Social Media, Blog, Viral Marketing) ☐ f. Branded entertainment
- ☐ b. TV advertisement ☐ h. Any other
- ☐ c. Radio ☐ e. Internet/Mobile
- ☐ g. Custom publications

9. DO YOU PREFER WORD OF MOUTH INFORMATION WHILE BUYING OR PURCHASING?

- ☐ a. Every time ☐ b. Sometime ☐ c. Never

C. SURVEY QUESTIONNAIRE (UZBEKISTAN-SPAIN-PAKISTAN)

MARKETING COMMUNICATION PHENOMENON WITHIN SOCIAL NETWORKS AND BLOGS-A
consumer Prospective

Hi! I am MSc General Management student representing LUISS Guido Carli, Rome Italy. I am
doing a market research "SOCIAL NETWORKS AND BLOGS". I will be obliged if you spare few
minutes from your time to fill up this questionnaire. I assure you that the information imparted
by you will be kept confidential.

1. SELECT THE SOCIAL NETWORKING SITES THAT YOU USE:

(If No THEN TERMINATE THE QUESTIONNAIRE)

- | | | |
|--------------------------------------|--|---------------------------------------|
| <input type="checkbox"/> a. Facebook | <input type="checkbox"/> d. Hi5 | <input type="checkbox"/> g. Netlog |
| <input type="checkbox"/> b. MySpace | <input type="checkbox"/> e. Orkut | <input type="checkbox"/> h. Yahoo 360 |
| <input type="checkbox"/> c. Twitter | <input type="checkbox"/> f. Friendster | <input type="checkbox"/> i. LinkedIn |

Other (please specify)

2. HOW MANY SOCIAL NETWORKING SITES DO YOU USE ACTIVELY?

- | | | | |
|---|-------------------------------|-------------------------------|-------------------------------|
| <input type="checkbox"/> a. 4 and above | <input type="checkbox"/> b. 3 | <input type="checkbox"/> c. 2 | <input type="checkbox"/> d. 1 |
|---|-------------------------------|-------------------------------|-------------------------------|

3. HOW MANY HOURS PER DAY DO YOU SPEND ON USING THESE SITES?

	Weekdays (Mon-Friday)	Weekend (Sat-Sun)
Time spent on social networking	<input type="text"/>	<input type="text"/>

Weekdays (Mon-Friday)

Weekend (Sat-Sun)

sites

4. WHAT DO YOU USE SOCIAL NETWORKING SITES FOR?

- | | |
|--|---|
| <input type="checkbox"/> a. to make new friends | <input type="checkbox"/> d. to find someone I can share a relationship with |
| <input type="checkbox"/> b. to find old friends | <input type="checkbox"/> e. to interact with people with common interests |
| <input type="checkbox"/> c. to communicate with existing friends | |

Other (please specify)

5. DIFFERENT PEOPLE WHOM I HAVE SPOKEN TO HAVE MENTIONED DIFFERENT WAYS IN WHICH NETWORKING SITES HAVE HAD AN IMPACT ON THEIR BUYING BEHAVIOR. PLEASE LET ME KNOW WHICH OF THESE DO YOU AGREE WITH

IF YES, THEN WHAT DO YOU FEEL CAN BE THESE IMPACTS?

	Yes	No
a. Time saving	<input type="checkbox"/>	<input type="checkbox"/>
b. Information search	<input type="checkbox"/>	<input type="checkbox"/>
c. Pre-purchase extensive knowledge of product	<input type="checkbox"/>	<input type="checkbox"/>
e. Promotions and discounts	<input type="checkbox"/>	<input type="checkbox"/>

Yes	No
f. Helps in decision making process <input type="checkbox"/>	<input type="checkbox"/>
g. Up-gradation with brand communication <input type="checkbox"/>	<input type="checkbox"/>

6. HOW HAS SOCIAL NETWORKING SITES AND BLOGS BENEFITED YOU AS A USER?

- ☐ a. I find it a great way to enjoy my leisure or whenever I am alone.
- ☐ d. I can exchange product experiences.
- ☐ b. I link with prospective recruiters and find employment.
- ☐ e. I find it useful tool to follow brand
- ☐ c. I find it helpful to acquire product information.

Other (please specify)

7. DO YOU PLAN YOUR PURCHASE; CHOOSE APPROPRIATE ANSWER ACCORDING TO THE TYPE OF CONSUMER GOODS?

Choices

Convenience

Consumer Goods(fast foods, ice cream)

Shopping

Consumer Goods

Choices

(clothing items,
home furnishing)

Specialty

Consumer Goods

(antiques,
jewelry, cars)

Durable

Consumer Goods

(kitchenware,
consumer
electronics)

8. WHAT ARE THE BASES OF YOUR PURCHASE DECISION?

- ☐ What are the bases of your purchase decision? ☐ e. Internet/Mobile
- ☐ a. Newspaper ☐ f. Custom publications
- ☐ b. TV advertisement ☐ g. Branded entertainment
- ☐ c. Outlets
- ☐ d. Word of mouth (Social Networks, Blogs,
Viral marketing)

Other (please specify)

9. WHAT PERCENTAGE WOULD YOU ASSIGN IN TERMS OF INFLUENCE ON YOUR PURCHASE DECISION TO DIFFERENT FORMS OF WORD OF MOUTH MARKETING-WoM?

Social Networks	<input type="checkbox"/>	above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
	90%	90%	75%	60%	45%	30%	than 15%	
Blogs	<input type="checkbox"/>	above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
	90%	90%	75%	60%	45%	30%	than 15%	
Buzz Marketing	<input type="checkbox"/>	above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
	90%	90%	75%	60%	45%	30%	than 15%	
Customer Collaboration	<input type="checkbox"/>	above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
	90%	90%	75%	60%	45%	30%	than 15%	
Social Media	<input type="checkbox"/>	above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
	90%	90%	75%	60%	45%	30%	than 15%	
Brand Communities	<input type="checkbox"/>	above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
	90%	90%	75%	60%	45%	30%	than 15%	
Influencer Marketing	<input type="checkbox"/>	above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
	90%	90%	75%	60%	45%	30%	than 15%	
Referral Programs	<input type="checkbox"/>	above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
	90%	90%	75%	60%	45%	30%	than 15%	
User Generated Content	<input type="checkbox"/>	above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
	90%	90%	75%	60%	45%	30%	than 15%	
Grassroots/Cause Marketing	<input type="checkbox"/>	above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less

	90%	90%	75%	60%	45%	30%	than 15%
Experiential	<input type="checkbox"/> above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
Marketing	90%	90%	75%	60%	45%	30%	than 15%
Viral Marketing	<input type="checkbox"/> above	<input type="checkbox"/> 75%-	<input type="checkbox"/> 60%-	<input type="checkbox"/> 45%-	<input type="checkbox"/> 30%-	<input type="checkbox"/> 15%-	<input type="checkbox"/> less
	90%	90%	75%	60%	45%	30%	than 15%

10. KINDLY FILL YOUR PARTICULARS BY KEEPING IN VIEW THE FOLLOWING INSTRUCTION:

EDUCATIONAL QUALIFICATION

A. UNDERGRADUATE B. GRADUATE C. POST GRADUATE

THANKS FOR KIND YOUR CO-OPERATION.

Name

City/Country

Educational
Qualification

D. EXERTS' COMMENT ON CURRENT SCENARIO OF SOCIAL NETWORKS AND BLOGS

List of Questions to be asked

1. Did the use of Social Networks & Blogs as a medium of WoM marketing overshadowed traditional marketing communication. *The Perspective Changes Company & Consumer point of view.*
2. The importance and the impact of Social Networks & Blogs? *The Perspective Consumer point of view.*
3. What techniques are being employed by marketers in their communication programs on the medium to positively impact consumer purchase decision? *The Perspective Influence.*
4. How long Word of Mouth Marketing would take to completely dominate the traditional marketing communication. *The Future of Social Networking Sites & Blogs.*

A. PROFESSOR ALBERTO MARCATI

BACKGROUND

He holds the Chair of Marketing at the Facoltà di Economia, Università LUISS Guido Carli, Roma, where he teaches at the undergraduate and postgraduate level (MBA, MSc). He was previously on the faculty at the Università della Calabria (1982-1987), at the Università degli Studi di Trieste (1994) and at the Università degli Studi di Bologna (1987-1993, 1995-2001).

His research has been published in many Italian management Journals, in edited books, both in Italian and English, and in International Journals such as *Advances in Consumer Research*, *Advances in International Marketing*, *International Interactions*, *International Journal of Research in Marketing*, *Journal of Service Research*, *Management International Review*, *Recherche et Applications en Marketing*, and *Research Policy*. Since May 1995, he is the area editor for Italy of the International Abstracts of the *International Journal of Research in Marketing*. He is a member of the Società Italiana del Marketing, the European Marketing Academy, the American Marketing Association and of Informs - Institute for Operations Research and the Management Sciences.

WITH CONTEXT TO QUESTIONS ASKED:

A1. THE PERSPECTIVE CHANGES (COMPANY) - I don't think so. It will become increasingly important but it will not substitute, at least in the medium term, the traditional communication sources. It is not a substitute but it will become an important complement, to be synergistically used with traditional communication tools.

A2. THE CONSUMER PERCEPTIVE - It will change the impact of word-of-mouth, increasing its potential and making W-o-M really global, across country barriers. It will become the main communication tool to reach specific segments of the global market, on the basis of geography (developed countries, where PC and Internet are widely used by customers), demography (age groups, that have access to Internet and are using it on a large scale, across country barriers) and psychographic (tech enthusiasts, who are experts on the use of Information and Communication Technology).

A3. THE PERSPECTIVE INFLUENCE - They should apply the traditional techniques that are applied, on the one hand, to increase WoM (for instance, brand community), and, on the other, to improve Web marketing (for instance, the interaction with customers), taking into account the specifics of social networks and blogs. In particular, they should focus on making the tool more interactive and to increase the participation and commitment of the customer.

A4. THE FUTURE OF SOCIAL NETWORKING SITES & BLOGS - As I said, I don't think it will: Its importance will grow with the diffusion of Internet (from the market side) and with the improvement of marketers' tools and their ability to provide an interesting value offer to their clients (from the supply side).

B. PROFESSOR STEFANO PELLE

BACKGROUND

He is currently holds the position of Vice President and COO position in renowned Perfetti Van Melle Group, which is like a bench mark in confectionery business worldwide. He has a vast experience of marketing on global level. He stayed in India for 9 years and currently posted in Dubai office responsible for Indian market. He also linked to LUISS Guido Carli, Rome, Italy as an Associate Professor of International Marketing.

WITH CONTEXT TO QUESTIONS ASKED:

A1. THE PERSPECTIVE CHANGES (COMPANY) – The company like *Perfetti Van Melle* has started using in a regular way the internet platform within its marketing plans possibly around 5 years ago or so. However we normally utilize the web as integration and not as a stand-alone.

A2. THE CONSUMER PERCEPTIVE - From a pure personal perspective, my use of social networks is limited to some specific events such as uploading of pictures of some occasions, getting in touch with somebody with whom I do not communicate regularly or maybe tracing somebody I

have lost touch with. If I had to summarize the total time per day spent on it would certainly be less than one hour per day, and possibly less than 3 hours per week.

A3. THE PERSPECTIVE INFLUENCE - Within this, the use of viral has become more and more common, and nowadays in some countries when a TV campaign is developed it is also declined in a viral adaptation that can be used on the web and other electronic media. The average number of time spend on social networks can be a selling possibility to companies as a communication media.

A4. THE FUTURE OF SOCIAL NETWORKING SITES & BLOGS - More specifically, as far as social networks are concerned, the initiative is still left to the individual Brand Managers, since not all Operating Companies in the different countries are fully convinced of the effectiveness of communication through social networks.

E. INTERVIEW CLIPPING OF STEVE VAILE BY GULF NEWS

By Staff Reporter-Ms. Saima Badiah

In this section; I am presenting the interview clipping extracted from Gulf News regarding the boom in the social media and how companies are reconsidering their ways to do businesses.

Gulf news talks to Steven Vaile, Chief Executive Officer of H2O; a social media consultancy firm that helps companies deploys the social media platform to their advantage about what social media can be used as a business tool.

GULF NEWS: Let's start off by defining social media. What is social media?

STEVE VAILE: Social media is a technology change and I don't think social media is the right terminology. It should probably to be social communication. It used to be five or six years ago that all of your news media consumption was defined for you by newspapers and television news. What's happen with the social media being a communication technology change is that's it completely turned that around. The individual is creating the media. That doesn't meant the

structured media doesn't have a place anymore but there is a fundamental shift in terms of technology adoption that has utterly changed the landscape for business, politics government and companies. Social media is an important technology as the mobile phone, as the internet as the printing press. It's one of the most fundamental changes for the way things work. It's a complete change and turnaround in the way that the people communicate.

How can business take advantage of social communication?

Social media is certainly not just Twitter and Facebook, they are so popular at the moment but they are technology platforms and like all other technology platforms they come and go. From business perspective it's not just marketing. Let's take the example of HR (human resources). When you look at HR; you are improving employees' engagement. Having a social network you can get people sharing ideas, bringing invention into business they can communicate much better internally.

If they look at the innovation process within a business, a great example is Dell. Dell has a platform called ideas storm and it allows DELL customers to tell dell what they want to see on their computers. This is a good example of how just a very simple and quick deployment of technology at less than \$30,000 or \$40,000 they are getting direct feedback and thousands of ideas. That would cost any business hundreds of million dollars if they have to run it from their own R&D (research and development). It becomes more collaborative in terms of working with your customers and getting your customers what they want. It's one of the highest returns of investment you can get in deploying social media. Another example is training and education. They are also completely changes as businesses. Why travel and why sit in a classroom when you can have the information delivered to you online?

How do you think this will affect the media?

The Media brands business is entirely changing because advertising is not important as engagement now. Marketers are not just looking for advertising and brand awareness; they are looking for brand advocacy. Their biggest challenge is how to make money off social media. I know a lot of traditional print companies that are now failing and going out of business their

traditional print business is gone. If you are a marketer and you want to spend money in print or online? If you spend on print you know you will get circulation but you don't necessarily know how many people have read your advertisement. But when you've got digital distribution of the same content you know reaches.

You mentioned social media is a double-edged sword that can really destroy a business if it's not well planned. Can you give an example of when that happens?

There are a lot of examples social media gone wrong. It's a double edge sword if you lie, if you got products that are not good, if you are polluting the environment. Everything's public so there's no control over it and you can't spin it. Where business can go wrong is by telling the truth and not being transparent. Of course, no business is perfect. People make mistakes and it's better to admit that you've made mistake and people will respect you for it.

How much would it cost a company to invest in social media?

A company can take advantage of social media by simply using Twitter. That's not to say it's free. The platform may be free but if it's taking six hours to update twitter then it's not free. It's an investment of time and resources; however the return on the investment is much higher. The key here is to measure and understand the return on your investment. Social media is an opportunity to have a he return in a business. Right now if it's not on a CEO's top ten, then CEO's in trouble.

So does that means that anyone with a good business idea can start his/her own business?

Absolutely, and it's not just now. It's always been that way. Think word of mouth has improved because of social media. Its' instantaneous, free and allows you to communicate with the people of world. So if you've got a great idea all you need is a laptop and your wits about you. To say that there are internet millionaires is a complete fallacy, there is internet billionaire.

Any piece of advice?

One thing that consumers need to look at when they're signing up to a social media channel is who has ownership of the data. At the end of the day, it's you private information and it's you

network of friends. Before you rush to sign up, look at the privacy statement, look who actually owns the company as well.

It's just as likely that you could be signing into a media channel owned by a banking environment or credit rating agency or government agencies. It's your data and who you decide to share it with is pretty critical.

2. BLOGGING ON SOCIAL NETWORKS TOPICS

A. FACEBOOK FACES NEW COMPETITORS

By Erik Sass, Friday, May 14, 2010, 6:21 PM

As Facebook continues to struggle with privacy issues in its continuing effort to make the site a profitable advertising medium, it might seem safe to conclude that it has carte blanche: after all, it's the biggest, most popular social network in the world, so it appears to wield an almost monopolistic power in the social space. But this would be an incorrect and dangerous assumption. While it's true it enjoys a certain scale, and therefore a certain momentum that other networks lack, Facebook could plausibly be dethroned by some competitor that does what it does better, and without alienating its users. Just look what Facebook did to MySpace; it's all too easy to imagine the shoe on the other foot.

Facebook would do well to watch its back, as new social networks that are explicitly or implicitly positioned as alternatives to Facebook are already appearing in the same hotbed of social media innovation that gave birth to Facebook -- college campuses. The Chronicle of Higher Education recently reported that four undergrads at NYU have started a new social

network site called "Diaspora," a "more secure, personalized" network which gives users more control in what information they share about themselves. On its Web site Diaspora is billed as a "privacy aware, personally controlled, do-it-all distributed open source social network." Meanwhile a separate article in the New York Times says Diaspora has risen over \$100,000 in startup funding from over 2,500 backers through an online crowd-source fundraising site, Kick starter.

B. HEALTH AGENCY LAUNCHES SOCIAL MEDIA CAMPAIGN

Laurie Sullivan, Thursday, May 13, 2010, 11:57 PM

California Poison Control System (CPCS) has launched a social media campaign to try and educate both English and Spanish-speaking families about poisons through Facebook, Twitter and games. The campaign challenges moms and dads, as well as grandparents, to stay informed about poisons. The game highlights look-alike pills versus candy. The game makes it easy to see how someone could mistake candy for real pills. CPCS invites people to sign up as Facebook Fans at California Poison Control System and challenge themselves with quizzes about poison plants, batteries, chipped paint and other dangers that lurk in kitchen cabinets.

Aside from Twitter updates and Facebook quizzes, the social media campaign includes free text messages. Tips, news and information about poisons are designed to save lives and prevent injury. The CPCS says poison is the second leading cause of childhood injury in the U.S., leading to more than four million poisonings each year. Texting the word "TIPS" or "PUNTOS" (for Spanish) to 69866 sends a weekly tip to the mobile phone, such as: "Chemicals can burn. Never use toilet bowl cleaners, drain openers, rust removers and oven cleaners when kids are

around." But the real question isn't when the details of the meeting will emerge, but whether Facebook intends to roll back its new settings. If Facebook wants to keep goodwill with users at least those who are even remotely concerned about privacy it has no choice but to do so. If nothing else, surely Facebook must be concerned to see headline after headline criticizing it or the growing number of articles about users who are considering existing.

In short, Facebook first lured people to join the site by offering them the chance to keep in touch with friends then decided to make users' information visible to the Web at large. Facebook witness the most outrageous of privacy violations so far, the company launched "instant personalization," which automatically shares users' data with Yelp, Microsoft Docs and Pandora. Facebook should keep in mind that social networks are only valuable as long as people use them and the public is remarkably fickle. While Facebook currently has some 400 million users, the growing backlash is creating an opportunity for a start-up social network to quickly gain traction. The one bright spot for users is that although Facebook has a history of unleashing programs that go too far like Beacon, which told users about their friends' purchases the company also has a history of backtracking. Facebook might have no choice but to do so again.

C. CHARTING THE SOCIAL GRAPH WITH GREAT CARE

By Steve Smith, Friday, May 14, 2010, 11:00 Am

As most of us expected, consumer, regulatory and legislative concern over privacy only heightened this year. In fact, just last week we saw how quickly the issue can move from an inside baseball discussion among the policy wonks and technophiles into a matter that truly touches everyone. From the appearance of the Boucher Privacy Bill draft to the complaint filed against Facebook with the FTC over its pressing users to reveal more and more of their data publicly, it's been a banner time for the great debates. With Facebook as the new lightning rod for privacy concerns, it should become patently obvious to brands and agencies that this is not an issue contained only in the field of advertising, let alone behavioral targeting. Somehow lost in the focus on the BT angle in recent years is the obvious: You're all publishers now. Every brand has a Web site. Every brand is collecting data. Every brand is reaching out now into the social networks, where it is collecting even more data about users. And as brands leave their own sites and start publishing on Facebook, Twitter, and LinkedIn and in the blogosphere, suddenly privacy is no longer an issue that can be handled on the privacy page.

"No marketer wants to see their name splashed across the newspapers as having done something wrong from a privacy perspective," says Jay Henderson, director of product marketing, Unica. Unica makes software for marketers that combine customers' direct mail, email, Web site and now social media behaviors to craft profiles of the customer base. The company works with some of the leading consumer-facing brands which are, according to Henderson, "very sensitive to the privacy of consumers. They have good intentions about what they are trying to do with this type of data. A lot of it is going to inform how they are running campaigns, which types of campaigns they are running, or being able to present a marketing offer or marketing message that resonates better with their customer."

3. ARTICLES ON SOCIAL NETWORKS AND BLOGS

A. BLOGGING: A NEW PLAY IN YOUR MARKETING GAME PLAN

Business Horizons, Volume 51, Issue 4, July-August 2008, Pages 281-292 Tanuja Singh, Liza Veron Jackson and Joe Cullinane.

The emergence, proliferation, and ubiquity of the Internet have not only transformed businesses, but also altered the relationship between businesses and the customer. Recent advances in technology have helped to migrate this relationship to an interactive level where technology contributes to brand building by creating and sustaining a long-term relationship with the customer. Media fragmentation and customer indifference to traditional marketing tools are forcing marketers to seek new opportunities so the marketing message not only captures customers' attention, but also tries to engage them with the company. This paper discusses blogs within the context of creating this new, more enduring relationship with the customer. Blogs are discussed within the framework of Web 2.0, the next generation of the Internet, which is comprised of user-generated content and social computing. The use of blogs by several companies as tools to better engage the customer in the creation, delivery, and dissemination of marketing messages is also demonstrated.

B. SMALL FIRMS MUST PROTECT THEIR BRANDS ON SOCIAL NETWORKS SMALL BUSINESSES

Mick Dickinson BHP Information Solutions Ltd Bristol, UK

Small Firms Must Protect their Brands on Social Networks Small businesses that “hang out” on Facebook or Twitter may be damaging the reputation of their brands, according to marketing experts. Bristol, UK July 02, 2009 -- Small businesses that “hang out” on Facebook or Twitter may be damaging the reputation of their brands, according to marketing experts. Many small businesses are putting their brand reputation at risk by treating social networks as “places to hang out with friends”, according to reputation specialist Judith Germain managing director of management training firm Dynamic Transitions.

Firms are forgetting that social networking sites are places where reputation and credibility is established, maintained and developed, says Germain. “Many business owners take a relaxed and whimsical approach to how they network on places like Facebook, which can be quite detrimental to them,” she says. “Others join business networks and then remain invisible.” While there are some outstanding creative examples of brands using social networking, many small firms don’t know what to do on sites such as Twitter and Facebook, says Laura Jordan Bambach, executive creative director at agency LBi in London and expert contributor to Marketing Donut, the new website for small firms. “Many brands are failing in social spaces,”

says Jordan Bambach. “Businesses are promoting themselves via so many touch points — social media, advertising, direct marketing and so on, but the consumer just sees the brand. It’s important to have a unified voice.”

At the same time, not all social networks are the same, so businesses must focus on who they are targeting, she says. “Twitter has a much more mature audience than Facebook for example. Bebo has another audience again. So you do need to talk to people in different ways.” Social networks are about relationships and conversation, continues Jordan Bambach. “The human element is paramount, so firms have to find ways to engage with people and have something interesting to say,” she says. “Sometimes that means widening what you talk about away from what you offer and into areas that you are passionate about that fit with your brand.” The other key issue is to protect your brand by getting on networks before someone else does — using your name. “If businesses are not on Facebook or Twitter they run the risk of having other people setting up in their name,” adds Jordan Bambach. According to Germain, in this difficult economic climate, brand reputation is more important than ever. “A good, strong and credible reputation is the one thing which can provide you with the superior and sustainable leverage you need to survive the credit crunch, whilst others around you fall by the wayside,” she says.

C. ON TWITTER AND SOCIAL NETWORKS, BRANDS BENEFIT FROM CONVERSATIONS

By Brian Solis, blogger at BrainSolis.com and principal of FutureWorks, Author of the new book Engage! Co-Author, Putting the Public Back in Public Relations and Now Is Gone

A recent study revealed 20 percent of tweets published are actually invitations for product information, answers or responses from peers or directly by brand representatives. Twitter users are actively paying attention to brands on the popular information network. According to research conducted by Performics and ROI Research, about half of Twitter users who were introduced to a brand on Twitter were compelled. The companies studied the activity of 3,000 users of social networks in the U.S. Of those polled, 70% use Facebook, 40% use YouTube, and 22% use Twitter. Participants were presented with roughly 100 questions that explored how they discover products in social networks and also their thresholds for advertising and marketing. The survey found that 48% of those who came into contact with a brand name on Twitter went on to search for additional information on search engines compared to 34% on other social networks, which to be clear, is also an impressive number. The inspiration, it seems, was tied to a desire to surface additional information about a product, service, or brand with 30% claiming they wished to learn more. Just under one-third (27%), reported that they were receptive to receiving invitations for events, special offers or promotions. 25% stated that they visited a site after learning about a product on their social network of preference. Perhaps

most astounding, was the number of people who readily share brand-related information with others. 44% admitted that they have recommended products in Social Media and 39% stated that they have discussed a product specifically on Twitter. However, Facebook users seemed to edge out Twitter, with 46% of respondents talking about or recommending products on the 225 million strong social networks.

The economy seems to have galvanized a new channel for businesses to benefit from cost-effective "un" marketing campaigns, mostly driven by the community seeking and sharing information about interesting and favorite brands and products. Direct engagement on social networks in support of this new found awareness will either foster interaction and collaboration or wind up decreasing the signal to noise ratio and polluting the stream of interactivity and resulting actions around brands. Nothing beats value however - for both sides of the equation. With Social Media comes great responsibility and accountability. We either introduce resolution, hope, excitement, empathy, and opportunity or we take away from the experience and diminish our prospects. Everything indeed begins with search and this is why inbound marketing and social media optimization are so critical in this day and age. The act of marketing through participatory programs is only part of the answer. The other side relates to understanding where, when, and how people are interacting around your business, your competitors, and other parallel products and services. Placing content and social objects in these networks fully optimized for discovery, places strategic messages and information in places where it can and will be found. It's not unlike hiding Easter eggs. Brands can either make them difficult to find or can employ tactics to make sure those seeking them will find them easily.

The social web is much greater than your ability to converse and interact within it directly. Outside of empowering the community to help extend brand tenets, story and value proposition, social objects can serve as companies' brand beacons.

D. THE MANY CHALLENGES OF SOCIAL NETWORK SITES

Jeremiah Owyang-SF, Silicon Valley Partner, Customer Strategy Altimeter Group Columnist for Forbes CMO Network Client Disclosure Policy

From white label social networks to existing social networks like Facebook, MySpace, Bebo, and on, there's been much hoopla raised. Yet, companies should always remember the challenges that are facing these tools, as there are many difficulties to overcome. There many challenges of social networks; each of the following hurdles can be overcome, but first, let's identify them.

Difficult to Monetize - Even Google says it's having a hard time monetizing social networks, why? The use case is completely different. Members aren't hunting for information like they do on a search, instead they are communicating with each other, and self-expressing. "Marketers say as few as 4 in 10,000 people who see their ads on social networking sites click on them"

Excess of Players - In the case of the many white label social networks (white label means you can rebrand, and create your own Facebook), there are too many players in the space.

As Marketers Move In, Users Move Out - Remember Friendster? Tribe, or way back and eCircles? Nothing is new, as communities form, marketers will move in, and in some cases bastardize the experience and the hip and cool influencers will leave to the next network.

Untrustworthy Member Data - In many cases of users submit inaccurate information on their profile. As a result, marketing efforts will not be aimed at the right audiences, members continuing to be an elusive target.

Lack of Metrics Makes Success Hard to Measure - For many marketers who want to deploy a campaign on a social network, access to server metrics isn't always available. As a result, they have to often visually monitor the interaction on the site, or measure click through to their site. In some of the more sophisticated platforms, a crude dashboard is provided.

Stalkers and Other Unwanted Activity Ruins Lives - Child stalkers in MySpace continues to be a problem, and in some cases, masking oneself as someone else is easy, and to readily fool others. As a result, once young teen committed suicide from the deception, rejection, and embarrassment from a peer's mother.

Privacy Concerns Mount as Developers Move In - The great hoopla and community push back from the recent Beacon experiment, launching of newsfeeds and social networks sharing too much information with third party widget developers puts members at risk, and visibly makes them uncomfortable.

Strings Attached to Membership; Difficult to Leave – According to NYT article, leaving Facebook is difficult; there are hooks, saved accounts, and ways to continue to reconnect to the site, even after you've left.

Plateau or Social Network Fatigue - According to some reports from sources that suggest that the usage of social networks in United States are slowing down, if not reducing perhaps it's from the endless tasks that occur, or the shininess has rubbed off.

Successful Networks have hard time scaling - Facebook and Twitter (yes a social network too) are suffering from scaling issues, as a result, their sites have a great deal of downtime or latency. The complicated applications will only increase in intricacy as more users are added.

Loss in workplace productivity “Social not-working” - Companies, organizations, and individuals are concerned about the time wasted in managing social network profiles, in some cases; companies have banned Facebook from their employees, often using Firewalls.

E. BEYOND BLOGS

Businessweek.Com, May 22, 2008

The rise of social media as a marketing tool, describing how "Millions of us are now hanging out on the internet with customers, befriending rivals." The article concludes with this statement: "...the power of social media to transform our businesses and society will only grow." Companies have been experiencing greater difficulty in targeting customers through traditional media. And moving to internet advertising can be as costly as advertising in traditional media. eMarketer estimates that internet ad spending in the United States will reach \$24.9 billion in 2008. Simple online advertising isn't enough in today's changing web climate, Take part in social networking Many social media sites allow you to receive updates on or -- even better send updates from your phone or handheld. HP SmartPhones combine the best features of cell phones and handhelds, all at an affordable price point. Young people tap the web as their primary source of pre-and post-purchase information. To build your brand online, you'll need to engage with current and potential customers through social media channels. Social media enables to make a direct, more personal connection with customers, building stronger recognition for brand than advertising impressions can. Consumers can differentiate products from the competitions by taking advantage of the ability to disseminate information in

a variety of ways, and provide a level of support and service not available with traditional media or online advertising.

F. SOCIAL MEDIA INFLUENCES BUYING DECISION

By Brian Solis, blogger at PR 2.0 and principal of FutureWorks PR, Co-Author Putting the Public Back in Public Relations and Now Is Gone

On the heels of my recent post, "Is Social Media Recession Proof," Forrester released new details associated with its latest research survey that links business buyers and their process of researching solutions to Social Media. Forrester interviewed business buyers to learn about their social activity, in this case, more than 1,200 technology buyers in the U.S., Canada, France, Germany and the U.K. with 100 employees or more in seven major industries. According to the responses, Social Media isn't only limited to consumers or B2C. In the realm of business-to-business research, analysis, and decisions, data points to peer-to-peer influence and collaboration in Social Networks and blogs...

69% are "Spectators"—they read blogs, watch user-generated videos and participate in other social media for business purposes.

37% are "Critics"—they contribute comments or react to content they see in social formats. This is the next most common behavior after reading and watching.

29% are “Collectors”—they use social technology to collect information and stay on top of trends.

29% join social networks (“Joiners”).

Only 5% are nonparticipants (“Inactive”).

G. ENGAGING CONSUMERS ONLINE- THE IMPACT OF SOCIAL MEDIA ON PURCHASING BEHAVIOR (VOLUME ONE: INITIAL FINDINGS UNITED STATES 2008)

Louis Cuming, COO; Dei Worldwide

What is the role of social media vs. company websites, when consumers are researching products and services? Consumers value the opportunity to engage with a brand online? Does it play a role in purchase decision? The internet’s viral and social capabilities have created a whole new forum for consumer internet communities, blogs and social networks become a part of life for most of consumers. The increasing usage of social media websites provides a platform for brands and impacting people’s purchase decision.

Brands and marketers’ should use social media websites and word-of mouth techniques to activate purchase intent. As the trend of consumers using social media is growing. Consumers rely on various types of social media websites as much as company websites for products and brand information. As a result companies that utilize social media and engage directly with the consumer have a greater opportunity not only to reach more customers, but also increase likelihood of making a purchase. Also it looks at the consumers perceptions of information coming directly from brand representatives’ online. Their participants of research questionnaire also answered about the searching online information by product categories including, food &

beverages, automotive, personal care & beauty, entertainment and electronics/telecom. For each of these categories, the researcher is able to measure where consumers searched for information online and what influence this information had on their purchase decision.

Key Findings

Social media websites have become an information source for consumers. 7 out of 10 consumers have visited social media websites such as message boards, social networking sites and blogs to get information. Furthermore, 0% of these consumers made a purchase decision based on what they gathered

6 out of 10 people reported that they are like to use social media websites to pass along information they receive online. Additionally 2/3 of consumers agree that recommendation from other people online are valuable, credible, and could influence their perception of a brand and hence influence their purchase decision. Attitude towards recommendation and information provided by consumers online:

Valuable 71%

Relevant 68%

Influence on purchase decision 67%

Influence perception 62%

Credible 60%

Honest 52%

Base: among those who ever searched information online

Companies not engaging in social media as a part of their inline marketing strategy are missing an opportunity to reach consumers. Consumers are very positive about exchanging information online with a brand representative. Consumer who visit social media websites are more likely to take action; 50% of people who searched information exclusively via social media websites

engaged in word of mouth marketing, compared to 36% who told others about information they found on a company or news website.

Social Media Websites 45%

Company & News Websites 36%

Base: Online sources used

Directly engaging with consumer's online using brand representatives will motivate purchase intent and increase pass-along. Among categories surveyed, consumers who visit a social media website are more likely to make a purchase decision than those who do not. Talking with a brand representative; People are very positive about the opportunity to communicate online with a brand representative. Following a conversation customers are willing to spread the word, value the information they receive a likely to take action e.g. shop at retailer, buy the product etc. Attitude towards information they receive from an online brand representative:

Likely to pass information to other 67%

Likely to share their opinion 63%

Value information more than ads 62%

Likely to take actions 52%

Base: among those who ever searched information online

Conclusion

Social media marketing is playing an increasing important role in the marketing communication strategies of companies. One of the biggest advantage that social media websites have over traditional marketing communication is that consumers whole visit social networks and blogs are more likely to persuade their purchase. Consequently, companies who integrate elements of social networks and blogs within their marketing communication have a great opportunity to influence consumer buying choices.

FIGURES INDEX

In this section I will present the list of figures attached my thesis for sake of giving readers a clear view about the topic discussed. These snapshots are helpful to carry on the in-depth discussion.

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BIBLIOGRAPHY

This chapter will demonstrate the constructive sources used through the entire process of gathering literature, data, articles, journals, presentations, papers, books during this research study. Below, reader can experience the valuable sources and links congregated worldwide relating to consumer behavior, social media, marketing etc.

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