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## Social Media as a Marketing Tool for Business Operations

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**SOCIAL MEDIA AS MARKETING TOOL  
FOR BUSINESS OPERATIONS**

By

Katharina Jung

A Thesis Submitted to the Graduate

Faculty of Lindenwood University

in Partial Fulfillment of the

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## Abstract

The purpose of this study was to elaborate different social media tools and their benefits as well as their risk for marketers.

An increasing number of companies use social media for their purposes and Internet users spend plenty of time with social media.

The use of social media is on the rise and cannot be ignored anymore. It is more cost-effective than traditional media marketing and distribution as well as other interactive marketing. Traditional media is struggling, but there is a connection between traditional and social media, which shows that these two relate to each other and influence the overall brand perception as well as the audience.

The new word-of-mouth comprehension is necessary for viral marketing but it is also important standing by itself. With word-of-mouth, the marketers give up some of their responsibility to the customer, thereby using social media as a big referral program. Traditional media marketing is a one-way communication; the company is sharing its opinion with consumers via articles, magazine advertising, or television commercials. Social media marketing is based on a two-way conversation between the company and the consumer. Remediation is the study of the relationship between 'new media' and traditional media and indicates a particular kind of intermedial relationship.

The six key attributes valued in social media are authenticity, transparency, immediacy, participation, connectedness and accountability.

Consumers have an interest in the products and services they use. Another way of nourishing this relationship to companies is to enable further interaction between the user and the company.

## Table of Contents

	Page
CHAPTER ONE: INTRODUCTION	
1.1. Definition of Social Media	1
1.2. Change in Marketing Structure Through Social Media	1
1.3. Acceptance and Emergence of Social Media	2
CHAPTER TWO: LITERATURE REVIEW	
2.1. The Advantages and Disadvantages of Social Media Tools:	6
2.1.1 Blogs	6
2.1.2. Microblogs	10
2.1.3. Social Networks	12
2.1.3.1. Facebook	13
2.1.3.2. MySpace	15
2.1.3.3. LinkedIn	16
2.1.4. Social Video Networks	17
2.1.4.1. YouTube	17
2.1.5. Podcasts/ Vodcasts	19
2.1.5.1. Podcasts	20
2.1.5.2. Vodcasts	21
2.1.6. Wikis	21
2.1.6.1. Wikipedia	22
2.1.7. Photosharing	23
2.1.8. Virtual Worlds	23
CHAPTER THREE: METHOD OF STUDY	
3.1. Theory of the Long Tail	25
3.2. Social Media Tools	26
3.2.1. Blogs	27
3.2.2. Microblogs	30
3.2.3. Social Networks	30
3.2.4. Podcasts/ Vodcasts	32
3.2.5. Forums/Wikis	32
3.2.6. Social Bookmarking	33
3.2.6.1. Tagging	33
3.2.7. Really Simple Syndication	34
3.3. Social Media and Search Engine Marketing	34
3.3.1. Search Engine Optimization	35
3.3.2. Social Media Optimization	35
3.4. Viral Marketing	35
3.4.1. New Word-of-Mouth Comprehension	37
3.5. New Meaning of Relationships	37
3.6. Remediation of Media	38
3.7. Interconnectivity of Social Media	40

	Page
CHAPTER FOUR: RESULTS	
4.1. Theory of the Long Tail	41
4.2. Remediation of Media	42
4.3. New Meaning of Relationships	43
4.4. Six Valuable Attributes of Social Media	45
4.4.1. Authenticity	46
4.4.2. Transparency	46
4.4.3. Immediacy	46
4.4.4. Participation	47
4.4.5. Connectedness	47
4.4.6. Accountability	48
 CHAPTER FIVE: DISCUSSION	
5.1. Risk/Limitation – Benefit Analysis of Social Media Tools	49
5.2. Social Media Marketing vs. Traditional Marketing	51
5.3. Suggestions for Further Research	52
 WORKS CITED	 54

List of Tables:

	Page
Figure 1: Company Experience with Social Media	1
Figure 2: Time Spent Increase, Video and Social Media	3
Figure 3: Broadband User Contribution to Social Media	4
Figure 4: Forecast: US Interactive Marketing Spend, 2009 To 2014	5
Figure 5: Influence 2.0	29
Figure 6: “Short Tail” Growth	41
Figure 7: Marketers See Greater Potential in Interactive Channels	43
Figure 8: Top Social Media Sites Where Companies Maintain Profiles	45
Figure 9: Top Social Media Success Metrics	50
Figure 10: Comparing TV and Online Recall	52

## CHAPTER ONE: INTRODUCTION

### 1.1. Definition of Social Media

Social media include various online applications like networks, discussion boards, blogging, communities, etc. Lon Safko defines social media in his book “The Social Media Bible” in the following way:

Social media refers to activities, practices, and behaviors among communities of people who gather online to share information, knowledge, and opinions using conversational media. Conversational media are web-based applications that make it possible to create and easily transmit content in the form of words, pictures, videos, and audios.  
(Safko 6)

Considering this definition, social media are able to connect to a user base in a different way than traditional media – radio, newspaper, television, magazines, direct mail, banner, etc. – and therefore give marketers new possibilities to reach their potential consumers.

### 1.2. Change in Marketing Structure Through Social Media

During the last 15 years traditional media had to fight more and more with the emergence of the Internet which has made the creation of social media possible (Gauntlett). Prior to the Internet, marketers had two possibilities to market their products and services to the end-consumer: buying advertisement or hoping for positive press coverage by media outlets. The introduction of the Internet and the ensuing emergence of social media changes this approach, and is able to create a relationship

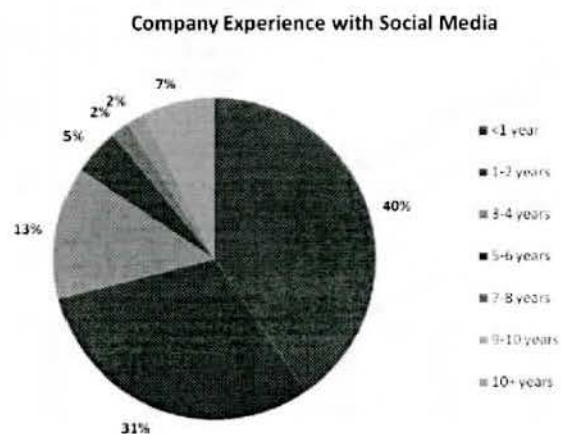


based on a two-way communication between company and consumer in comparison to the one-way communication between the two parties in traditional media.

The publicist Eric Schwarzman classifies the main difference to be the reachability to the audience. He says that mainstream media is more effective in reaching the wide audience while social media is more effective in trying to reach niche markets. (Gillin 133) Social media gives marketers the opportunity to directly approach small niche markets and therefore makes targeting a small audience easier for businesses. Additionally, social media is independent from special locations and times, hence offering a wider scope of possibilities for marketers worldwide.

### 1.3. Acceptance and Emergence of Social Media

More and more companies use social media for their purposes. Business.com published their “2009 Business Social Media Benchmarking Study” in November 2009. In the study, they asked nearly 3,000 North American business professionals about their companies’ experience with social media. 71 percent of the respondents’ companies have less than two years of experience with the new medium; only seven percent of the respondents can report an experience with social media for more than ten years.



Q: How many years of experience does your company have with business social media?  
 Source: 2009 Business.com Business Social Media Benchmarking Study (n=1,752)  
 © 2009 Business.com, Inc.

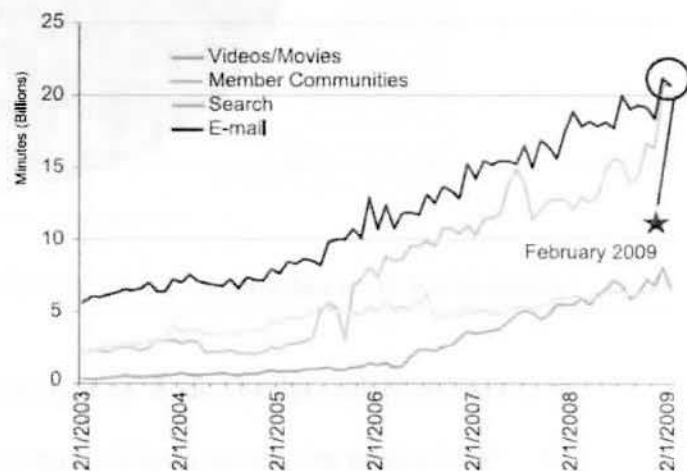
Figure 1: Company Experience with Social Media  
 (Business.com 14)

This illustrates the recently gained importance of social media in the business world as well as the acceptance of social media tools by potential customers of the particular companies. By utilizing the social media tools discussed in Chapter 2, businesses try to reach journalists, consumers, and even bloggers to spread their marketing messages (Postman 91).

More and more Internet users spend time with social media and thereby make the medium important for marketers to elaborate and to learn how to use it for their advantage as well as how to recognize potential dangers.

Nielsen's report "The Global Online Media Landscape" from April 2009 demonstrates the change of time spent online by Internet users from 2003 to 2009. Users spend eight times more time on social networks/ member communities in 2009 than in 2003 and exceed the usage of email for the first time in February 2009. This also shows a shift in media usage for business purposes. (Figure 2)

Figure 2: Time Spent Increase, Video and Social Media (Nielsen 6)



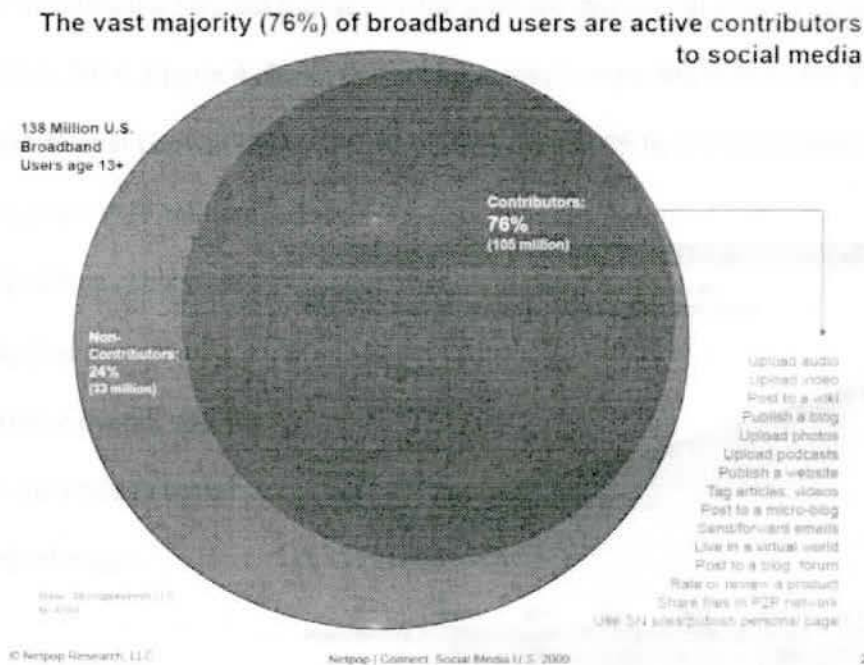
Segment	2/03 vs 2/09	2/08 vs 2/09
Video	1,905%	23%
Member Communities	883%	73%
Search	193%	4%
E-mail	268%	9%

★ February 2009: First month that social network (member communities) usage exceeds that of email

Source: Nielsen Netview

A research conducted by Netpop in 2009 also shows that the majority of Internet users actively contribute to social media by e.g. uploading video and audio or posting to bulletins and communities. 76% of broadband users use social media and only 24% do not. This demonstrates the immense reach businesses can use to market to potential customers. (Figure 3)

Figure 3: Broadband User Contribution to Social Media



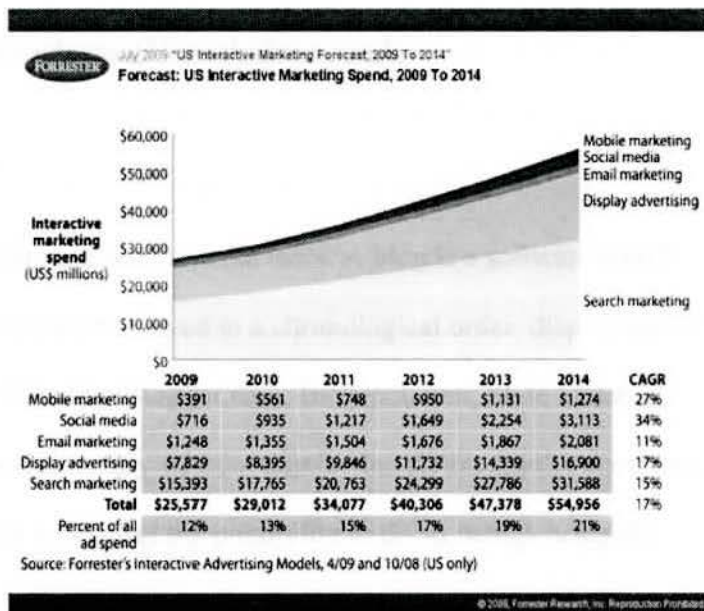
(The vast majority (76%) of broadband users are active contributors to social media.)

More and more traditional media are struggling. Social media outlets are very cost-effective and social media tools like blogs and wikis do not require professional journalists to write stories; everyone who wants to write has the possibility to publish their work. This is not always leading to decreased quality and also has the advantage of faster publication in almost real-time.

A shift from traditional media to the social media is shown by the overall decline of newspaper revenue. The Newspaper Association of America states that “advertising revenue for newspaper declined 18.1 percent [in 2008], national advertising sales fell 18.4 percent, classifieds sank 30.9 percent, and online advertising sales dropped 3 percent” (Qualman 9).

Social media is on the rise and cannot be ignored anymore. It is more cost-effective than traditional media marketing and distribution as well as other interactive marketing. Forrester developed a forecast that shows the possible increase in marketing spending from 2009 to 2014. Figure 4 shows that social media is expected to have the biggest Compound Annual Growth Rate (CAGR) of 34% from 2009 to 2014 in interactive marketing from \$716 million to \$3,113 million. This would still depict just a small fraction of the overall cost for interactive marketing spend in the United States.

Figure 4: Forecast: US Interactive Marketing Spend, 2009 To 2014  
(Forecast: US Interactive Marketing Spend, 2009 To 2014)





## CHAPTER TWO: LITERATURE REVIEW

Generally speaking, since social media networks and tools already exist, it is not necessary for a company to create and program their own version of it. Therefore, it is more time- and cost effective to revert to already existing social media tools. Social media tools are numerous, so the following part is elaborating on the most important and popular social media tools businesses can utilize for their benefits. It is important to know what is out there and how to use the advantages without forgetting about the possible problems of social media. To use social media for marketing effectively, it is important to be able to weigh up advantages and disadvantages.

### 2.1. The Advantages and Disadvantages of Social Media Tools

#### 2.1.1. Blogs

Blogs are one of the most common social media tools. A blog is a software which allows the user to write posts that are displayed in a chronological order, displaying the newest post first. Several providers like Blogger.com, Blogspot.com, Slide Share, or WordPress are offering this service mostly without any fee for the blogger or company.

Everyone who wants to write a blog has the possibility to do so, which bears the danger that not every blog might be of high quality and have reliable sources. However, most bloggers who take this seriously are genuinely interested in the subject and blog with passion about it. Bloggers can be private individuals as well as professional writers

employed by a small or large company and no technical skill is necessary to operate this type of publishing service.

Technorati composed a report in 2008 where the company states that around 133 million blogs have been indexed since 2002. Another statistic from eMarketer from May 2008 says that there are around 94.1 million blog readers in the United States (Postman 59), giving the medium an important position in the social media world.

Readers of blogs have the possibility to comment under any blog post, allowing for an immediate feedback to the blogger.

Gillin divided blogs into four main categories: topical blogs, online diaries, advocacy blogs and link blogs. (5) All four have qualities for marketers to utilize. Online diaries are very personal blogs by individuals, who can be identified as a target audience, which can give interesting and marketable qualities to a person or target group. Topical blogs can be passionate and informative about certain products or companies. They can be used as a feedback mechanism for businesses, although they are not always maintained by the business itself. Advocacy blogs can be maintained by the company itself, for example to give out information, but it can also be maintained by a fan or advocate of the company, providing free marketing by an outsider. Link blogs are used in two ways: to provide further references of a topic to the public or to create more links of random blogs or websites to create a higher ranking for search engines.

Bloggers take much of their information out of traditional media like television and newspapers, which serve as their main source of information. (Gillin 11) This creates an interdependence between the blogging and traditional media, but a significant

advantage of blogging over television and newspaper is its speed: a blog can be published immediately after it is written, while a newspaper has to be printed to be distributed and a television newscast has to broadcast in specific time limitations.

Other advantages are that a blog is an appropriate tool to engage customers in interaction with the company. When a customer has a complaint, he/she can leave a feedback to the blog, and the blogger has the possibility to interact in real-time with the user.

A blog also gives companies the possibilities for breaking news immediately, to respond to news as well as to announce the news without having to wait for major news outlets to cover it, and is therefore a great addition to traditional websites. (Postman 59-60)

The social media tools also allow the executives of companies to be in direct contact with the companies' stakeholders – press, customers, stockholders/owners, business partners – and demonstrates a more authentic communication by providing more credibility and trust than a non-personalized web site, where most people do not know who actually created the content. It also gives the executives the possibility to actively engage with the stakeholders, while still operating inside company walls. (Postman 59)

When observing blogs about a company and its products or brands, the company can gain valuable insight in the thought processes and mindset of their consumers and, at the same time, use criticism to improve their products and/or business practices. The blog also gives them the possibility to directly respond to a complaint or other negative press.

Postman also identified a blog as a resource for increased traffic to web sites through provided links. This gives a company the possibility to have “the potential to generate leads, new business, and increased brand awareness.” (Postman 60) A blog generally increases the online visibility of the particular company.

Blogs can also create disadvantages and risks for businesses. When not used appropriately, it can be used to release negative or very sensitive company information. (Postman 71) A blog is public and therefore should be treated as that; strict guidelines can be helpful for company blogging.

A company cannot decide what consumers comment on their posts, so not everything will be appropriate or in the sense of the publisher. (Postman 71) The blogger has the possibility to scan through comments before allowing them to be published, but this can be very time consuming.

Blogs are not very flexible; their reversed chronological order cannot be modified (Gillin 5).

Blogs are not always positive for a company, since everyone can publish a blog and the company can not block blogs that are not in favor of the brand. Therefore, it is important for companies to regularly scan the net for blogs, and thereby have the possibility to respond to justified as well as unjustified blogs about them.

Also, marketers can see a disadvantage in blogging when negative blogs become more dominant in search engine searches than the favorable blog posts. (Gillin 7)



A blog can be very impersonal when not written in a distinctive way; this personal voice is important when trying to set the blog apart from other competing blogs. (Gillin 99)

### 2.1.2. Microblogs

The most popular and known microblogging site is Twitter. However, several other sites like Plurk, Twitxr, FriendFeed, or SixApart are using similar systems.

Microblogging “is a hybrid of blogging, instant messaging chat, news feed, and generally limits each text-only post (aka update) to a certain number of characters, in most cases 140 to 160” (Postman 48) A Twitter status update is limited to 140 characters and therefore gives users the possibility for a very short update or link. Other users can respond in real-time by posting another update.

Twitter and some other microblogging sites do not permit image uploads and other customization but give the user the possibility to use third party providers whose links can be posted. This gives the profiles a very standardized look.

Connections are referred to as followers. (Postman 50)

The microblogging tool is very popular among Internet users, with more than 3 million messages between Twitter users in March 2008 (Comm 4). This makes Twitter a very capable marketing tool that can be used to address many potential consumers.

In the beginning Twitter was thought to be popular mostly with young people and teens but this changed (Qualman 90). In 2009 a shift occurred, replacing the 18 to 24-year olds with an older main demographic of the 35 to 44-year-olds. (Comm 6)

Additionally “a full quarter of Twitter’s users are high-earners, a valuable piece of information that makes the site a must-use for any serious marketer” (Comm 6).

Advantages of microblogging tools include its speed and ease. As mentioned above, a user can immediately respond to an update or post of another user, hence giving a real-time feedback.

Companies can do vanity searches to elaborate if users are talking about their company or brand and actively participate in a conversation or just observe if they can take advantage of the newly gained information (Qualman 37).

Marketers using Twitter or similar microblogging tools can take advantage of the relationships between the users. (Qualman 40) People in the network who are connected to a person usually trust the opinion of a person they know more than some random person they do not have any connection with, and therefore the ‘followers’ “can readily identify with the position the person is coming from.” (Qualman 40) This peer referral can be useful to convince potential consumers of a brand or company.

By using this personal connection, companies can approach individuals personally and create a personal relationship to their consumer base.

Disadvantages of such real-time networks also include the immediacy of it. When a customer is not satisfied by a product and service, the user can instantly post his/her frustration. (Qualman 39) To respond in a timely manner requires lots of time and involvement of companies, which can be very costly. (Qualman 38) By not doing so, the business is risking a spread of negative press.

Twitter and social networks do not have a strong restriction of their user base, since almost everyone can register an account with a randomly chosen name. Some users use the name of a product or companies in their username and can spread wrong facts under a false identity which can create immense problems for a company. (Postman 50)

Businesses need to monitor this misuse to be able to fight it.

### 2.1.3. Social Networks

“The best known and most widely used social media tools are social networks” (Postman 38). The most popular social networks include MySpace, Facebook, Bebo, Friendster, LinkedIn, and Orkut.

When using a social network, users can create a profile and add personal information about them, such as preferences, pictures, etc. Users are able to add connections to share their information with.

Postman identified prior association and transparency as the main backbone of social networks (38), which gives marketers the possibilities to use peer referral and identifications as connecting tools to its customers. Businesses can collect information about their customers and are able to create a relationship between the brand and the end user. (Qualman 50).

Social network users can befriend themselves with product and company profiles. This marketing impact can be directly measured through the number of members who added themselves to the company’s network; by doing so, members show their peers that they support the company. (Postman 144)

### 2.1.3.1. Facebook

A Facebook user can befriend up to 5,000 users, but the average is 150 friends, which offers a tremendous potential for peer-to-peer marketing and word-of-mouth marketing (Qualman 20).

The user can create a personal profile page as well as groups and fan pages for causes, products, and companies, but “social networks don’t allow for much customization.” (Qualman 25).

Facebook claims to have over 60 million active members (...) It’s averaged 250,000 new registrations every day since the beginning of 2007 (...) More than half of those users return every day and together they generate more than 65 billion page views each month.  
(Comm 3)

Facebook has many advantages for marketers to use. Given that a fixed structure is preset, small business owners do not perish next to big businesses that can afford expensive, flashy web sites. This means each company is on the same level, so it comes down to the product itself (Qualman 26). Those presets have the potential to generate big revenues without being very costly.

One of the most popular features of Facebook (as well as LinkedIn) is the user generated status updates, through which people can spread information such as links or pictures to all their respective connections and networks. According to Qualman, those updates result into 100 billion messages per day. (90)



Marketers can spread their messages through three different approaches: direct friend-to friend communications, founded groups as well as applications, which can be in form of surveys or even games. (Meerman Scott 232)

Probably one of the biggest advantages of Facebook marketing is that users previously decided that they want to receive information from the company by joining the group or being friends with a company profile or fan page. Users can then receive updates about the company through status updates, posts or messages and event invitations of the company. (Meerman Scott 233) This information can again be shared by users with their network and friends if they decide to do so, which creates a huge potential for marketers.

Those groups and pages are also quickly accessible for users. If they are already in the network, they just have to follow a link to receive information without visiting the official page that is also linked to the profile and can increase site traffic.

Facebook started as a social network limited to college and university students until it was accessible to the public starting in 2007. It still holds an 85 percent market share of university students, which gives marketers the possibility to approach young students to build a lasting relationship with them (Comm 5).

Disadvantages and risks are also coming along with Facebook. If a company should decide to not build a presence on the social network, users could instead befriend a competitor, which can result in a higher identification and brand ownership of the user with a rival business.

Users can also create fake profiles pretending to be created by a specific company, which can endanger a positive reputation of a business when false information is spread. Also, the company has no influence about anti-groups that users create to indicate their problems and rejection of the company. The business itself cannot do anything against the creation of such groups, but it does have the possibility to take part in discussions.

#### 2.1.3.2. MySpace

MySpace is currently the biggest and most popular social network on the internet, and has more than 185 million members; it is an international interactive web site that allows its members to create a user submitted network of friends, personal profiles, blogs, groups, photos, music and video. (Safko 49)

MySpace has “created more than 14 billion user comments and 10 billion friend relationships and sees more than 8 million images uploaded each day”, (Comm 4). Those numbers represent a big potential for marketers to spread the messages to interested users of the social network.

As on Facebook, companies can create profiles and groups to directly approach their target group to build a personal relationship with them.

MySpace has the second largest user base, only second to Yahoo, (Safko 51) which means that marketers can target their advertisements directly to their desired demographics and preferred characteristics like gender and location of the user.

Companies can create applications through the introduction of the MySpace Developer Platform, which can promote their products and services and can also serve to obtain more data for databases of their target audience. (Safko 466)

MySpace is especially interesting for musicians and music related businesses. MySpace Music, which is directly integrated in the MySpace website, lets users create playlists and musicians can promote their music and videos on their page. The count of the profile page indicates how many users visited the page and the playlist shows which song was favored by the listeners; many companies use those numbers to see how people react to new material. (Losing Popularity Contest)

Another advantage marketers have by using MySpace is its comparably low priced advertising. "The average rate paid for advertising is little over a dime for 1,000 impressions (...) far lower than rates at major competitors", (Hansell).

MySpace has the same disadvantages for marketers and companies as Facebook, but additionally MySpace "draws disproportionate numbers of teenagers, twenty-somethings and people whose household income is less than \$25,000 a year", (Losing Popularity Contest) which is one of the reasons a company has to evaluate if they really want to advertise its products on this social network. The network might not be appealing for companies who want to market higher-priced products to a broad public.

#### 2.1.3.3. LinkedIn

LinkedIn was launched in 2007. This social network allows users to create a personal profile with data about their occupational development. The users can connect

with other members and have the possibilities to create groups and discussion boards and to network with other users.

The network has around 35 million members who represent over 150 industries. “The typical LinkedIn member is forty-one years old with an average household income of \$109,704. 64% of its members are male, and 80.1% are college graduates”, (Safko 54). This high end demographic is a great public for job recruitment and discussions about companies, products and experiences.

Companies can actively recruit new employees through this social network and can be part of discussions for customer service reasons and to improve their reputation of the company in a public forum.

The user gets the impression that the company is up-to-date and somewhat transparent when it is represented on LinkedIn. Companies not represented on LinkedIn could be seen as old-fashioned and antiquated mechanisms.

#### 2.1.4. Social Video Networks

Social video networks let users upload videos to share them with other viewers. These videos can be rated and commented on.

The most known video site is YouTube but there are also smaller networks like Metacafe.

##### 2.1.4.1. YouTube

The Google-owned archival online video site (Postman 43) lets users upload videos, rate and comment on the videos. A Nielsen report states that YouTube had more than



90 million visitors in March 2009, (YouTube) which shows the huge potential and popularity with its users. The uploaded videos provide a URL and an embedded code so that users can share the videos on other sites and blogs.

YouTube has many features marketers can use. The network allows user and video targeted advertising placements next to videos as well as pre-roll, mid-roll and post-roll advertising and overlays since 2008. (YouTube to offer TV Shows)

Also, YouTube proved itself as being effective for viral marketing as well as a revenue increase for existing film and television formats as proven through the immense success of the Palin video from Saturday Night Live. SNL viewers increased about 50% in 2009 after the broadcasting of the video on YouTube which generated several million hits (Qualman 10).

The “News Near You” feature is able to locate the user and can provide location specific video content for the user. (Now on YouTube, Local News).

Businesses can test new music videos, commercials, and other company related video material on YouTube to see how the market responds to it.

YouTube found its biggest competitor in the video-content provider market with Hulu. “By September of 2008, Hulu was the sixth-most watched video-content provider on the web with Nielson Online reporting 142 million streams and 6.3 million unique monthly visitors” (Qualman 161), Hulu itself is not considered a ‘real social media’ but it has taken users away from YouTube.

If using YouTube for distributing video material, companies have to be prepared that the material gets copied and used for purposes they may not have intended. Also, when the company finds a video that is violating copyrights, it may take quite some time until the video gets taken off the web site, due to the size of the network.

Reactions and comments by users might not be positive and the company takes the risk to be criticized and laughed at.

#### 2.1.5. Podcasts/ Vodcasts

Podcasts are audio files which are connected to a subscription component for people for a regular download. Those files can be downloaded to computers, as well as mobile devices like the iPod/iPhone, and other similar devices.

Vodcasts, also called vlogs have the same subscription and download component with the difference that picture is delivered with the audio file.

Both types are mostly published on platforms like iTunes, Rhapsody, YouTube, GoogleVideo, as well as blogs and websites.

Meerman Scott summarized their potential as

An easy way for your ideas to spread to a potential audience of millions of people, instantly. Web content in form of true thought leadership holds the potential to influence many thousands of your buyers in ways traditional marketing and PR simply cannot.

(141)

#### 2.1.5.1. Podcasts

Podcasts are not very expensive to produce. Granted that the equipment is available, almost everyone can produce a podcast and distribute it through his/her blog, website or open networks like iTunes or Rhapsody.

Podcasts are especially interesting for marketers because they can create a piece of audio targeting specific buyer personas who are interested in the content, allowing them to reach niche markets. (Meerman Scott 70) Producing podcasts does not require large financial resources, so even small markets can be provided with this information.

Podcasts can be used to deliver blogs with additional content to create a cohesive marketing strategy (Meerman Scott 74). People can use podcast to record and distribute speeches, interviews and audio shows. For the most part, podcasts do not sound like inhuman, too professionally produced shows, so listeners actually feel like they are being confronted with a real human instead of professionally produced marketing content (Meerman Scott 222).

“Podcasting makes time-shifted media portable. People listen to podcasts while commuting, running errands and exercising” (Gillin 143). This mobility has an advantage over other media tools which require more attention and involvement of users.

“Podcasting, as a social practice, seems to be considered by the young as more individualized than radio listening and music compilation-making, involving a relationship with several providers, the podcasters”, (Menduni 16). It is not seen as an institutional content, but more like peers who want to inform and educate others.

The problem with podcasts is that people have a short attention span when they do not have visual support; this requires a podcast to be short. (Meerman Scott 223)

Many individuals use podcasts which means companies cannot control what people talk about during a podcast. Companies have to respond to negative podcasts to be able to keep the risks low.

#### 2.1.5.2. Vodcasts

A vodcast is, more or less, a podcast with video and therefore has the some advantages and disadvantages. The difference is that vodcasts can deliver content a little better because of the visualization of the content. The vodcast can be created by video equipment and therefore might be more costly.

#### 2.1.6. Wikis

A wiki is an easily updated website with controls over various levels of users who range from readers who may only read the content on the wiki, to editors who can change the content, to administrators who can authorize new users, modify the appearance of the site, and enable and disable features.  
(Postman 50)

Wikis can be used by businesses in various ways, for example as a social media tool for collaboration where employees and business partners can edit databases and/or other documents like text-based files.

Those wikis can be edited on the website and therefore used for businesses whose employees or other stakeholders have to work on common documents



without being stationed one the same location. In addition, reference data, new content for links, background information, and other additional information can be added by the users.

In a company, you can use a wiki to allow your users to add their own 'Frequently Asked Questions' (FAQ), and other people can supply answers, which helps everyone (Meerman Scott 137)

"Popular wiki applications include project and event management, document version control, and for company wide manuals, policies and procedures, and style guides". (Postman 51)

#### 2.1.6.1. Wikipedia

The most popular wiki is Wikipedia, an open-source wiki solution (Postman 50)

Like other wikis, Wikipedia is a collaborative site, which can provide information about companies, products, and much more. The content can be added by registered users. This has the advantage that many people with different knowledge can work together as a group to create an article or post. It is "successful as a result of scale and self-policing", (Qualman 23).

This advantage is at the same time the biggest disadvantage of Wikipedia. Topics and articles that are less popular have the danger of being inaccurate and/or incomplete and can therefore spread wrong or half-true information. It is important for companies to see if the posts about them and their products are correct. Nevertheless, not all editors have the good of the company in mind; some people might edit posts to consciously harm a company.

### 2.1.7. Photosharing

Some of the most popular photo-sharing sites include Flickr, Photobucket, and Twitxr.

To be able to upload pictures you have to create an account with Flickr. Keywords can be tagged to pictures so that people can find the files when searching for it with the image search. According to Postman, Flickr allows you to edit photos with their own picture edition tool and to enable ordering for prints. (40)

The problem with those picture sharing networks is similar to the copyright issues YouTube users have to fear. The pictures can be copied by everyone; the person does not even have to be a member of the network site. When using Flickr for sharing or selling material, it is important to consider this possibility of data theft.

### 2.1.8. Virtual Worlds

Virtual worlds are not as well-known as a social media tool like the others discussed before in the chapter. The best known is Second Life, although many marketers did not realize its potential yet. Others not as known are Active Worlds and Kaneva.

Second Life is the “largest virtual world without gaming foundation” (Safko 305), an animated 3D world where users can create their own avatars, who live in the virtual world. Many companies are represented on the platform including IBM, Intel, Adidas, Sears, and Sprint (Postman 51).

Marketers can use those platforms for various reasons, for example by utilizing the platform for gauging customer reaction, receiving feedback, and testing prototypes. (Safko 315) Some companies like IBM have built a virtual office building in Second

Life and use this as a meeting place for their employees to exchange information, as an online forum for its engineers worldwide or to provide PowerPoint presentations (Safko 315).

By simply being represented on the platform, people can gain brand awareness and engage themselves with the company.

The concept of doing business in a virtual world is still new. There is a tremendous opportunity for enterprises to participate in a huge trusted network of like-minded participants – in which many may be prospects.  
(Safko 323)

This statement is not just applicable for virtual worlds; it stands for social media marketing in general. Despite being a relatively new medium, it does provide great possibilities for marketers. Not only as an advertising place for products, brands and companies, but also to establish and maintain relationships with internal and external stakeholders, to provide and receive feedback, promote information exchange as well as to establish products in peoples' minds.

## CHAPTER THREE: METHOD OF STUDY

Many authors and researchers have broached the issue of social media and topics accompanying the broader area of this relatively new form of media. The following chapter will go into detail about some studies and will provide a more in-depth analysis about the social media tools reviewed in the previous chapter.

### 3.1. Theory of the Long Tail

Chris Anderson, the editor-in-chief of Wired Magazine created the theory of the long tail, in which he examined the shift from mass media markets to smaller niche markets.

The theory of the long tail is that our culture and economy is increasingly shifting away from a focus on a relatively small number of “hits” (mainstream products and markets) at the head of the demand curve and toward a huge number of niches in the tail. As the costs of production and distribution fall, especially online, there is now less need to lump products and consumers into one-size-fits-all containers. In an era without the constraints of physical shelf space and other bottlenecks of distribution, narrowly targeted goods and services can be as economically attractive as mainstream fare.  
(Meerman Scott 18)

Anderson therefore established the theory that even though mass media markets are still very important, niche markets have gained a bigger importance, especially through the emergence of online media, with social media being a part of it.

Why was this important for marketers utilizing social media? Social media gave business people the possibility to target niche markets, which would not have been cost



effective when being restrained by physical shelf space and storage capability. A product which did not have the perception of being interesting for the mass market had then the possibility to target smaller markets. This before underserved audience had then the possibility to purchase their wanted products, which were not found in stores nor marketed to them before the emergence of social media.

For example, a spot for a political candidate could have been shown on FOX in form of a television commercial, but now marketers have the possibility to spread pod- and vodcasts on blogs, open Facebook accounts, and create sites. Interested people can not visit those places to get information about the specific candidate or his/her area of interest. That information might not be interesting for the broader public due to its local area of election campaign or his/her opinions. The candidate is therefore a niche market 'product' that can directly target a specific niche market.

"Social media takes small markets to another level. It obliterates the economic limitations of publishing that have defined the field for hundreds of years", (Gillin 66).

### 3.2. Social Media Tools:

It is important to know that according to a Forrester Research study in 2009, at least four out of five U.S. adults who use the Internet use social media more than once a month. Not only the amount of social media users increased, but there has also been a shift of age groups. Beforehand, young people seemed to be the prime target, but "the most rapid growth has occurred among consumers 35 and older" (Swartz).

Marketers can use social media as a positioning tool and as an information tool for customers to initiate purchase decisions. Social media is new in the mind of many

consumers and can influence perceptions about companies and their products. A company using interactive social media can gain a secondary brand effect of being perceived as innovative, more progressive and intelligent. (Postman 138)

### 3.2.1. Blogs

The Pew Internet and American Life Project conducted a survey in 2006 stating that around 39% of the U.S. Internet users regularly read blogs. The survey also found out that around 8% of Internet users write their own blogs (Gillin 5). According to Technorati, which is a blog search and ranking site, there are around 140 million blogs online; a third of those being in English. This explains the great amount of U.S. Internet users interacting with this kind of social media. (Postman 35)

Gillin identified an interdependence between blogs and traditional media like newspapers and television. While the bloggers need the traditional media as a source of information as well as an accompanying material to their entries, newspapers or other forms of traditional media can use this kind of social media as a feedback mechanism for their news and company coverage. Gillin called it a "constructive struggle", (Gillin 11). Therefore, the dynamics of social media are rooted in this struggle, and both sides draw benefits from the somewhat colliding relationship they share with each other.

Some bloggers use blogs as a promotion tool for their products and brands. Several companies created proxies or fabricated characters to persuade potential consumers. This process turned out to be tricky: once users found out that the blogs are pseudonymous blogs, companies had to be prepared for severe criticism and rejection (Gillin 91).

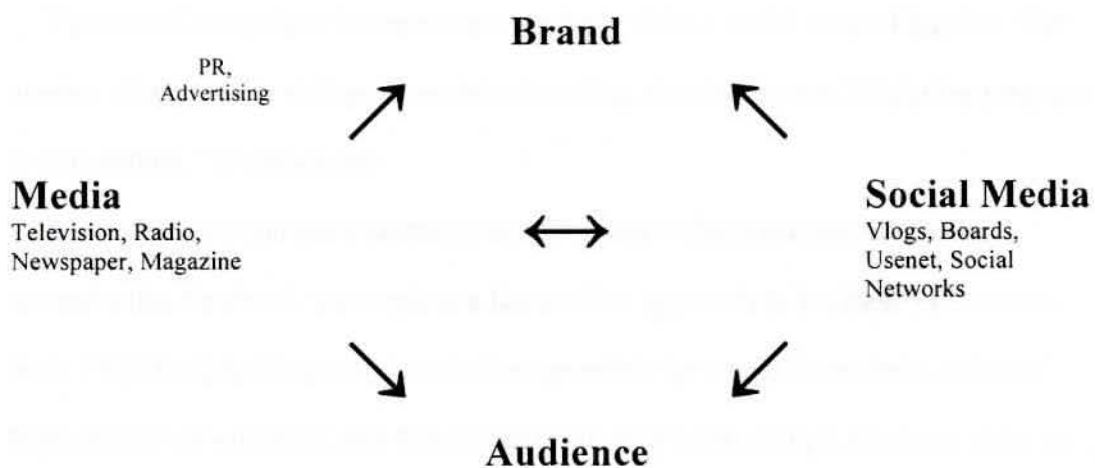
Postman identified several threats that blogs businesses have to take into account after they opened or interacted with a blog: comment spam happens when users leave comments containing links to third party sites (Postman 171). This can lead readers to misinterpret the sincerity of the blog and sometimes provides links to dangerous pages for the user, both resulting in the degradation of the blog. Another danger for companies is 'Screen Scraping'. This happens if someone illegally copies the content of a blog to use it for their purposes, which might violate the companies' trademarks and copyrights (Postman 123). Companies should not participate in 'astroturfing', a process, in which people post positive comments and do not identify themselves as part of the company. Comments might not be genuine and when the sources are identified, users will not accept the blog (Postman 120). Fake blogs, so-called Flogs, can also compromise the reputation of a company, as demonstrated by the example of Walmart. The company employed a couple to travel in its RV and to visit Walmarts across the country. The two blogged about their Walmart experience and users found out that the couple was actually a pair of journalists hired by the company. This led the readers to stop taking the company-favoring entries seriously (Postman 114). Pay-per-Post as well as Blogola are similar systems to impact bloggers to publish favorable stories about companies or its products. In Pay-per-Posts, bloggers receive pay in form of flat rates for posts and comments (Postman 122). A blogola, on the other hand, is a situation where a blogger receives material items in exchange for positive reviews. (Postman 120)

Many businesses use blogs to market themselves; as a publishing location for controversial topics, or to define their political agendas (Gillin 90). Blogging has the advantage of being fast and less complicated than processes of traditional media

publishing and provides “faster, updateable commentary, for freer expression, more original ideas, more debate, real feedback, rapid responses to the world and ongoing critical dialogue”, (Merrin 31).

Companies should evaluate the possibility of using outside blogs for their advantage. When bloggers appreciate the work of other bloggers, they tend to show their respect and recognition by linking to the page as a way to connect themselves to the content or blogger (Gillin 67). By using a blog as a marketing tool, companies can engage users with the company and consequently create a more personal relationship with them (Gillin 84). Gillin states that “76% of corporate blog owners said that company web traffic and media attention increased as a result of the blogs”, (Gillin 86). For this reason, blogs increase overall marketing of the company and its brands. Figure 5 illustrates the connection between traditional and social media by showing that those two relate to each other and influence the overall brand perception as well as the audience.

Figure 5: Influence 2.0



(Gillin 11)



### 3.2.2. Microblogs

As mentioned in chapter 2, Twitter is the most popular microblogging tool. Twitter uses statuses as a two-way communication tool, meaning that companies can post as well as respond to previous posts via status updates. Marketers can use the microblogging site to promote their products, as shown in the example of 'Candie'. This company used Britney Spears' Twitter page to promote fashion products, instead of choosing television or magazines to advertise its new products (Horovitz). Also, news travel and traveled faster over Twitter than it was known to be possible before. When student James Buck got arrested in Egypt, he was scared that nobody will find out about his situation, so he posted his situation on Twitter. His followers picked up on it and informed the United States embassy that was able to help Buck (Comm 26). Those two examples demonstrate different uses of this social media tool, showing that information can be received instantaneously without a high cost.

### 3.2.3. Social Networks

Two out of every three internet users regularly visits a social networking site: "the number of worldwide visitors to social networking sites has grown 34% in the past year to 530 million." (Postman 39)

Meerman Scott said some people think that social media and especially social networks like Facebook "can replace a face-to-face approach to business", (Meerman Scott 245) He stated that social media is responsible for connections that would not have developed without it, and hence lead to stronger relationships. Qualman picks up this theory but he went even further. He acknowledged the fact that many people, not

only in the business world, substituted previous communication means like e-mail, mail as well as phone interaction with social media. People changed the way they interact with each other, "E-Mail isn't entirely going away; it just may not be the first means of digital communications in a 'socialnomic' world. Messaging is much easier to manage within social media versus e-mail because it acts like a real conversation among friends," (Qualman 46).

Social networking pages enable the possibility for marketers to establish a direct relationship to its consumers. Social networking users use the platforms for self-expression and are willing to connect to companies and thus provide "a new avenue for marketers to reach their customers," (Gillin 32).

Many companies have already used this possibility to reach their target market: Ernst & Young, a professional service organization was the first business to create a company Facebook page for recruiting purposes (Postman 39), and BMW launched its BMW 1-series on Facebook first (Postman 39).

In 2008, gaming companies collected \$150 million in revenue through gaming applications. Aside from promoting products and brands through those applications, companies can also create databases by assembling profile information of the users. This market was expected to generate around \$600 in revenue in 2009. (Swartz) This illustrates an increased revenue opportunity for companies as well as research potential for the databases of marketers.

#### 3.2.4. Podcasts/ Vodcasts

Both social media tools can be used to same way. The difference is, as discussed before in chapter two, podcasts are audio based and vodcast are video based.

Gillin advertised the idea of vod- and podcasts as a rising media tool, which could be a mainstream advertising and marketing tool soon (Gillin 149). Besides using the two independently, social media enthusiasts can also use the tools as an addition to other social media, e.g. by putting a podcast on a blog or a vodcast on a Facebook page.

For advertisers and marketers, it is also important to have the possibility to insert messages at the beginning, middle, as well as ending of the program, while the user is downloading. "It does it without the active involvement of the producer, which means that ads could be flexibly changed to complement the topic", (Gillin 149). Gillian said that both forms of social media should not be too promotional to be accepted by the consumers; the best is to "be educational or actionable, but never overtly promotional" (Gillin 155) to capture the attention of the audience.

#### 3.2.5. Forums/Wikis

Wikipedia has the popular perception that it is not very accurate, due to the fact that several people have the possibility to change the entries. Qualman dissented this conception. According to him, this is the reason for its accuracy. The enormous size in addition to the diversity of the editor and user base is the actual reason for an enhanced correctness. (Qualman 23) User do not change entries uncontrolled, since every change is recorded in form of an audit trail, so when users question entries, they can request the information/sources behind it. (Postman 50)

This concept reflects the opportunities for marketing purposes. Business collaboration tools like Yammer are widely used in companies (Qualman 24). Employees can create and change documents like users do it in Wikipedia. Consequently, marketers can also use the tool for research and collaboration between users and businesses.

### 3.2.6. Social Bookmarking

Through social bookmarking, the user gains the possibility to show a page to a person, or to mark the page as a 'favorite'. Those bookmarks are visible to everyone using the Internet, and therefore create the connection to social media. Bookmarking helps ranking blogs or posts. By favoring the post, the rating with popular blog search tools, e.g. Technorati, Google Blog Search etc., goes up (Postman 42). This can help marketers to see how the audience views the product or blog, and businesses can change their marketing strategies if the general acceptance of the blog or product is not as intended.

#### 3.2.6.1. Tagging

One aspect of social bookmarking is the process of tagging items and therewith cataloging information. Through tagging, information gets classified: "People attach tags to information they've found on the web as a way of organizing and finding it later. Tags are most often applied to frequently changing information, which makes them ideally suited for social media", (Gillin 169). Marketers can use this system in the same way they can use bookmarking in general: tagging ranks items, and marketers can read if the product is popular or marketing needs are not fulfilled, yet. As a result, tagging can be seen as a way to measure feedback.



### 3.2.7. Really Simple Syndication

Really Simple Syndication, short RSS, is a “universal format for exchanging content between social media sites”, (Postman 47). Users can receive regular updated status- or blog updates via RSS when the user subscribes to it. Marketers can use this feed-mechanism to receive the newest information from products or authors they are interested in. When the RSS feed is from a company owned blog, there might be a disadvantage for the marketer. “RSS can tell you how many people are subscribing to your content, but there is no way to tell – other than click-through to your site – whether subscribers are actually paying attention”, (Gillin 168).

### 3.3. Social Media and Search Engine Marketing

Search engines are not a form of social media. Qualman even refers to search engines as a competition of social media (Qualman 8), but there are ways to use Internet based search engines to one’s advantage instead.

Search Engine Marketing (short SEM) is a type of marketing, where businesses utilize search engines to reach their buyers directly (Meerman Scott 248).

Search engines rank sites though scanning links and social bookmarking tags. There are ways to generate higher rankings through splogs, also called spam blogs, “a spurious blog set up to capture search engine results and divert them to other blogs and websites”, (Postman 123).

One way to monitor this process and the acceptance of consumers and media is Google Alert. “The free service essentially performs regular searches on topics that you

specify and sends you an e-mail when new results pop up” (Gillin 163). Marketers can draw their conclusion and change their proceeding and course of action.

### 3.3.1. Search Engine Optimization

Marketers should be able to use Search Engine Optimization (short SEO) for their purposes. SEO means to ensure “that the words and phrases on your site, blog or other online content are found by search engines and that once found, the site is given the highest ranking possible”, (Meerman Scott 248). By attaining a higher ranking, sites and posts are more visible for consumer markets conduction inquiries about products, brands or companies with keyword search.

### 3.3.2. Social Media Optimization

Social Media Optimization (short SMO) is a similar technique of increasing rankings. A user can bookmark the site, blog, or even a single article and as a result the site is ranking higher for connected users – Facebook friends, Twitter followers and so on.

### 3.4. Viral Marketing

Viral marketing is a type of promotion, sometimes also called ‘word of mouth’ marketing. The concept is not new: a person tells something to a friend, he/she in turn tells the same thing to another person and so forth. By creating this chain reaction, the word is spreading “on a geometric scale” (Gillin 180). Through the Internet, this concept obtains a new range of possibilities and “social media has completely changed the dynamics of viral marketing” (Gillin 180).

Marketers can use this system for their own advantage. Other people spread the word of the product, brand, or company on their behalf. Most viral marketing does not cost anything, because the consumers are actually promoting the product without the instruction of the company. "It can propel a brand or company to fame and fortune for free" (Meerman Scott 92)

Viral marketing is hardly predictable. "Huge amounts of timing are necessary, it is pretty much impossible to create a web marketing program that is guaranteed to go viral" (Meerman Scott 92). As a result, many marketers use items which already gained the attention of Internet users, like videos, pictures, blogs, and then use them for their purposes. Qualman says it "is prudent to team up with already successful grassroots programs". (Qualman 32). One example for successful viral marketing is 'Dancing Matt'. Matt Harding was on a world trip through several countries and filmed himself dancing in various locations. The video became viral through e-mails and later YouTube. Stride Gum saw a huge potential in the video and contacted Matt. They financed more of his trips and in return, Stride Gum added a small company logo in the upper corner of YouTube videos. "Stride was paid back in millions of dollars of brand equity" (Qualman 28)

To attain the chance of being part of a viral campaign, it is necessary for companies to monitor the Internet for activity with the brands. So when something goes viral they can take the opportunity to associate with it, and may result in the creation of connections with thousands or even millions of potential customers.

Gillin identified the drivers of viral marketing as declining response rates, technology developments, demographic shift, customer preference, and low cost (Gillin

184-185). People are not as interested in conventional e-mail advertising or banners as they used to be. Viral files are new and mostly entertaining. It is much cheaper and easier to produce video or audio files compared to a few years ago. People are willing to 'let something go viral', since Facebook, YouTube and other social media tools make it easy to share things with connected users through status updates and other posting services. Additionally, viral campaigns are not as expensive as television commercials and still have the ability to reach an immense number of viewers.

#### 3.4.1. New Word-of-Mouth Comprehension

The new word-of-mouth comprehension is necessary for viral marketing but also important standing by itself.

In 2009, 92 percent of consumers said that they rely on word-of-mouth as a source for purchasing information. This is a dramatic shift from only 67% in 1977, (Qualman 99).

With word-of-mouth, marketers give up some of their responsibility to the customer, with social media being used as a big referral program. People value the opinion of their peers: a report from Nielsen states that 78 percent of people trust their peers in providing valuable information about products (Qualman 89).

#### 3.5. New Meaning of Relationships

Traditional media marketing is a one-way communication; the company is sharing its opinion with consumers via articles, magazine advertising, or television commercials. Social media marketing is based on a two-way conversation between company and consumer.



Gillin coined the concept of the 'enthusiast', a person who has a strong area of interest, and this can include companies, specific products as well as political topics. Those enthusiasts have to be nourished, because favorable coverage can influence even more potential consumers and future enthusiasts. (Gillin 36).

The marketer today is not just creating and pushing the marketing messages toward users; instead, marketers now are "listening, engaging, and reacting to potential and current customer needs" (Qualman 134) and are actively engaging in the two-way relationship. It is not just about collecting data for databases; a maintained relationship between business and customer is worth much more. "Customers want to take ownership" (Qualman 59) of a brand by engaging with it and also by being associated with it. They take control. Some businesses and marketers have the fear that giving up control to some extent might endanger the brand, leading them to hesitate in adopting social media (Postman 77). This is something many companies still have to learn: they are not in a one-person communication anymore, and to be able to enter a two-way relationship, they have to open themselves to some kind of control-loss.

### 3.6. Remediation of Media

According to Bolter, "Remediation is the study of the relationship between 'new media' and traditional media" (Bolter 25). He says that remediation "indicates a particular kind of intermedial relationship" (Bolter 25), when one media is replacing a part or a whole form of media.

The media landscape has changed in the last years. Traditional media like magazines, newspapers, television, or radio are not the only types of media any longer.

“What we are seeing is the rise of optional media worlds, the fractal proliferation of entire, personally created, chosen and managed media environments – modes of preferred interaction, communication, mediation, experience, and information” (Merrin 24-25). Merrin is not talking about a total obsolescence of this form of media, but of a new emergence of social media, hence a new opportunity of combining old and new forms to reach to best outcome for businesses as well as consumers. He states that the Internet is a medium not comparable to a prior medium, since it offers “real time, personalized, interactive multi-media experience” (Merrin 26).

Fetveit additionally represented the concept that traditional media usually holds a leading position for marketing. But, he said, those media are being supported by new media like social media (Fetveit 62).

This prolific activity of remediation raises obstacles for any theory or convergence, leading to the end of media, a post-medium situation in which all media converge into one super medium capable of performing the functionality of every previous medium, or at least, capable of satisfying much of our urge for mediation.  
(Fetveit 62)

Even though he holds this very strong position, he still is not convinced that the idea of the media as we perceive it, will persist (Fetveit 72).

According to Gauntlett the Internet is the reason for this dominant change. “The Internet has not only become hugely important in itself, but has forced all the media around it to change accordingly” (Gauntlett 148).

Merrin is also picking up this theory and said that traditional media outlets remained powerful with the advance of social media, but that those media models have to adapt to the new audience behavior and expectations. (Merrin 23)

### 3.7. Interconnectivity of Social Media

A company is not limiting itself to the use of one social media tool, not only because there is so much out there, but also because different social media tools are complementing each other. YouTube videos can be displayed on Facebook or MySpace pages, blogs can be favored or bookmarked and pod- as well as vodcasts can be linked on Twitter or downloaded from iTunes.

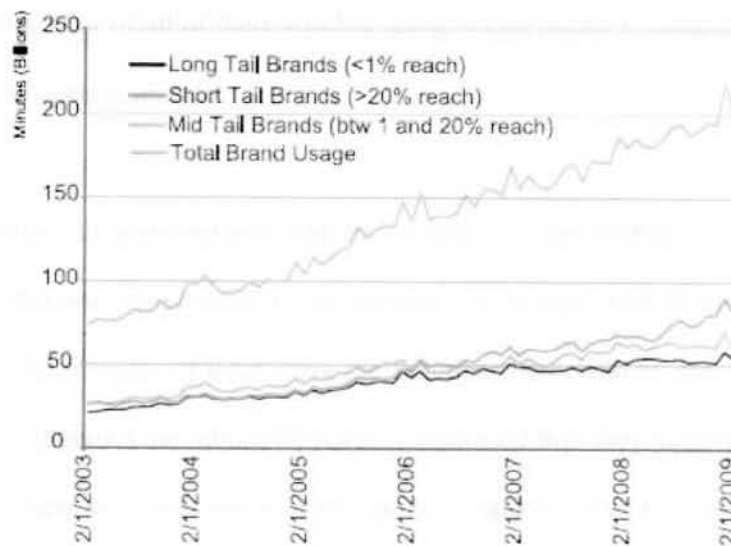
## CHAPTER FOUR: RESULTS

### 4.1. Theory of the Long Tail

Nielsen's report "The Global Online Media Landscape" from April 2009 also addressed the topic of the 'Theory of the Long Tail'. The revealed statistical results are contrary to the statement from Anderson cited by Meerman Scott.

There is no doubt that social media is growing. Figure 6 shows the increase of short tail. Given that social media was referred to as being part of the long tail, an increase of the short tail is expected. The graph also shows a stronger increase form short tail growth in comparison to long tail growth starting 2006. This leads to the conclusion that social media "have quickly graduated into some of the most significant short tail sites. So the long tail spirit is alive and well, but the locus of activity is currently centered in a few hugely influential sites" (Nielsen 5). This means that even though social media sites started on the sides of the long tail, a few sites like Facebook, MySpace, or YouTube got so significant in reach of audience that they changed the region of the tail.

Figure 6: "Short Tail" Growth (Nielsen 5)





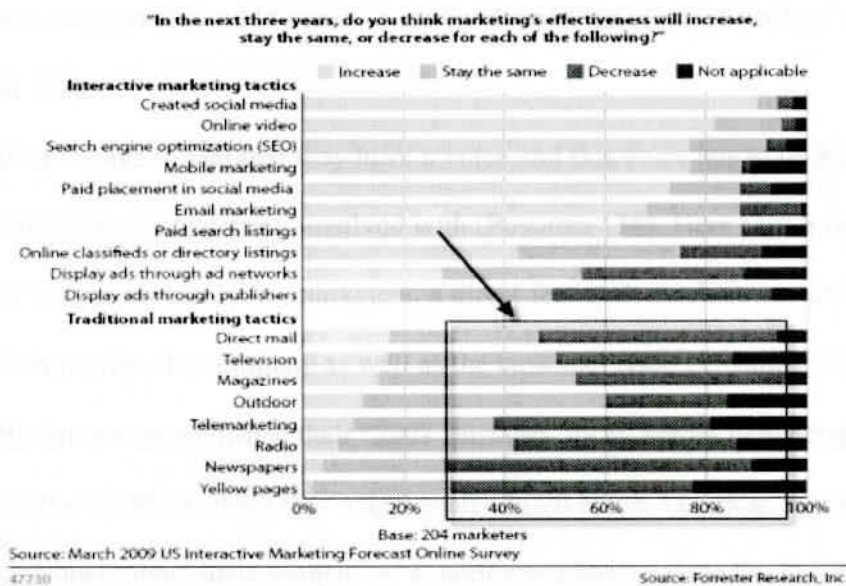
#### 4.2. Remediation of Media

“2009 can almost be labeled as the year the traditional newspaper died”, (Qualman 11). During that year, several established newspapers discontinued their print versions and moved operations completely online, like the respected PC Magazine. (Qualman 11). Social media, as well as online media in general, give users the possibility to inform themselves without expensive paper versions of magazines and newspapers: “every company needs to understand that they need to make their information easily transferable” (Qualman 15). Some newspapers have started to provide the paper-newspaper content online for subscription fees; however, “This model isn’t going to work in a time where competitive free web offerings have similar content.” (Qualman 20) Other papers like the New York Times decided to add special features to make their online content worth a surcharge in comparison to other newspaper offering only free content. The New York Times “has a monthly subscription-based model that automatically downloads to e-books (...) it meets the users desire to have news pushed to them in real time to their preferred mobile device” (Qualman 21). Additionally, the paper offers social bookmarking of all of their articles, using social media to spread their messages to an even bigger audience.

More and more marketers see a greater potential in interactive channels than in traditional media tactics. Forrester conducted a research study in March 2009 about this topic. Figure 7 illustrates the increase of interactive marketing as perceived by the respondents of the survey. It shows that about 95 percent answered that they believe that social media effectiveness will increase; around 2 percent said they think it will

decrease. In comparison, just about 17 percent choose that that television effectiveness as a marketing tool will increase, and around 40 percent believe in a decrease of effectiveness. Generally, traditional marketing tactics, marked with a red box, are perceived as losing effectiveness.

Figure 7: Marketers See Greater Potential in Interactive Channels



(Marketers See Greater Potential in Interactive Channels)

#### 4.3. New Meaning of Relationships

A survey on the age group of 18 to 24 year olds conducted by Synovate in partnership with Microsoft revealed "that 28 percent say they talked about a brand on a discussion forum, 23 percent added brand-related content to their IM service, and 19 percent added branded content to their homepage or favorite social sites." (Qualman 55)

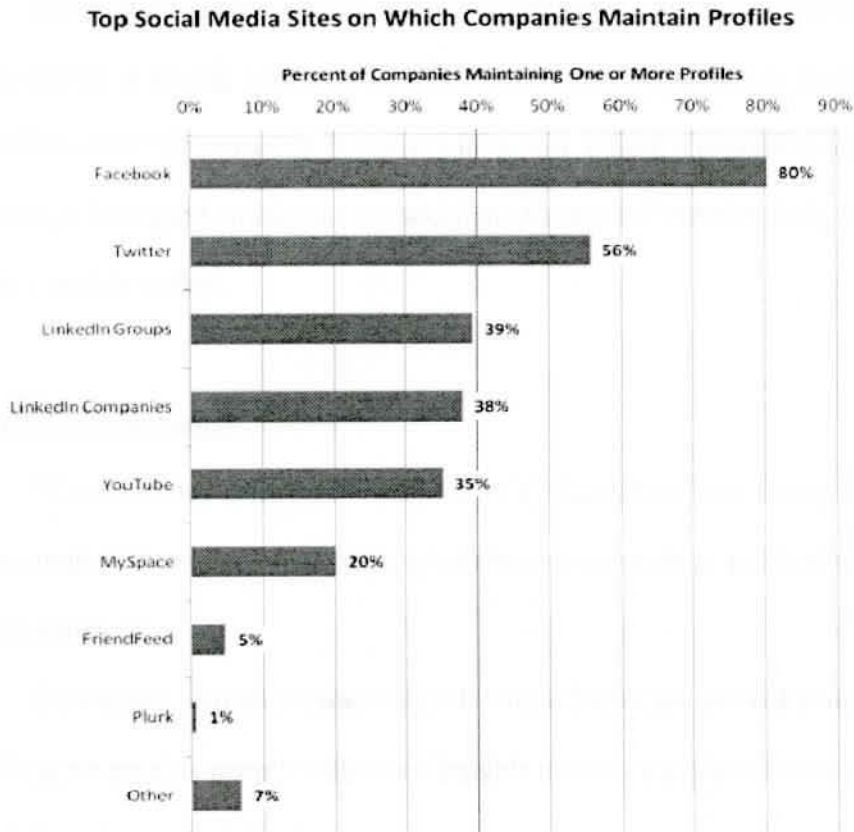
The market research company also states that one in ten respondents passed along marketing content and viral ads (Qualman 56).

Consumers have an interest in the products and services they use. Another way of nourishing this relationship to companies is to enable further interaction between user and company: “easy to find ‘contact us’ information is a must, and direct feedback mechanisms like “rate this” buttons, online forums, viewer reviews, and opportunities to post comments provide valuable information by and for site visitors” (Meerman Scott 158).

People have to feel that they have a voice and this voice has to be heard by the companies they are getting involved with (Postman 138). Here comes the ability to leave comments handy for marketers, a direct feedback mechanism, which can be used by both parties, the company as well as the customer itself (Postman 37).

Business.com published their “2009 Business Social Media Benchmarking Study” November 2009, in which they asked nearly 3,000 North American business professionals about their companies’ experience with social media. Figure 8 illustrates what kind of social media sites they use. The top five sites include Facebook with 80 percent, followed by Twitter with 56 percent, LinkedIn Groups with 39 percent, LinkedIn Companies with 38 percent, YouTube with 35 percent, and MySpace with 20 percent. More sites are following, but did not reach high percentages.

Figure 8: Top Social Media Sites Where Companies Maintain Profiles



Q2: On which of the following social media sites does your company currently maintain one or more company accounts or profiles? Please check all that apply.

Source: 2009 Business.com Business Social Media Benchmarking Study (n=1,197)  
© 2009 Business.com, Inc.

(Business.com 21)

#### 4.4. Six Valuable Attributes of Social Media

Postman identified six key attributes as important for social media in business operations: authenticity, transparency, immediacy, participation, connectedness and accountability. (Postman 8) Those six keywords summarize the value and possibilities of social media.



#### 4.4.1. Authenticity

Social media's strength as a marketing tool comes mostly from its authenticity. If it is an update or a blog, messages are often "unfiltered, unmassaged, spontaneous information" (Postman 9). Not every blog post is from a journalist, updates are not always from paid employees, so social media stands for authenticity and also credibility to a certain extent.

#### 4.4.2. Transparency

"Transparency calls for the removal of all barriers to free, timely public access to accurate information on a company's finances, ownership, and business prospects" (Postman 9).

Consumers have more ways of gathering information about a company; corporate bloggers provide people with more insights into company structures or even companies' philosophies and strategies.

Many companies have to respond to delicate topics even more often through the social media relationship with its consumers. They are aware of more things to posts, comments etc. and social media "is having the positive effect of companies starting to embrace items that they historically would have either ignored (in hopes they'd go away) or not implement for fear of legal liability or backlash", (Qualman 58).

#### 4.4.3. Immediacy

Social media stands for immediacy. Blogs or network pages can be updated immediately; it does not have to go through the same long-winded process of, for

example, book publishing. Everyone can create content in a fraction of time. Aside from providing fast feedback for customers, businesses now also have the possibility to interact faster in important areas such as “crisis communication and other “breaking news” situations”, (Postman 10).

Immediacy can also draw disadvantages for businesses using social media, meaning that negative feedback as well as negative posts on blogs or social networking sites are occurring fast and almost uncontrolled. Companies have to monitor the web to be able to respond to those immediately as well.

#### 4.4.4. Participation

Social media has given users the possibility to engage with the company and vice versa. Through the possibility of a two-way conversation, customers are more willing to get in contact with a company. “Consumers are very enthusiastic about the opportunity to be heard by companies they do business with and to share their experience with others” (Postman 11). This was shown by the large-scale success of the presidential election in 2008. President Obama used target-oriented social media techniques to engage voters, which had an overall positive impact on voter turnout (Qualman 87)

#### 4.4.5. Connectedness

Through the infrastructure of the Internet, news and information travels faster, without being limited by area or time restrictions.

“RSS feeds instantly send company news to thousands of readers the instant it is published” (Postman 12). People can inform and be part of social media where and when they want to be.

#### 4.4.6. Accountability

Not every blogger or ‘social networker’ is what they pretend to be. “Most of the notions underlying the idea that you can hide your identity online are false” (Postman 13), but many think and act like it. Many social networks require certification of identity to some extent, but people can get around it, which can result in misrepresentation of companies.

## CHAPTER FIVE: DISCUSSION

### 5.1. Risk/Limitation – Benefit Analysis of Social Media Tools

Generally, it is a disadvantage for companies to not engage in social media when other companies in the industry are actively participating already. It might appear conspicuous when companies are not using the possibility to build social media relationships with their consumers, when their competitors are already doing so. In the end, consumers are shaping social media, no matter if the company decides to take part or not.

Businesses utilizing social media have access to more information than many databases can deliver. Connections on social networking sites provide consumer buying habits, demographics, and brand perception of users, while blogs can help to analyze the competitive landscape, and social media comments provide feedback.

Additionally, businesses using social media the right way can enhance brand awareness of present and potential consumers. By engaging with influencers and other stakeholders, the business can inform as well as strengthen the perception of the brand.

Furthermore, companies can establish and maintain a two-way communication with their stakeholders, creating a feeling of respect and interest in their opinions and reactions.

Social media tools like wikis can be used as collaboration tools allowing for information gathering and active participation between employees as a means of an internal tool, as well as a feedback mechanism for the purposes of other stakeholders.

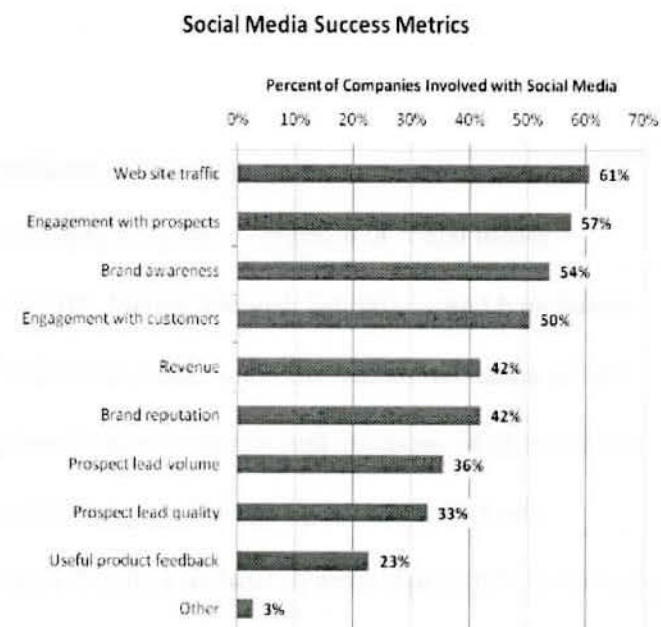


If a company decides to monitor web activities, it gains the opportunity of controlling a company's marketing message. Besides pushing their own messages, they can respond to messages created by outside 'influencers'.

Businesses using social media effectively can additionally increase their revenues and increase their web site traffic by positioning links in a strategically useful way through social media tools.

Business.com's "2009 Business Social Media Benchmarking Study" questioned business professionals about their judgment of success generated through social media. The results reflect the earlier evaluated benefits from engaging in social media. 61 percent of the respondents stated that web site traffic increased, 57 percent said that they could engage more with prospects. Other success perceptions included valuable feedback, increased revenue, higher brand reputation and many more.

Figure 9: Top Social Media Success Metrics (Business.com 18)



Q: How does your company currently judge the success of social media initiatives? Check all that apply.  
 Source: 2009 Business.com Business Social Media Benchmarking Study (n=1,647)  
 © 2009 Business.com, Inc.

As mentioned before social media can also carry risks for companies and marketers; a consumer may be able to decide what they want to publish, but it is not possible to regulate other peoples' entries or comments about them. Also, marketers can see a disadvantage in blogging when negative blogs become more dominant in search engine searches than the favored blog post.

Immediacy is a benefit as well as a risk of social media, since not only positive messages travel fast, but also the negative ones.

Additionally, users can create fake profiles pretending to be created by an actual company, which can endanger a positive reputation of a business when false information is spread.

When publishing articles, videos or other material online, companies have to be prepared that the material gets copied and used for purposes they may not have intended.

## 5.2. Social Media Marketing vs. Traditional Marketing

Obviously, the media landscape changed with the emergence of social media. Newspaper revenues declined and so forth. Media changed; limitations and boundaries between media categories blurred. Television, radio and other traditional media will be influential for a long time, but social media cannot be ignored anymore. Marketers have to recognize the importance and possibilities give to them by social media tools.

Nielson's report "The Global Online Media Landscape" from April 2009 is showing the differences of brand recall and message recall depending on the combination of media (see Figure 10): the left respective right columns demonstrate impressions of

TV-only exposed viewers, the left columns show impressions by TV and online exposed viewers.

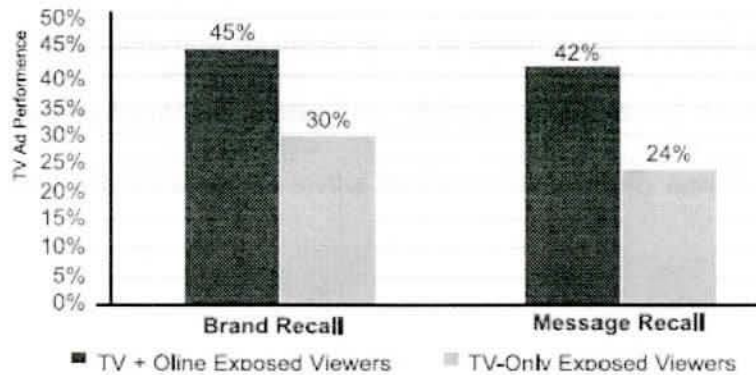


Figure 10: Comparing TV and Online Recall (Nielsen 8)

Source: Nielsen IAG, P13+, 11/8/07 - 6/3/08; Primetime Only;  
Based on time period(s) for advertisers where impressions were also  
being delivered on network site for same brand  
Differences are significant at 90% confidence

The results show that television still is an important medium that could increase its effectiveness when used in combination with online media tools, e.g. social networks.

### 5.3. Suggestions for Further Research

More and more consumers of social media use social media applications on their mobile phones. So far, cell phones enable video and photo sharing, social networking and microblogging tools. It seems realistic that other social media tools will be available on phones soon as well. Further research could examine the possibilities for marketers for even more marketing through cell phone applications.

Web 1.0 and 2.0 are familiar terms, Web 3.0 and 4.0 are approaching, how can marketers use those future innovations for their purposes?

Safko mentions that “some experts predict that up to 80% of social media tools and applications now on the market will either go out of business, merge, or to be purchased by larger entities” (Safko 25). Which possibilities will this new social media provide and will it change the media landscape dramatically again?



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