How to Implement and Evaluate an Online Channel Extension Through Social Media

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Subject: Marketing

Semester: Master's thesis, Spring 2010
Acknowledgements

By writing this thesis we have gained a deeper understanding about the topic of channel extensions and how social media marketing can provide benefits for an online company. This thesis has also given us the opportunity to fully explore everything that we have studied during our time at the Linnaeus University.

Firstly, we want to thank our supervisors Dr. Bertil Hultén and Sandra Kliknaité for their support and feedback during this time. Without the help of such skilled academics we would not have come this far in our work. Secondly we wish to thank Professor Hans Jansson for his external supervision during the thesis.

Last but not the least, we want to thank our case company, Tifo.se and the CEO Dennis Anderberg for letting us take part of sensitive information that made it possible for us to fully understand how company’s can use channel extension.

Thank you all for making this possible!

Kalmar, spring semester 2010

Marcus Lindberg                           Christoffer Nyman                           Kristoffer Landin
“Basically, social media is the software which helps people to exchange content with others online.” — Demopoulos, 2006

“The main thing you want to do is interact with people and give them every opportunity to interact with you.” — Steve Yankee, Opin Marketing

“Social computing is not a fad. Nor is it something that will pass you or your company by. Gradually, social computing will impact almost every role, at every kind of company, in all parts of the world.” — Forrester Research, Social Computing
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How to Implement and Evaluate an Online Channel Extension Through Social Media

Marcus Lindberg | Kristoffer Landin | Christoffer Nyman

**Aim:** The main purpose of the thesis is to explore and investigate how an online company can utilize social media. Another purpose is to, through an extensive literature review, explain why a web-based company should exploit social communication channels. Another purpose is to analyze and explain the impact of implementing a channel extension strategy using social communication channels through an empirical study.

**Methodology:** In this study, a quantitative research method has been used. Through a deductive research approach, a literature review was created from which the hypotheses were derived. The paper employs an experiment as research technique with doing two time-series measurements on specific dependent variables. The findings generated from the analysis of the experiment are used to generate a number of general recommendations for organisations.

**Findings:** The paper concludes that social media is a valuable tool for online-companies who only use a single channel to communicate with. Additionally, it is shown that different social communication channels possess different characteristics in the dimensions of interaction, information quality, control of image and usage purposes. The findings also stress the importance of finding the company target group through social media.

**Contributions:** First, an extensive literature study that offers the reader state-of-art concerning channel extensions through social media has been conducted. This created a theoretical framework of how to successfully implement and evaluate a channel extension strategy performed through social media. We believe that this contributed to the understanding of online channel extensions in general and social media in particular by gathering relevant theories, concepts and models.

Second, by conducting an experiment we contributed to the research area with empirical data showing real-time behavior in social communication channels, which we consider being a large contribution since there is little empirical data collected on these subjects, especially in an academic manor.

Third, we consider that our method also contributes to understanding measurements and evaluations concerning a social media campaign and its performance in practice. We believe that the
method developed in this thesis has explored new grounds regarding measurements compared to traditional advertising measures.

Forth, we produce a theoretical contribution by presenting a framework of the different social communication channels characteristics. The table offers managers a practical tool to use as a framework when performing a multichannel strategy through social media.

**Originality/value:** The paper documents a successful experiment with performing a channel extension through social media; extends the current literature on channel extensions and social media; offers recommendations to companies; and discusses the use of social media in a specific organisation in relation to its findings.

**Key words:** Channel extension, Social Media, Campaign, Marketing Communications, Target Groups, Online interaction, Measurements
1. Introduction

A new trend that has emerged during the last five years is that of Social Media Marketing. This trend focuses on online interaction with customers to engage them and create stronger relationships and new business opportunities. Social Media is today seen by many practitioners as the new arena for market communication and on top of the list of users of the different mediums is Facebook, Blogs, YouTube and LinkedIn (Steltzner, 2009). The notion of how to use social media has become vastly important for companies because of its fascinating characteristics, it has the technology to reach a global audience at a virtually instantaneous speed while using the same platforms as the company’s customers are already using. These social media applications can in turn be seen as extension channels of the company’s existing online communication channel.

Companies are utilizing these extension channels both as communication and marketing channels to gain more exposure, create new relations and to lower their overall marketing costs. With the help of deliberate strategies, companies are able to create loyalty and strengthen their brand by using different channels with different advantages. Depending on what kind of product or offer the company has, a specific channel could be more useful than another. We see a problem in that there is very little data collected about what impact a channel extension can have on a company’s performance as there are many web-based companies that could benefit from this data.

We are interested in understanding why a web-based company should extend its only online channel by using social media and what kind of impact these channel extension could have on a company’s ability to attract new customers and create new business opportunities. In order to address the aforementioned issues we will create and implement a social media campaign and measure the results.

1.1 Background to research

Doherty (2009) states that the Internet is today used as a communication channel, which can create dialog with customer, obtain data about market conditions and promote the products. This is supported by El-Gohary et al. (2008) who says that Internet is unique both as a market and a communication channel. They emphasize that the Internet has contributed to creating new and rapidly growing channels for marketing. These newly emerged channels like Facebook, YouTube and Wikis has given companies the possibility to promote their products in the same communities that their customers are already using and get instant feedback on what the customers think about the products. Another advantage that these channels bring is that companies can gather data about who
is using the extended channels and by this they can create the most suited message to communicate with.

The development of communication and information technologies has encouraged the emergence of new communication channels that have enhanced the options available to businesses for building relationships with clients (Albesa, 2007). According to Gensler et al. (2006) more and more companies are becoming multichannel operators, which mean that they are extending their only available online channel, the company webpage, to reach out to a global audience. Businesses should seek a multichannel configuration that provides “channel advantages”, because each channel presents different strengths, but at the same time presents limitations and complications (Barrutia, 2002). In this way, the use of a single channel for an online company limits its performance in the market. Johnson and Greco (2003) concur and explain that desires and different expectations from clients can require different information and contact strategies. This means that customers need to be approached through different channels by a channel extension strategy. It is therefore vital to investigate what different channel advantages each of the social media channels provides.

Social media is a concept that consists of different Internet applications such as blogs, social networking sites, content communities, collaborative projects, virtual game worlds and social worlds according to Kaplan & Haenlein (2010). This relatively new coined term “social media” is the result of individuals who use the same applications as communication channels in order to interact with each other. Social networking sites are applications that offer people the opportunity to interact with other members by creating profile sites, group communities, uploading pictures and sending instant messages (Kaplan and Haenlein, 2010). The largest social networking site today is Facebook with over 350 million users in the beginning of 2010\(^1\). Muniz and O’Guinn (2001) and Kozinets (2002) state that this channel is not only used by individuals, but rather, it is a great tool for companies to use for interacting with potential customers. This is supported by Kaplan and Haenlein (2010) who says that many companies today are creating brand communities with help from the social networking sites while others perform market research or promote their product/service. According to Brennan (2010), a product company’s Facebook profile can allow customers to connect with the company in a more direct manner than on a Website, and to connect using a social media platform that the customers are already using. Companies can increase their customers’ sense of brand connection and create transparency by answering their questions on a public site to make the connection stronger.

\(^1\) [http://www.happiness.se/artiklar/vad-ar-facebook.php](http://www.happiness.se/artiklar/vad-ar-facebook.php)
Through the usage of social media applications like Wikipedia, YouTube, Facebook, Second life and Twitter, companies try to achieve increased sales, profits and other benefits such as word of mouth and branding. The communication opportunities that social media offers are tremendous as 75% of the Internet users today are using some type of social media\(^2\). Even though the interest for social media is huge, few companies understand what the term “social media” means.

When a company uses social media it is a part of their communications mix and can be performed either through a single campaign or as a part of the overall promotion strategy. The aim of this communication is to acquire new customers by building awareness and also to reinforce current customers purchase behavior by providing additional information about the brand’s benefits (Mayo, 2006). However, during the last decade a new form of communication has evolved - online communications. Gay et al. (2007) says that in a decade, numerous digital communication tools have emerged to offer greater creativity, precision and measurement for the online marketer to move buyers through the decision phases, either solely in the virtual world as a single channel, or as a part of an integrated campaign.

To make this thesis as comprehensive as possible, we will refer to the extension channels (Facebook, YouTube etc.) as Social Communication Channels (SCC).

### 1.2 Problem Discussion

Marketers are now facing great challenges in an online landscape where it is becoming increasingly difficult to break through the noise and convince customers to buy their products. In order to break through this noise and be seen, companies need to come up with new ways of communicating with their customers.

In our thesis, we want to find out if using a channel extension strategy can help a company direct more traffic to its main channel, the webpage. With conducting a social media campaign, using extension channels of the company webpage to promote the company message, our aim is to measure the impact this strategy has on an online-based company.

The notion of Social Media is relatively new compared to traditional marketing and is still to be explored fully for marketers who want to extend the company’s communication channels. Still, many companies are using these new applications in order to be seen in the online jungle. According to the Social Media Marketing Industry Report (2009), a survey made on 880 marketers showed that the

\(^2\) Forrester Research, 2008
number one benefit of using social communication channels (SCC) was to generate exposure for the company whilst the second and third was to improve traffic on the website and build new relationships. Yet, according to Kaplan and Haenlein (2010), this field is still to be explored regarding the usage of the different applications and how they could be connected to each other to reach a full synergy-effect. By extending a company’s only online channel to become a multichannel operator, the firm will gain the possibility to reach new customers at the same time as improving traffic on the site. Another important aspect to consider when it comes to social media is that it brings transparency to organizations that formerly were closed and unavailable for the consumer to interact with. Now, a company has the possibility to be open to the public and is able to answer to critique as soon as it is posted on the web.

Kaplan & Haenlein (2010) state that many companies are concerned over the fact that consumers can speak so freely with each other and that they have almost no control over the information available about them on the Internet. When people write in the brand name of any company into Google or any other search engine, any information connected to the brand is displayed, the information could both be in the company’s favor or to their disadvantage. The companies used to be able to control all the information through press announcements and public relations but the information flow of society today cannot be controlled by the company. This shows that there has been a power shift in online marketing today when consumers create much of the content available on the web. The Internet and social media offers incredible opportunities for companies, yet they have to balance the amount of creativity and control (Brennan, 2010). Furthermore, companies should focus less on the minimal control and use the social communication channels to find out what customers really think of their company, products, services and brand that can help a firm improve to meet the needs of the customers. The Internet gives the company the possibility of virtually being reachable for customers all hours of the day and customers want a firm to be there whenever they feel for having a dialogue with them. Furthermore, Webber (2009) states that companies perform branding through the dialogue on the Internet. In other words the stronger the dialog between you and your customers is the stronger your brand is. By extending the company’s only online channel, the possibility of reaching the intended target group is much higher as you are able to interact with the customers in the platforms that they are already using.

Companies often perceive the Internet as a channel where they can broadcast their marketing messages to millions of people according to Webber (2009). The author explains that people usually do not care about these messages and often get offended or irritated by them. This could be explained by that the average American is exposed to over 2000 messages every day according to Webber (2009). Taking this into consideration, a company should use social communication channels
to connect to customers in a more personal way. The way of mass advertising is not working anymore as the customers are no longer responding to these messages. Through an extension of a company’s existing online channel, the customers are more likely to respond to the company’s communication.

1.3 Significance of the Problem

The topic of channel extensions and usage of social media applications is today of utmost importance for businesses who wants to be seen in the world of communications. Despite of the relevance of the topic of channel extension, the scientific studies on this subject are limited when it concerns online marketing and social media. Though there have been studies on channel extension strategies, very few have combined social media with this field. We intend to contribute to the field by combining the two. We believe that the most probable reason for this is that the field in question is in its infant stage in terms of academic research.

Marketing management practices are now shifting from using only mass advertising to personalized interaction through social media where the users generate the content. We believe that this thesis will generate practical recommendations for marketers on how to extend their communication channels with the help of social media applications and ultimately suggest a framework of how to use a multichannel strategy.

1.4 Research Question

Why should an online-based company extend its only communication channel through social media?

1.5 Aim of the thesis

The main purpose of the thesis is to explore and investigate how an online company can utilize social communication channels. Another purpose is to, through an extensive literature review, explain why a web-based company should exploit social communication channels. Another purpose is to analyze and explain the impact of implementing a channel extension strategy using social communication channels through an empirical study. The thesis will generate and present recommendations on how a web-based company can combine social communication channels in order to create a viral synergy
effect. This thesis also has as its purpose to generate a theoretical contribution performing a state-of-the-art literature study to be able to create a model regarding social media channels. We have chosen to look at this problem from a channel extension-perspective.

1.6 Case Company

This thesis is initiated by the Swedish company Tifo.se in order to provide them with a detailed understanding of the notion of channel extension strategies in regards of using social media applications to drive more traffic to the website. The company sells products that enhance the experience of different sport events, also called tifo. Tifo.se is owned by Dennis Anderberg and has its head office in Landskrona, Sweden. Currently, the market that is focused on is Scandinavia where the main target groups are the big supporter groups, also called tifo-groups, which comprises nearly 90% of the market. Even though Tifo.se is the only actor providing these products on the Swedish market, they have not been able to communicate neither their values nor their bare existence to the majority of the primary target group. The company is web-based and the only communication channel that is present is their webpage. The main competitor is an Italian company called Tifo.it, a site via and which many of the primary target groups are currently doing business with.

1.7 Delimitations

Because of the fact that this thesis is treating a broad subject, the following delimitations aim to clarify which specific areas we intend to cover to help the reader understand the scope of the research.

- The perspective presented and analyzed is that of channel-extension.
- Although social media is a global phenomenon, we will only analyze its performance on the Scandinavian market.
- We only use social communication channels as extension and no other channels.
- We are performing a social media campaign and not a long-term strategy, this is because of the specified time-frame that is given to us while writing this thesis.
- Because of the fact that this company only has two purchases/week in average, we do not test the economical benefits of a social media extension in our hypotheses.

1.8 Definition of terms

**Online channel** – An online channel is in this thesis a single channel that can be utilized by a company to post messages, information and pictures. Most often, companies have a single channel, which is
their webpage but it could also be a MyNewsDesc page where the company presents itself and distributes information. These channels are not interactive channels.

**Social Communication Channel** – We have chosen to define social communication channels as social media applications where companies can actively interact with their customers. These sites have the intention of driving traffic to a webpage or create awareness of a company or certain message. No purchases can be made in these channels.

**Social Media Campaign** – A short-term promotion and communications activity performed through social communication channels with the aim to create awareness and new business opportunities.

### 1.9 Outline of the Thesis

<table>
<thead>
<tr>
<th>1. Introduction</th>
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<tbody>
<tr>
<td>Here we give the reader an explanation of why the topic is relevant and what is written about it historically. We also highlight the research problem and give our analysis of the problem. Our research question and purpose is also to be found in this chapter.</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>2. Method</th>
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<tbody>
<tr>
<td>In this chapter we present our research strategy and how we will approach and evaluate our results. We explain how we will gather our data and how valid our results will be.</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>3. Theoretical Framework</th>
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</thead>
<tbody>
<tr>
<td>In the theoretical framework, a review of existing theoretical concepts that are related to our topic is presented. These theories will give theoretical answers to our research questions.</td>
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<tr>
<th>4. Results</th>
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<tbody>
<tr>
<td>Presentation of collected data from our experiment. The chapter presents both the data from the webpage and data from the different social communication channels.</td>
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<th>5. Analysis</th>
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<tbody>
<tr>
<td>In this chapter we compare the theories collected to the observed empirical results. On these comparisons we base our analysis.</td>
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<tr>
<th>6. Conclusions</th>
</tr>
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<tbody>
<tr>
<td>This chapter is devoted to presenting our answers to the hypotheses and our recommendations. Also, a discussion regarding further research will be held here.</td>
</tr>
</tbody>
</table>
2. Method

2.1 Research approach

Yin (2009) explains that there are three different research approaches which are the following: deductive, inductive and abductive. When we started our research, the theoretical framework provided us with the guidance we needed to determine what kind of data to collect and how to analyze it. According to Alvesson and Sköldberg (2008) and Merriam (1998), this can be recognized as a deductive starting point since the researchers conducts a theoretical based study with one or several hypotheses that will test the theory they have studied. Yin (2009) agrees with the authors and stresses that the theory the researchers use in their study is essential since it will affect the whole research process and its results. In this thesis we have used a deductive approach since our hypotheses were derived from the theories provided by our theoretical framework.

2.2 Research methods

According to Alvesson & Sköldberg (2008) there are two research methods that can be used, qualitative and quantitative. In this thesis we have used a quantitative method since we find it most suitable for answering our purpose. The authors mean that the quantitative method is taking start in the researcher’s ideas of which dimensions and categories that are going to be in focus of the study. Bryman & Bell (2005) state that the significance factor for choosing the quantitative method is if the researchers want to take measurement. Furthermore, they mean that quantitative researchers are most likely to describe why something is in a certain way rather than how things are. Alvesson & Sköldberg (2008) explains that the quantitative study consists of standardized variables which describe people’s experiences or opinions that are given numbers through usage of response alternatives that are determined before-hand. Bryman & Bell (2005) mean that the researchers who are conducting quantitative research usually are interested in generalizing the results gained from their research to other groups or situations that have not been a part of the particular research. Christensen et al (2001) explain that the information is collected through surveys, interviews and archive material, which is often presented in the form of tables, diagrams and graphs. Furthermore, the authors state that the numeric focus allows the researches to analyze the variables in an objective way. In this thesis we want to evaluate what kind of impact a channel extension can have on an online-based company. We believe that the quantitative method is most suitable for us since we are going to take measurements and relate the results to each other. We also want our results to
be as generalizable as possible for small companies; therefore we will try to minimize our own subjective values and opinions which also support our choice of method. This is acknowledged by Bryman & Bell (2005) who means that a quantitative research method strengthens the credibility of the thesis since it does not consist of subjective interpretations.

Despite all the pros, Bryman & Bell (2005) explains that the quantitative study is often criticized for analyzing data based on the relations between numeric variables and not the social reality. We are aware of this weakness of the quantitative research method and we have strived to be as close to the social reality as possible.

2.3 Research strategy

The research strategy or research design, concerns how we have collected and used the information gathered during our research according to Yin (2009). The author emphasizes that there are five research strategies which are the following: experiment, survey, archival analysis, history and case study which are shown in the figure below.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of Research Questions</th>
<th>Requires Control of Behavioral</th>
<th>Focuses on Contemporary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>How, Why?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>Who, what, where, How many, how</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival</td>
<td>Who, what, where, How many, how</td>
<td>No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>History</td>
<td>How, Why?</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>How, Why?</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Table 1. Research Strategies
Source: Yin (2009)

We have chosen experiment as our research strategy since we need to take measurements that focuses on the contemporary and also have control of the independent variables. According to Yin (2009) all this is criteria’s for choosing the experiment as the research strategy. In our research we focus on the present situation since social media is evolving very rapidly, therefore, the conditions might have changed in some time ahead. Bryman & Bell (2005) state that the research design is a
description of how the empirical study has been conducted based on the criteria’s and research questions formulated by the researchers. The research strategy is described by Yin (2009) to be the linkage between the research questions or in our situation, hypotheses, and the data which will be gathered. Furthermore, the author explains that the research strategy could be perceived as guidelines that support the investigators when they are collecting, analyzing and interpreting the data. Kinnear and Taylor (1996) argue that the research design is the framework that determines what kind of data should be gathered, the different sources of data and the data collection process. The authors stress that it is vital for the researchers that they collect information that is relevant for their research purpose.

The investigators can choose three different categories of marketing research which are the following: exploratory research, conclusive research and performance-monitoring research (Kinnear and Taylor, 1996). The authors explain that during the initial stages of the process when the researchers want to indentify and define the problem they use exploratory research. This kind of research is applied to gather information about the current situation which often requires little amount of time and expenses from the researchers. The authors consider this type of research to be flexible in its character to allow the investigators to acknowledge the unexpected and discover approaches that has not been previously identified. During this stage the researchers gather secondary data, do observations, conduct interviews and read case studies. After the problem has been recognized the researchers can use the exploratory research to help them decide their course of action (Kinnear & Taylor, 1996). In this thesis we conducted a literature review which involved secondary data in the form of articles, literature and case studies to gain a better understanding of the current situation and define our research problem.

Kinnear and Taylor (1996) clarify that the conclusive research means that the investigators choose the best alternatives of actions to be evaluated before deciding which one is most suitable for them. In order to make the right choice Kinnear and Taylor (1996) suggest that the investigators have well formulated research objectives and information needs. The information can be collected through surveys, experiments, observations and simulation according to the authors.

We have evaluated different alternatives before deciding to analyze and explain what kind of impact an online channel extension could have on a web-based company who only communicates through one channel, the company webpage. We also intend to generate guidelines for how web-based companies in general can use these social communication channels in a more effective way based on our results gained from conducting the experiment. Kinnear and Taylor (1996) argue that the next step after deciding the course of action is that the researchers describe the result of their actions,
which the authors refer to as performance-monitoring research. In our thesis we wanted to understand what happens when a company perform a channel extension strategy through social communication channels and then interpret the gained results. The authors explain that the main objective of this research type is to monitor and report changes that occurs in variables to determine if the desired objectives are fulfilled through implementing the plan. The kind of data sources which are suitable for this type of research are interrogation of respondents, secondary data and observation according to Kinnear and Taylor (1996). We have used secondary data gathered through a conducted literature review and also observation by watching the statistics for the webpage each day as the experiment continued. Kinnear and Taylor (1996) explain Ad hoc performance monitoring which is utilized when the company wants to observe the effects of new or special marketing programs. The authors recommend researchers to apply a cross-sectional research design, which means that the investigators observe the frequency of a marketing phenomenon during two different times and compare the gathered data, which has been conducted in this thesis.

Kinnear and Taylor (1996) state that the most important aspect is that the marketing program and the implementation are aligned and that no unanticipated changes occur that affects the factors in the situation. The results of the marketing research can be ruined; therefore we have very carefully planned the experiment to avoid this from happened. Chisnall (1997) stresses another important aspect which is that the interpretation of data is based on the researchers experience, judgment and initiative. The interpretation of the marketing research report can differ depending on who is performing the interpretation of the statistics. The author clarifies that the problem is not collecting the information but selecting the relevant information for the research and that the information is not too old and still up-to-date. That is why we have chosen recently published and relevant information since it is essential for our thesis topic.

2.4 Research Technique: Experiment

Kinnear and Taylor (1996) explain that an experiment is conducted when the researchers manipulate or control one or more independent variables and what kind of effect this has on the dependant variable is then measured. The authors state that there is no manipulation or controlling of independent variables when researchers conduct surveys and observations, which is what differs them from an experiment. In order to increase the readers understanding we will explain the meaning of some definitions which are relevant in order to become more familiar with the experiment we have done.
The alternatives or independent variables are referred to as *treatments* and these are manipulated by the researchers to measure their effect on the dependent variables. The authors give suggestions of what could be an independent variable like for example product composition, advertising executions and price levels are all factors that can through manipulation affect the impact of marketing of a product.

The *test units* are described as the people or objects that responds to the treatments and whose response is measured (Kinnear and Taylor, 1996). The test units can be people who are offered to use a new product which means that people are the test units, but when advertising in supermarkets the supermarkets are the test units. In our thesis the test units are the different social communication channels which are manipulated by independent variables.

The authors state that the *dependent variables* are the measurements that are taken on the test units which could be sales, preference or awareness. The last type of variables is the *extraneous variables*, they consists of all the other variables except the treatments that can affect the response given by the test units to the treatments. This means that extraneous variables could be that if a football supporter group has a 100 year anniversary during our experiment, which results in that the supporters in this particular tifo-group purchase more than usual, this is not because of the channel extension, but due to the anniversary.

Kinnear and Taylor (1996) emphasize that the variable can either be to the researchers advantage or disadvantage. The authors explain that in order to be able to measure the effect of something, the circumstances must remain the same when the researchers want to make a comparison, therefore the researchers need to strive for identifying all the extraneous variables.

Kinnear and Taylor (1996) stress that the researchers should determine their experimental design which involves the following actions: decide which treatments that will be manipulated, identify the test units that will be used, measurements of which dependent variables and how the researchers will minimize the impact of the extraneous variables.

**Treatments:** The advertising, the promotion, the price, the web page design

**Test units:** Social communication channels (Facebook, YouTube, Blogs and Wikipedia)

**Dependent variables:** Amount of visitors, unique visitor’s, page views and average time spent on the webpage.
**Extraneous variables:** Allsvenskan, image of tifo, financial assets of supporter groups, new rules and regulations concerning tifo arrangements, competitor’s actions, Facebook’s or servers of other social communication channels crash.

We have chosen the “Time-series” experiment as our experiment design in this thesis. Kinnear and Taylor (1996) describe the process as the researcher’s measure the dependant variables during some time and then the treatments are introduced as the measurements continues to evaluate the impact of the treatment.

The authors argue that through this experimental design the researchers will be able to gain more control over extraneous variables through several pre-tests and post-tests. The design allows us to acknowledge changes before, during and after our social media campaign. The researchers can avoid all extraneous variables through the chosen design except history according to Kinnear and Taylor (1996). The investigators cannot control history which the authors describe as the external events that take place during the experiment that can affect the dependent variables. In order minimize the extraneous variable and its impact we followed the advice of Kinnear and Taylor (1996) and have kept a log. The log consists of ongoing relevant events during our experiment and these events will then be evaluated to determine if they have affected the results gained from the experiment.

**Time-series Experiment**

\[ O_1 \ O_2 \ O_3 \ O_4 \ O_5 \ O_6 \ O_7 \ O_8 \ O_9 \ O_{10} \ X \ O_{11} \ O_{12} \ O_{13} \ O_{14} \ O_{15} \ O_{16} \ O_{17} \ O_{18} \ O_{19} \ O_{20} \]

\( X \) = represents the exposure of a test group to an experimental treatment, the effects of which are to be determined. The \( X \) is the online channel extension which we have conducted in order to examine if and how it affects the dependent variables.

\( O \) = refers to processes of observation or measurement of the dependent variable on the test units. The number besides the \( O \) represent the day of the experiment which consists of two 10 day sessions one without and one period with exposure of the treatment.
2.5 Experiment in practice

We have compared the results gained from the performed online channel extension to the previous results when using a single communication channel as the only channel to reach the customers; the company webpage. To measure this effect, the circumstances had to remain the same from the beginning to be able to make a correct comparison. Due to the limited period of time, we decided to conduct the experiment for twenty days, ten days of measuring the data on the webpage acting as the only communication channel and additionally ten days to measure the impact of an online channel extension through social media. During this time-period, we have measured the dependent variables which in our experiment are; number of visitors, number of unique visitors, average time spent on the webpage and page views.

During this time-period, we also saved the statistics for the dependent variables which made it possible for us to compare the first period of time with the second period of time. To collect all the data we have used the program Goggle Analytics, which is connected to the company webpage. Moreover, to evaluate the social media campaign, each channel also had to be measured individually to assess its performance. In this thesis these different social communication channels are the test units. This statistics we gained from Goggle Analytics made it possible for us to answer which communication channel(s) the visitor was directed from. That helped us to determine which one of the social communications channels was the most effective for bringing traffic to the webpage.

O₁⁻ O₁₀

During the first ten days of measurement, we kept everything on the company webpage as it used to be. Every day we took notes of our dependent variables. In the initial stage of our experiment it was of great importance not to make any updates or changes on the webpage because that may had affected the dependent variables before the opening of the social communication channels.

X – Introduction of social media campaign

O₁₁⁻ O₂₀

Friday 16/4

We started the first day with opening a Facebook account for tifo.se. We had prepared this Facebook page before the opening by adding the dates for all the coming football games in Allsvenskan. We
had also made copies of photos of the products that tifo.se sell on their webpage and posted these in the Facebook group. Therefore, in the morning we just pressed the button publish and the channel became open for everyone who had access to Facebook.

Regarding the YouTube channel, this was also prepared for the opening date by finding videos of tifo arrangements, which was suitable because it showed the products tifo.se sell on their webpage. We wanted the customers to see and feel the excitement of a big tifo-creation which we believe can be achieved with a video. For best synergy effect we also posted a link of this channel in the Facebook group so that users could follow the link from Facebook to YouTube.

We then opened up the Wikipedia-channel. To be able to add text in this social communication channel you must create an account which we did. We added a text “tifo shop” and posted a link to our webpage so when people all over the world search for the word “tifo”, tifo.se’s webpage will be there as a external link we thought. After a few minutes, our link was deleted from Wikipedia so we did the same procedure one more time and the same thing happened. We sent an e-mail to the discussion about tifo on Wikipedia and wondered why our link constantly was removed. We received an answer in a short notice that Wikipedia as a communication channel does not support external links to companies which can be considered as free marketing. Still, the second time we posted the link to the webpage it was there twenty four hours before it was removed.

**Saturday 17/4**

We started the day with sending e-mails (totally 14) to the responsible persons of tifo-arrangement for the different teams in Allsvenskan. We told them about a special offer which we together with the CEO for tifo.se Dennis Anderberg had developed. This meant that the company gave them and the rest of the customers 50% off if they bought confetti canons. The intention with this offer was to create a word of mouth effect among people to generate more traffic towards the webpage.

**Sunday 18/4**

We checked every social communication channel for possible interactions.

**Monday 19/4**

We posted the YouTube channel link in the Facebook group one more time. We also published the offer for the confetti canons on the Facebook site. We published a new offer to attract people to become a fan of the Facebook site so it would grow more rapidly. We announced on Facebook that when our tifo fan page has 100 members we will announce a winner for products worth 1000 SEK. In
the YouTube channel we posted a new video that we together with two football supporters had created as a commercial for tifo.se.

**Tuesday 20/4**

We posted the link (from YouTube) to the commercial video in the Facebook fan page.

**Wednesday 21/4**

We made updates to the fan page on Facebook. First, we posted links to different clubs in Allsvenskan, in our Facebook group, who had written that they needed help to collect money for big tifo-arrangements. Secondly, we posted a link to supporterlaget.se and did put their logo on the fan page just to show the audience that we have the same core values as they have. Our intention was that supporterlaget.se maybe will write about tifo.se as well.

**Thursday 22/4**

We checked every social communication channel for possible interactions

**Friday 23/4**

One more time we posted the video commercial on Facebook that we had made together with two supporters. We also announced the football games that were going to be played the following weekend. Finally, the webpage for tifo.se had been updated so we also announced that on Facebook.

**Saturday 24/4**

We posted on Facebook that tifo.se have a new product in the assortment and pushed on how good quality the products have compared to our competitors.

**Sunday 25/4**

Checked every communication channel and followed up all the statistics gained from the different social communication channels.

### 2.6 Random Sampling

Random sampling means that all the individuals in our experiment have the same probability to participate in our sample according to Bryman and Bell (2005). The authors mean that all the Internet users who are online during the period when we conducted the experiment have the same chance to
be included in our statistics. Kinnear and Taylor (1996) agree and explain that the sampling unit is self-selected or chosen because it was easily available. The authors argue that despite the reason behind the researcher’s choice, the population from which the sample is taken from is always unclear. Bryman and Bell (2005) state that through usage of a random sample the researchers are allowed to generalize and base their conclusions on the results from their sample. The researchers apply convenience sampling of data sources which means that the sample is represented by people who are most convenient for them to use. The chosen type of sampling allows the researchers to save time, minimize expenses and not having to change location in order to gather their data according to Merriam (1998). Kinnear and Taylor (1996) explain that the disadvantage of the convenience sampling is that it does not have high credibility since the sample might not represent the population. The sampling in this thesis was self-selected because we conducted an experiment and could not control who among the Internet users that visit the case company website were exposed to the social media campaign and therefore directly participated in the experiment. A different data sampling type to increase our credibility was not suitable for our thesis.

2.7 Data collection

Here we address the methods we have used to gather the information that was necessary to find the answers to our hypotheses. Merriam (1998) mean that it is desirable to use several sources of data in order to gain a deeper understanding of the situation. The author states that there are two forms of data that could be collected and used: primary and secondary data. Primary data is data gathered for the first time. It may consist of observations, interviews or surveys. Secondary data is data that already exist. This type of data includes articles, books, journals, previous studies and internet sources and so on. Despite what kind of study that is conducted it is recommended that the researchers use both primary- and secondary data, which strengthens the validity of the thesis (Merriam, 2009). Creswell (2008) explains that statistics or observations that are collected are firmly controlled by the researcher to allow the testing of a theory. The author continues and explains that the investigator often tries to examine the relationship between different variables to be able to answer the research questions or hypotheses by performing experiments or surveys.

Fisher (2004) distinguishes between five main research methods for gathering data: interviews, panels, questionnaire, observation and documentary. This is acknowledged by Yin (2009), who means that there are six sources of evidence: documentation, archival records, interviews, direct observations, participant observation and physical artifacts. According to Merriam (1998) the researchers can use different ways to collect the primary data, which we in this thesis have gathered
through observations of statistical data. Through the primary data that we have collected we gained a better understanding of how effectively an online channel extension can direct the traffic towards the company webpage. The secondary data that we have used is in form of articles, journals, literature, theses, previous research, reports and data from websites. Kinnear and Taylor (1991) explain that collecting secondary data enhance the knowledge of the subject and also requires less time to gather compared to primary data.

Jacobsen (2002) stresses that the researcher has to remain critical when using secondary data and check from where the author has gathered his data. We have conducted an extensive literature review in order to gain a better understanding about the subject, that also helped us to decide which literature was the most relevant to include in our theoretical framework. We have remained critical during our collection of the secondary data and strived to have as recent published articles about related subjects to increase the validity.

There are three principles for collecting data according to Yin (2009), who states that by following these principles the researcher can increase the validity and reliability of the results. The author explains that by following principle one (the usage of multiple sources), an investigator can conduct a research with a wider range of historical, attitudinal and behavioral subjects. The author argues that multiple sources lead to conclusions of the case/phenomenon, which are more reliable and precise. Despite the advantages of using multiple sources, Yin (2009) stresses that it requires more time and efforts which the investigators have to consider when conducting data collection. The author suggests that the researchers must have sufficient knowledge and be familiar with how they should perform an extensive data collection. Moreover, Yin (2009) recommends researchers to use the technique of triangulation. Triangulation is a technique researchers use in order to validate data by finding more than two sources that support the research data that is used (Bogdan & Biklen, 2006). O’Donoghue and Punch (2003) agree by stating that triangulation can be described as a method for cross-checking data from different sources. We have conducted the technique of triangulation through the whole work-process of this thesis. Yin (2009) explains that the way investigators organize and document the evidence they collect is what his second principle address. The author stresses that by creating a database will help the investigators to distinguish between the raw data and their own subjective narrations. The data base allows the researchers to access their collected data at any time during the research. We have accomplished this criterion by saving all the primary and secondary data that has been gathered during our work-process, through our bibliography other researchers can gain access to the secondary data that has been used.
The third principle Yin (2009) describe is regarding how the investigators maintain their chain of evidence. The principle is addressing how the researchers did collect their data which should be presented in a protocol. The protocol shows how the investigators have come to the conclusions and the empirical findings they did. The chain of evidence is presented in this chapter were we describe our work process and the conclusions are based on the analysis of the empirical findings.

2.8 Analytical tools

Google Analytics

Google analytics is often used in order to give the managers who are responsible for the communication through Internet a better holistic perception of the company’s marketing efforts. The statistical software allows marketers to gather information such as amount of visitors, amount of page views, the average time of a visit, where the visitors come from, visitor trends or patterns and visitor loyalty. The unique essence of this statistical tool is that it can be adapted to measure a large number of different variables and satisfy the information needs of the firm.

Youtube

Youtube Insight is a statistical tool developed by YouTube to allow its users to track and indentify trends of video watching on the site. The analysis and report product enable the user to gain detailed information about the videos that has been posted by the company. YouTube Insight presents the target group (who is watching my videos), where they are located, what do they want to watch and at what time they prefer to watch it.

Facebook

A vital part of our campaign was to set up a closed Facebook community by gathering 1-2 members from each supporter group (total of 16). The Facebook group helped us to gain statistics such as number of fans, active fans, interactions, page views, unique page views, un-subscriptions and subscriptions. The Tifo.se fan page has served as an open community for everyone to join, through this fan page we were be able to interact with any Facebook user and gather statistics about them and the page.

The information that can be collected is the following: gender and age of vistors, amount of interactions on the page, number of comments on the page, amount of posts made on the page and thumbs up.
Blogs

Twingly is a website and a search engine for blogs which can search through the global blogosphere. Twingly has allowed us to see if our experiment company tifo.se was mentioned in any blogs or people leave a comment concerning the company. The information helped us to indentify relevant blogs for us to keep track off and gain valuable feedback from the consumers.

Wikipedia

Through the usage of Wikipedia we captured those who were not involved in a Tifo-group but rather wanted to know more about tifo or where you can buy it. What we have done is edited the text on the Wikipedia site and come with new entries that look like third-party entries. The editing have resulted in that when Internet users search for tifo Wikipedia is often among the first pages listed by Google and then through Wikipedia we have directed people towards the company webpage.

2.9 Control group and experiment group

We wanted to be able to measure the impact and effects the social communications channels would have as an extension of the only existing communication channel. In order to achieve this we decided to conduct an experiment. In this thesis we mean that an experiment that is performed on the web was most suitable for us since our case company use its webpage as the only communication channel.

Internet helped us to connect the different social communication channels with each other and direct more traffic towards our case company’s webpage. The control group have consisted of Internet users who visited the case company’s site during the first ten days of our experiment without the channel extension. The control group has represented the present situation which is that the case company only uses the webpage as its only online channel. After the first ten days the online channel extension was introduced. The Internet users that visited the webpage and the different social communication channels will be part of the experiment group. The data gathered presented the impact of the online channel extension but also helped us to evaluate the effect of the different social communication channels.
2.10 Validity

2.10.1 Internal validity
According to Merriam (2009) internal validity concerns the question how good the research findings match the reality. He emphasises that internal validity in all research thus hinges on the meaning of reality. Kinnear and Taylor (1996) consider that validity is the amount of systematic and random errors in the measurement process. This is acknowledged by Chisnall (1997) as he describe internal validity as a measurement of how well the researchers measure what they claim to measure in their research method. This is strengthen by Eliasson, (2006) and Olsson & Sörensen (2001) who explain that the internal validity is determined by how well the researchers measure what they intend to measure. We have beforehand carefully formulated clear hypotheses in order to minimize the risk of measuring the wrong aspects. This increases the validity according to Holme & Krohn-Solvang (2001).

Chisnall (1997) argues that internal validity is related to a particular study like a survey but cannot be used for generalization. In our thesis this means that the results gained from our online experiment will mostly consist of Internet users who are soccer supporters and their preferences may differ from those of the general public.

Yin (2009) mean that internal validity concerns the problem when a researcher is trying to explain how and why event x led to event y. Furthermore, he means that a third factor z may have caused event y and that the researchers have missed out to take that factor in to consideration which is a big threat to the internal validity. Kinnear and Taylor (1996) state that the internal validity must be achieved in order to avoid that the whole experiment is perceived as confusing and useless. The internal validity is determined by which extent the researchers can prove that the effects they observed are caused by the treatments and not any other variables. The authors mean that the statistics we gain through our experiment will have a high internal validity if we can prove that the results are caused by our online channel extension and not other factors. We have tried to minimize the chances for this to happen by only communicating through the webpage and the social communication channels. Therefore new visitors of the webpage have most likely found the webpage through our social communication channels.

According to Merriam (2009), the best strategy to raise the internal validity is the usage of triangulation. This strategy mainly consists of four different elements: the usage of multiple methods, multiple sources of data, multiple investigators, or multiple theories to confirm the emerging findings. To strengthen the internal validity in this thesis we have used all of these four elements to
be as objective as possible. By using the strategy of triangulation we have been able to interpret the data collected so it becomes as close to reality as possible. Yin (2009) argues for the problem of making inferences, he means that an investigator infer that a particular event resulted from some earlier occurrence based on interview and documentary collected as a part of the experiment. This is acknowledged by Merriam (2009) who states that interpretations of reality are accessed directly through the researcher’s data collection, observations and interviews. According to Merriam (2009) an investigator triangulation occurs when there is multiple investigators collecting and analysing the data. In this thesis we are three authors who contributes to that the requirements for fulfilling the triangulation was reached. Additionally, we used multiple references to support our theoretical framework which provides us with the necessary tools we needed to minimize our subjective preferences. We also have a close relationship with our case company which provides a deeper understanding about the research problem. Finally, we are aware of the malfunctions that can affect this thesis’ internal validity. Therefore, we argue for that the internal validity of this thesis is high.

2.10.2 External validity

Yin (2009) mean that external validity concerns the problem of knowing how generalizable the findings of the research are. This is acknowledged by Merriam (1998) who argues that the external validity concerns the extent to which the findings of the experiment can be applied to other situations. Fisher (2007) describes the external validity as a question, whether the findings or interpretations that a researcher has proved in a particular context apply equally well to other populations or contexts. Yin (2009) argues that experiments rely on analytical generalization, the investigator is striving to generalize a particular result to some broader theory. Therefore, the generalization is not automatic, it must be tested by replicating the findings where the theory has specified that the same results should occur. Chisnall (1997) agrees and states that external validity is the extent that the research results could be generalizable in other situations. The author means that in order to achieve high external validity the research results should be able to be used in other study’s besides our own research, which means that the impact of our online channel extension have on the case company also apply to companies in general.

In this thesis we are aware of the problem of having fully generalizable results. However, to increase the external validity we use scientific articles and books that base their findings on several cases. This provides us with strong theoretical foundations that can support our conclusions. According to Fisher (2007) the researchers are responsible to provide the reader with a thick and detailed enough description of the research material to allow him/her to make their own judgments about the transferability. Furthermore, he emphasizes the importance on the representatives of the sample being large enough and that the data contain information from different categories being studied.
Since our experiment involves customers from different parts of Scandinavia in different ages and gender, we argue that our sample is large enough. Our conclusions can be applied in different products markets for small online-based companies within Scandinavia so we believe that our results can be analytically generalizable for other firms as well. Therefore, we consider our external validity to be high.

2.10.3 Construct Validity
According to Fisher (2007), construct validity particularly concerns research that uses questionnaires or inventories to assess whether a person or an organization exhibits a particular characteristic. The problem of construct validity is whether the statements and constructs actually measure the things they are said to measure. This is acknowledging by Floyd and Fowler (1995), too assess’ validity of this sort, they emphasizes that we must be content with inferences based on the premise that if we measured what we think we measured, it should behave in certain predictable ways. Yin (2009) argues that construct validity is about identifying the correct operational measures for the concepts being studied. Furthermore, he state that there are three tactics available to increase construct validity in case studies.

- use multiple sources of evidence
- establish chain of evidence
- have key informants review draft case study report

In our thesis we have subsequent conducted these three tactics throughout the experiment made, which have previously been discussed under the section data collection. We have together with our supervisor developed the operational measures for our experiment just to be sure that they are correct and not just based on our subjective judgments. The construct validity is described by Chisnall (1997) as very dependant of the measurement theory behind the decided measurements and that the examination of the results is as much a test of the theory as the results itself. Kinnear and Taylor (1996) agree with the author by stating that researchers needs to structure their theoretical framework after what kind of marketing phenomenon they desire to measure. Therefore, we have in this thesis structured the theoretical framework after the marketing phenomenon.
2.11 Reliability

Thurén (2007) argues for that reliability or accuracy mean that the research is done properly. High reliability of the research is reached when it is conducted correctly and if more researchers are able to find the same results by using the same method as the previous authors. Yin (2009) mean that the objective with reliability is to be sure, that if a later investigator conducted the same procedures with the same situation being studied, the later investigator should arrive at the same findings and conclusions. This is supported by Merriam (2009) who states that reliability refers to which extent the findings can be replicated, meaning whether or not some other researchers applying the same procedures will come up with the same results. Chisnall (1997) agrees with the previous authors but states that a perfect coincidence often does not occur but the replicated results should be a certain limited range from the previous results. The author explains that the limited range could be determined by measuring correlation coefficients. Chisnall (1997) describes the reliability as the stability and consistency of the results the researchers gained through their empirical findings. Fowler (1995) mean that one step forward to increase the reliability is that each respondent in the sample is asked the same set of questions and to record their answers. In this thesis this is not the problem since we do not ask people question. However, for us to have I high reliability it was vital to see which communication channel the people were directed from, this was achieved through the usage of the analytical tools presented under 2.10. This is acknowledged by Körner & Wahlgren (2002) who state that the researcher has to be aware of that the measurement tools, how the measurements are taken and the environment of the phenomena all affects the reliability.

We are aware that human behavior is constantly changing. However, by conducting several observations in the field of a social communication channel extension and the development of our theoretical framework, we try to minimize errors in our study. As the market conditions for the moment are based on our data collection, we make every effort to be consistent with our conclusions. Merriam (2009) underline the importance to guarantee the dependability of the data that have been collected. This could be done by using the technique of triangulation and audit trial. Triangulation refers to the data collection, see previous discussion under 2.6. Audit trial describes in detail how data was collected, how categories were derived and how decisions were made through the thesis. We have saved all of our data from the very start of this thesis, issues, reflections, questions and ideas have been stored just to be sure that we are consistent and interpret the data in the right way. When conducting a quantitative methodology, it is of great importance to refine instruments and the usage of statistical techniques to ensure reliability (Merriam, 2009). Therefore, we have together with Dr. Bertil Hultén and Mikael Hilmersson discussed which techniques we are going to use to be able to measure the results of our experiment in the most appropriate way.
Regarding the instruments, we describe them further down in the chapter. Finally, we consider our thesis to be dependable and the level of reliability is high.

### 2.12 Method criticism

We have chosen to use a quantitative method in our thesis, which has some disadvantages that can affect the quality of the research. The quantitative approach offers a limited understanding of the problem since it lacks deeper insights about motives, impressions, context and attitudes. We cannot through our method fully understand the people who participated in our experiment. By this we mean that the statistics we have gathered did not showed the motives a person had for visiting the company webpage. Did the visitors spend much time on the webpage because they like to be there or is it the complexity to navigate that causes the long visits? Therefore, through our method we gained a better understanding of how people responded to the experiment and if the social communication channels affect the dependent variables such as amount of visitors, unique visitors, page views and average time spent on the webpage.

The case company’s target group is football supporters which is why the social media campaign has been adapted and constructed to appeal to these consumers. Despite this, we are aware that the people who participate in our experiment are selected through random sampling. This gives each person with access to the Internet and different social communication channels the same probability of being a part of our statistics. We are aware of that the sample did mostly consist of football supporters, because they are the target group our case company try to attract and the most current customers belong to this segment. This means that their response to the experiment might not be the same as the one of the general public. Another aspect that may have affected the results we gathered is that the experiment was only conducted during ten days (20 days total), which is a very limited time for a campaign. However, due to the limited amount of time for writing the thesis, this matter could not be avoided. We have discussed the measurements much within the group and with our supervisors to make sure the measurements we have selected are suitable for the thesis and its purpose. The results may also have been affected by the reconstruction of the case company’s webpage. Our theoretical studies have showed that in order to be successful with directing more traffic to the webpage it must be a place that people enjoy visiting. Therefore, this matter could not be avoided.

Finally, social media is just as fashion very dependent on current trends which results in that the social communication channel that is most popular today can be replaced by another a few months.
from now. The managers should always prepare their campaign and plan very carefully how the campaign should be executed and why different channels should be used, because without planning beforehand the whole campaign might become very ineffective and useless. We have before conducting the experiment spent much time and efforts to plan our campaign to increase its impact on the target audience.
3. Theoretical Framework

3.1 Channel theory

Albesa (2007) says that the development of communication and information technologies has encouraged the appearance of new communication channels. He means that these new communication channels have enhanced the options for companies to build relationships with their customers. Weinberg et al. (2007) argue that the Internet is the key driver for the increasing demand in multichannel usage among customers as well as it is the strategic opportunity in multichannel marketing. Weinberg et al. (2007) define multichannel marketing as:

“Marketing strategies for serving customers who use more than one channel when interacting with an organization” Rangaswamy & Van Bruggen (2005, p385)

Louvieris and Oppewal (2004) states that traditionally, all channel functions from creating demand to provide with after-sales services was performed by the chosen configuration. However, the rise of the information technology, especially through the Internet, has changed these conditions, now these functions can be distributed over several channels. This is in unison with Gurău (2008) who argues that the traditional communication channel was a one way process. The companies communicated and the audience consumed the information. Now, the communication channel is a network instead of a pipeline. He emphasizes that this network has closed the gap between institution and audience.

Weinberg et al. (2007) stress the importance for the organizations of today to use a multichannel approach because the customers now expect it. Continually, they argue for that multichannel marketing systems not only are larger than single channel systems, it also requires integration, coordination and oversight of different components that earlier functioned more independent. This is acknowledged by Albesa (2007), who states that coordination of channels is an essential factor of the multichannel strategy. When integrated channels are provided, many paths are possible. Furthermore, the author mean that the multichannel environment is characterized by that customers can use alternative channels in their discretion and also have the option of changing channels whenever they want. Duffy (2004) argues for that companies who are conducting multichannel marketing have learned that one channel does not cannibalize another channel. Therefore, the channels complement one another and creating stronger relationships with the customers.
To develop a successful multichannel strategy, it is important to understand the value each channel offers, including the strengths and weaknesses and also determining where channel synergies are occurring (Weinberg et al., 2007). This goes along with Albesa (2007), who means that it is more important to simultaneously use multichannel marketing because each channel presents some different strengths and weaknesses. Weinberg et al. (2007) explains that synergy can most easily be created through coordinating different channels or handing off from one channel to another. They suggest that before companies start to use multichannel marketing, they should take a look at the existing IT structure to better understand the amount of investment that is needed to successfully develop a multichannel system.

Weinberg et al. (2007) emphasizes that the most successful companies at multichannel marketing are those who have established and kept connections between the channels and the product groups. This can be created by employees or group representatives for each channel. The key issue is to create a system that focuses on customers and at the same time promotes collaboration across groups that are responsible for different channels. Brown et al. (1995) mean that effective management of marketing channels requires good skills in the usage of social power. Albesa (2007) underline that companies must investigate what their customers channel preferences are and what motivates them to use a particular channel. Gensler et al. (2007) states that the key component of the customers channel preference is routed in their loyalty behavioral to each sales channel. However, loyalty is only one component because some customers do not prefer any specific channel and therefore infrequently switch to different channels. Consequently, the second key component for the companies is the ability to attract these switching customers. Albesa (2007) holds that in this new context, knowledge of the customers is as necessary as the underlying technology (hardware, software and telecommunications).

Duffy (2004) emphasizes that multichannel marketing is a successful strategy due to the fact that the online components of the multichannel mix are constantly evolving and are some of the most measurable and adjustable components of all the possible communications towards the audiences. This is strengthened by Gurău (2008) who holds that organizations now are able to install advanced software applications that can connect marketing and information management systems with the online environment. Therefore, firms possess great opportunities when it comes to personalization and coordination of the communication towards diverse audiences.

Now we have described a channel perspective of marketing and how companies can utilize strategies with multiple channels in order to gain the advantage of personalized and coordinated communications. But how do companies perform multichannel marketing?
3.2 Marketing communication

As the term suggests, marketing communication functions within a marketing framework (Mayo, 2006). Traditionally, marketing communication has focused on promotion and the transmission of messages. Rowley (2004) explains that media that follow this “push” approach, such as television, radio, newspapers and direct marketing, are linear, following a scripted flow and a one-to-many communications model. Mayo (2006) says that marketing communication acquires new customers for brands by building awareness and encouraging trials. Marketing communication also maintains a brand’s current customer base by reinforcing their purchase behavior by providing additional information about the brand’s benefits. According to Prasad and Sethi (2008), the interaction between the instruments of the communications mix targeted at the same market segments creates synergy – an increase in the effectiveness of each instrument due to the presence of the other instruments. In other words, the combined effect of a communications mix is greater than the sum of the parts. Traditionally, marketing communication was executed through combining the options of the promotional mix. However, as the society evolved and new technologies emerged, the promotional mix also had to evolve to bring in these new elements.

According to Fill (2006), marketing communications provides the means by which brands and organizations are first presented to their audiences and then to engage them over the longer term. He continues and says that the goal is to stimulate a succession of purchases and the task of marketing communications is to engage audiences to enable transactions. Ottesen (2001) defines marketing communications as every kind of communication between company and buyer about a company’s offering. Furthermore, the author explains that marketing communications takes place in a number of ways. It could be in the form of one-way or two-way dialogues and a great variety of media can be used. The tasks of the communication is to convey the value of the marketing offerings and to “show the way” to offering, i.e. to inform about how, when and where they can be purchased. - Ottesen (2001)

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both parties need to learn to value and customer needs are paramount. In the table below, the characteristics of traditional and online media is shown.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Traditional Media</th>
<th>Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>Space</td>
<td>Expensive commodity for marketers</td>
<td>Cheap, unlimited</td>
</tr>
<tr>
<td>Time</td>
<td>Expensive commodity for users</td>
<td>Expensive commodity for users</td>
</tr>
<tr>
<td>Image creation</td>
<td>Image is everything</td>
<td>Information is secondary</td>
</tr>
<tr>
<td>Communication</td>
<td>Information is secondary</td>
<td>Image is secondary</td>
</tr>
<tr>
<td>Call to action</td>
<td>Push, One way</td>
<td>Pull, interactive</td>
</tr>
<tr>
<td>Audience</td>
<td>Incentives</td>
<td>Information (incentives)</td>
</tr>
<tr>
<td>Links to further information</td>
<td>Mass</td>
<td>Targeted</td>
</tr>
<tr>
<td>Investment in design</td>
<td>Indirect</td>
<td>Direct / embedded</td>
</tr>
<tr>
<td>Interactivity</td>
<td>Low</td>
<td>Low, allows change</td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>Range across a spectrum from low to two-way dialogue</td>
</tr>
</tbody>
</table>

Table 2. Comparing online advertising with advertising in traditional mass media

Source: Janal (1998)

According to Mayo (2006) the Internet has become a powerful tool for reaching certain important audiences. Virtually unheard of in the 1980s, the 1990s saw this new medium explode onto the scene. According to Hoey (1998) the biggest difference between off-line and online communications is the interactivity and reach. Traditional marketing communications follows a one-to-many model whereby a firm reaches many current and potential customers, segmented or not, through marketing efforts that allow only limited forms of feedback from the customer. The author continues and says that the Internet, on the other hand, facilitates an interactive multimedia “many-to-many” communication network, thus altering the way firms does business with its customers. It allows for immediate feedback and the opportunity for the recipient to add their own content through the relevant channel. The Internet has had a significant impact on how buyers and sellers communicate. Gay et al. (2007) says that in a decade, numerous digital communication tools have emerged to offer greater creativity, precision and measurement for the online marketer to move buyers through the decision phases, either solely in the virtual world as a single channel, or as a part of an integrated campaign – e.g. a multichannel configuration.
3.2.1 Integrated marketing communications

According to Gurău (2008), the development of integrated marketing communications has to do with evolutionary trends in different areas of marketing. He calls attention to the increased fragmentation of markets, relationship marketing and direct marketing. Furthermore, he means that the development of new communication technologies have created a new paradigm of IMC and that can be presented as a strategic answer to the social- and business conditions of the postmodern society of today. This “new approach” to marketing communication compared to the “traditional approach” of mass advertising has gained high recognition because of the low cost in budget. This is supported by Kiang et al. (2000), who emphasizes that selling on the Internet often leads to lower costs for the operation because of the simplicity of reaching a bigger customer base, have shorter supply chains and reduced storage costs. Anderson (2006) claims that Internet has changed the conditions, it is affecting everything that it touches and becomes a shopping store, a cinema, a TV-channel, to only a fraction of the cost.

Gurău (2008) holds that IMC involves a cross-functional process. All the departments of the organization that interact with customers and strategic stakeholders must share a common understanding and work as a team which develops long-term brand relationships. According to Kiang et al. (2000) there are three advantages with selling directly on the Internet, and these can be classified into three types of channels based on the functions performed. As a communication channel (information exchange between buyers and seller, improve interactivity with the brand and gather information about the customers via contests), as a transaction channel (improve visibility, reach bigger audiences and customize promotion and sales to individual customers) and as a distribution channel (exchange of products/services). Gurău (2008) presents the communication procedures on the Internet in three ways that separates it from any other of the communication channels.

1. Interactivity – offer multiple possibilities of interactive communication.
2. Transparency – the information published online can be accessed and viewed by any Internet user.
3. Memory – the web is a channel not only for transmitting information, but also for storing information

Gurău (2008) holds that the online environment also creates challenges for the marketing communication process. He means that the Internet has led to that online information is available to anyone. Therefore, it is of extra importance to be consistent when it comes to planning, designing, controlling and implementing an online communication campaign. This is acknowledging by Aaker and Joachimstahaler (2002) who states that the Internet not only creates opportunities for a brand
but threats as well. The brand name is no longer protected behind guarding ropes, it is among people, and it is everywhere. The authors emphasizes that social communication channels have made it easy for anyone to bluff a person or organization with fake messages and fake profiles.

“There is a functional process for creating and nourishing profitable relationships with customers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialogue with them” Duncan (2002, p.8)

Gurău (2008) emphasizes that today the audience pull the information, it is a new model provided by the environment of the network. The audience does no longer accept every massage a communicator wants to push to them; they rather pull the information that suits their interests and needs. In accordance with Gurău (2008), Spencer and Giles (2001) mean that in order to create successful marketing on the web, the companies need to understand the underlying motivation of the online audience. Before starting, the companies need to know who will look to “pull” the content and whether the content will appeal to them. As a result, the network environment has to be available were the audiences can find it and it must be customized.

3.2.2 Planning
According to Spencer and Giles (2001), planning an online campaign involves:

- Having clear and measurable objectives
- Knowing audience members: who they are; what motivates them; how to reach them
- Delivering the right message to the audience
- Identifying the optimum communications mix for the audience

Furthermore, planning needs to be more rigorous because it is not just another medium like television, press or radio. The online environment is entertainment, it is information, it is shopping, it is a means for communication for the individual or the organization to communicate one-to-one, one-to-few, one-to-many. Firms must recognize what the objectives of a campaign are: attracting new customers, building loyalty amongst existing customers, branding or communicating with online media (Spencer and Giles, 2001).

Spencer and Giles (2001) state that knowing who you are targeting is the key issue before implementing any marketing campaign. They mean that the audience online cannot be segmented by traditional demographics, on the Internet the audience is characterized by community of interest.
Therefore, knowing what those interest areas are is equally important as knowing how the company/brand should be associated with those areas.

Gurău (2008) argue for that the message the company sends has to be adapted to each audience and still express the same core values of the company. He emphasizes that in order for a company to be consistent with their image on the web, they need a strategic model to follow. Companies need to decide what it is for them and form a strategy depending on what image they want to have. Gurău (2008) has together with 29 marketing or communications managers designed a model for online communications strategies:

![Figure 1. The model of integrated online marketing communications](image)

Source: Gurău (2008)

The model explains that the communication from the company to its audience online should be adapted in three stages. The first stage is to integrate the core values of the company to the message and then the message has to be integrated with the tactical objectives for the online communication campaign that is taking place. Finally, the message has to be transformed based on the specific characteristics of the target group and the channel they are using. Gurău (2008) stress that the Internet is the main communication channel but there are many different online applications that can be combined and used as an online communication-mix. It is important for each company to identify which applications are most suitable for their communication campaign. Using a campaign as
a tool to conduct marketing communications is effective in the sense that it has very low costs attached to it and has very high measurability.

### 3.2.3 Implementation
Companies today realize that the Internet is an important extension channel and it is becoming the platform on which many future business relationships will depend. The tools of Internet are also changing. Where once text and graphics dominated online experience, sounds, pictures and video are now transforming the use of the channel. Today, users require tailored content and fast up-to-date information, presented in modern and engaging formats (Spencer and Giles, 2001).

### 3.2.4 Evaluation
According to Spencer and Giles (2001) the measure for evaluation relates back to the objectives. If there is a simple objective of generating visitors the site, it may be sufficient to use “impact” measures: how many hits and the stickiness of a site or newsgroup/chat-room. However, if the aim is to build relationships with a defined audience it will be necessary to put “influence” measures in place. The authors say that through research a company is able to find out answers to questions regarding the evaluation. The questions could look like the following:

- Did we reach who we intended with our online campaign?
- Did we communicate the messages we needed to communicate?
- Were our messages understood and remembered?
- Were our messages acted on, i.e. did we create a positive attitude towards the brand/product?

By using a combination of “impact” and “influence” measures the questions can be answered.

**Impact.** The Internet is infinitely measureable in terms of “how-many”. What can be measured is the number of hits and page impressions, but it is hard to avoid double counting audiences; it is hard to distinguish between visits, visitors, unique users, registered users and active users. Spencer and Giles (2001) thereby say that tracking at individual level is needed, this can be achieved by using a “cookie” device. With a cookie it is possible to identify and track an individual’s surfing patterns. The marketer can learn about the data collected and then target the user with tailored content. There are still difficulties in terms of determining overall reach of an online audience as there is still no universal currency for measuring Web audiences by traditional demographics, as there is for radio and television. The most complex measurements are those of “who” and “how often”.

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Influence measures. As with traditional public relations evaluation, this is as much about evolving communication as proving communication success. Influence measures can include:

- How online presence affects brand perception
- Whether the online presence is consistent with the brand identity
- Whether the online presence meet with the overall communications objectives
- Whether the online presence is enabling the company to communicate effectively. Some of the questions might be: how do they get to the site; what do they do while there; can they navigate it; where do they come from?

According to Frankel (2007) almost all online marketing can be measured accurately. The problem with measuring online marketing is most often not the lack of information, instead, it is rather to know what is going to be measured and how the information is going to interpreted. In his book “Online Marketing” Frankel gives some examples of what can be measured:

- How many that has filled in a form on the website
- How many that have visited “contact us” on the website
- How many that have downloaded a certain document from the website
- How many that has made orders from the website and the total sum for all these orders

The information gathered can later be connected to different links to the website so the company knows the exact sales from the newsletter, different ads and so on. When faced against the firms margins the orders gives a good comparative number to judge the profitability of each activity. If the surplus is higher than the cost of the activity, the firm can be sure of its profitability and it should preferably be further explored.

In this section we have discussed what marketing communications is and how companies use this in their daily operations. One recent component of an organizations integrated marketing communications strategy is social media marketing. In the traditional marketing communications model, the content, frequency, timing, and medium of communications by the organization is in collaboration with an external agent. However, the growth of social media has impacted the way organizations communicate with their customers.
3.3 Introduction to Social Media

3.3.1 What is Social Media — and what is it not?

Social media includes many different applications which could be social networking sites like Facebook, virtual worlds such as Second Life, or blogs. In order to be able to understand what social media really is, Kaplan & Haenlein (2010) considers a short explanation of these related concepts is needed: Web 2.0 and User generated Content. The term Web 2.0 was coined during the year of 2004 to represent a new way of using the Internet. Kaplan & Haenlein (2010) describe that the differences were concerning the content and applications on the Internet. The authors receive support from O’Reilly (2005) who first introduced the term “Web 2.0” with Dale Dougherty. The author explains that the Internet was a more essential channel than before since there were many new applications added to the medium on a regular basis. There is no official standard definition of Web 2.0 and some perceives it as just another marketing buzz word according to O’Reilly (2005), while others acknowledge it as new discipline. Kaplan & Haenlein (2010) clarify that Web 2.0 resulted in that people now could work together and continuously adjust applications and content which lead to the entrance of blogs, wikis and collaborative projects. In other words, Web 2.0 stands for new technology and new perceptions that created what we now know as “Social Media” according to the authors. Solis & Breakenridge (2009) agree with previous authors and explain that Web 2.0 is a term which refers to the evolvement of the Internet and its design. Kaplan & Haenlein (2010) emphasize that the second term User generated Content (UGC), describe the different social media content that is produced by end-users and available on the Internet. According to the Organization for Economic Cooperation and Development (OECD, 2007), UGC can be distinguished by three requirements which have to be fulfilled for content to be considered as UGC. The content has to be published on a website or social networking site, have a creative effort behind it and not been formed by professional practices and routines. Social media is diversified from mass media since the latter consist of one way communication where a sender transfer his message to many users that can’t reply using the same medium as the sender. While in social media many users can communicate with many receivers and everyone can use the same channel to interact with each other”. Social media is described by Demopoulos (2006) as software that makes it possible for Internet users to share, send and receive content with each other. Basically, social media is the software which helps people to exchange content with others online.
Definitions of Social Media:

“*The democratization of content and the shift in the role people play in the process of reading and disseminating information (and thus creating and sharing content)***” - Solis & Breakenridge, 2009

“A group consisting of different Internet-based applications created by the ideology and technology of Web 2.0, and also it is the tools that give online users the opportunity to create and share User Generated Content” – Kaplan & Haenlein, 2010

“Social media is seen as a category in which there are many different communication channels that allows Internet users to interact with each other through text, pictures and sound.” – National Encyclopedia, 2010-03-15

The way communication is conducted on the Internet has changed, which Maymann (2007) considers is the result of people no longer is in need of expertise in HTML coding or having to pay for using Internet as a communication tool. The authors Solis & Breakenridge (2009) explain that marketers have also started to use social media in their communication strategies, what is nowadays referred to as “social media marketing”. Firms use social media in different ways through marketing and communication in order to achieve various results. Maymann (2008) states that the companies are relocating its resources and rely more on social media campaigns to bring them new customers. This is also supported by the “Social Media Marketing Industry Report”. It states that 56% of the 685 marketers that were asked said that they use social media in order to create new relationships. Many marketers are eager to figure out how they can use social media and the huge demand for guidelines and advice has lead to that many books and white papers about social media marketing have been published. The interest for the topic is enormous but despite this few academic researches has been conducted. Many firms constantly try to find new creative ways to promote themselves through social media marketing. Companies use social media channels such as YouTube to post videos, and creating videogames with ads. Firms have also started to employ people to become their agents that assist them in creating and spreading the buzz about a sale or new product. It is shown in a study conducted by Inc. Magazine that 82 % of the most rapidly expanding private companies use social media marketing according to Ferguson (2008).
Classification of Social Media

Even though many consider it quite clear what the concept of social media includes, it is hard to categorize the different applications according to Kaplan & Haenlein (2010). The authors try to distinguish between different social media applications by applying theories of media research (social presence, media richness) and social processes (self-presentation, self-disclosure). The author’s theory is often used when trying to formulate theories on effects of new mediums. According to (Short, Williams, & Christie, 1976) “social presence” is the acoustic, visual, and physical contact that can be achieved between two communication partners. Social presence is determined by the communicator’s awareness of his interaction partner. In order to clarify even more, the awareness of the interaction partner peak during an interaction face-to-face while the awareness of the interaction between a person writing a blog and his readers is much lower. The author’s state that the level of social presence also determine the amount of social influence the partners have on each other, which means high social presence results in high social influence. The social presence is based on the concept of media richness theory from Daft & Lengel (1986), who argue that the purpose of any communication process is to achieve ambiguity and minimize the uncertainty. The authors mean that people put much effort into formulating the message to make themselves understood correctly by the receiver. Therefore, the richer the information is the easier the other interaction partner can understand you.

Media richness does not only concern the words which are communicated but also body language, the tone of the voice and inflection (Daft & Lengel, 1986). Kaplan & Haenlein (2010) agree with previous authors and states that the result of our communication is determined by the level of physical contact and the quality of the information that is transferred. During any communication process the communication partners try to control the perception that the other partner receive from them according to Goffman (1959). Many people have decided to create a webpage which Schau & Gilly (2003) argue is because they want to present themselves on the Internet in a certain way to create the image which they desire. The authors explain that these kinds of presentations are performed through self-disclosure which is created by the person sharing information of a personal character, both unconsciously and consciously. Through sending out personal information the user can affect how people perceive him and his personality. All these factors are used by Kaplan & Haenlein (2010) to distinguish between different social media applications which they present in the table below:
Blogs and collaborative projects (e.g., Wikipedia) have a low level of social presence and media richness, which Kaplan & Haenlein (2010) consider could be explained by that communication mostly consists of text. The interaction between users at Wikipedia does not require social presence since the individual can change and edit whenever he wants to all by himself. The main reason behind the low level of media richness, is that the interaction is just text based and do not include other elements than words. The amount of social presence and self-disclosure is much higher in blogs than in collaborative projects since sites like Wikipedia have a focal point constrained to certain domains. The blogs offers the writer great possibilities to present themselves as the person which they want to be perceived as. But still, the social presence is not very high because the only way users can interact with the author is through comments, which the writer then can reply to if he wishes to. Social networking sites and content communities both have more social presence and higher media richness according to Kaplan & Haenlein (2010). The communication does no longer only consist of just text but also pictures and videos. People tend to visit the social networking sites because they want to interact with other people, in other words socialize. The social presence is high because you can instantly receive response if the interaction partner also is on the site. However, the authors argue that the social networking sites has a larger amount of self-presentation and self-disclosure than the content communities since information on the latter communities focus on content, while the earlier more on individuals. Through content communities people share for example videos, music or pictures and an interest for the content which makes them visit and re-visit the community. The social worlds score high in both the social-presence and self-presentation which Kaplan & Haenlein (2010) consider can be explained by that these virtual worlds try to recreate the face-to-face communication and social interaction between people. The users can see the interaction partner, body language and expressions which is increasing the social presence. The self presentation is also high since people can create their own character in the virtual worlds. The virtual game worlds

<table>
<thead>
<tr>
<th></th>
<th>Social presence / Media richness</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blogs</td>
<td></td>
<td></td>
<td>Social Networking sites (e.g., Facebook)</td>
<td>Virtual social world (e.g., Second life)</td>
</tr>
<tr>
<td>Collaborative projects</td>
<td></td>
<td>Collaborative projects (e.g., Wikipedia)</td>
<td>Content communities (e.g., YouTube)</td>
<td>Virtual game world (e.g., World of Warcraft)</td>
</tr>
</tbody>
</table>

Table 3. Classification of Social Media by social presence/media richness and self-presentation/self-disclosure
How to implement and evaluate an online channel extension

(e.g., World of Warcraft) has a high social presence since the game requires much participation from the players, according to Kaplan & Haenlein (2010), who states that the low level of self presentation is a consequence of that users interaction in the game world has its limitations. In order to understand the applications and their significance firms must gather knowledge about the consumers. This could be done in the form of surveys, questionnaires or competitions in the different social communication channels.

New vs. Old Marketing

Barnes, et al (2008) explain that the group of people who is most desired to reach by firms are in the ages 25-55, well educated and earns over 100 000 dollar each year. The authors stress that these consumers find out information about companies through social media because they do not want to support a company that does not take good care of its customers. These consumers will later share their opinions with others through social media channels.

The most essential difference in characteristics of the traditional marketing and viral marketing is that the latter is searched for by consumers that find it enjoyable to search for it and then send it along to others to enjoy (Clifford-Marsh, 2009). Viral marketing has resulted in the rebirth of word of mouth advertising, communication strategies and buzz generation according to Bulkeley (2002). The author emphasizes that friends are more effective than any database when it comes to marketing. Datta et al (2005) agree with the author by stating that the viral marketing is based on word of mouth marketing, which is conducted in a much larger scale through social communication channels. The authors consider that the success factors are that the marketing consists of familiarity, personal relationship, trust and care because the marketer is a friend of yours and a fellow consumer.

Word-of mouth, which is referred to as “word-of mouse” online according to Goldenberg et al (2001), who states that firms want to offer products and services that are so good that customers recommend them to others online. The individual’s recommendations have a limited life-span in reality, but on the Internet a recommendation becomes permanent through ratings of products, leaving testimonials, blogs.

“Nothing influences people more than a recommendation from a trusted friend” -Mark Zuckerberg, creator of Facebook
<table>
<thead>
<tr>
<th>Components</th>
<th>Old Marketing</th>
<th>New Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketing mindset</strong></td>
<td>Use one-way, one-sided communication to tell brand story.</td>
<td>Nurture dialogue and relationships; be more transparent, earn trust, build credibility.</td>
</tr>
<tr>
<td><strong>Brand equity</strong></td>
<td>Brand recall is holy grail.</td>
<td>Brand value is determined by customers: How likely are customers to highly recommend the good or service?</td>
</tr>
<tr>
<td><strong>Segmentation</strong></td>
<td>Group customers by demographics.</td>
<td>Group customers by behaviour, attitudes, and interests—what’s important to them.</td>
</tr>
<tr>
<td><strong>Targeting</strong></td>
<td>Target by demographics, especially for media buying.</td>
<td>Target according to customer behaviour.</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>Broadcast style: create and push message out for customers to absorb.</td>
<td>Digital environment for interactive communication through search and query, customer comments, personal reviews, or dialogue.</td>
</tr>
<tr>
<td><strong>Content</strong></td>
<td>Professional content created and controlled by marketers.</td>
<td>Mix of professional and user generated content, increasingly visual.</td>
</tr>
<tr>
<td><strong>Virality</strong></td>
<td>A nice feature but popularity too often driven by flashy presentation rather than content.</td>
<td>Virality based on solid content about remarkable products or features that will get people talking and forwarding e-mail.</td>
</tr>
<tr>
<td><strong>Reviews</strong></td>
<td>Think Michelin Guide: the experts weigh in.</td>
<td>Think Amazon: users review and vote on everything.</td>
</tr>
<tr>
<td><strong>Advertisers / Publishers role</strong></td>
<td>Publisher establishes channel and controls content to gather an audience for the advertisers who sponsor channels or programs.</td>
<td>Build relationships by sponsoring (not controlling) content and interaction when, where, and how customers want it.</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>Top-down strategy imposed by senior management drives tactics.</td>
<td>Bottom-up strategy builds on winning ideas culled from constant testing and customer input.</td>
</tr>
<tr>
<td><strong>Hierarchy</strong></td>
<td>Information is organized into channels, folders, and categories to suit advertisers.</td>
<td>Information is available on demand by keyword, to suit users.</td>
</tr>
<tr>
<td><strong>Payment</strong></td>
<td>Cost per Thousand (CPM): Emphasis on cost; Advertisers buy with the idea that share of voice = Share of mind = Share of market.</td>
<td>Return on Investment (ROI): Invest in marketing for future growth and profitability based on measurable return.</td>
</tr>
</tbody>
</table>


Table 4. Old Marketing versus New Marketing
Maymann (2008) agrees that the best form of advertising a company can receive is the recommendation from a trustworthy friend of the potential costumer. Barnes, et al (2008) state that companies must change their approach by starting to listen, respond and improve in order to be able to appeal to the consumers. The consumer behavior has changed, therefore company’s needs to restructure the approach for engaging with consumers (Henry, 2002). The author suggests that a customer-oriented strategy should be applied through the usage of a holistic marketing framework. The strategy also requires firms to communicate and reason with consumers in order to be able to give them customized -services, -products and -messages. Moreover, Henry (2002) means that by communicating with the consumers the firm can identify his or her needs and then change according to the consumer’s preferences and desires. Ferguson (2008) agrees but clarifies that being aware of the change in consumer behavior and the fact that purchase decisions are influenced by social media and not traditional media do not solve the problem itself. The author suggest that social media becomes a part of the marketing and communication strategy of the firm to improve the customer experience and brand management. Customers require more involvement from the company to maintain the relationship and the good experience of interacting with the firm. Companies must adapt their marketing which allows them to appeal more to the consumers. The old marketing models cannot be applied anymore according to Weber (2007), who suggests a whole new model in a table where he compares traditional marketing with social media marketing. The new marketing has arrived because people’s usage of social media has changed the way individuals interact with each other, which means that companies have to approach the public in a different way than before.

Despite the fact that many companies are eager to integrate social media into their marketing and communications strategy, they are unsure of how they should do it successfully. Firms ask themselves is social media something that could be beneficial for all departments or for just a few and for what purposes can it be used within the department. Despite all the advantages social media can bring, many may wonder why not all firms have incorporated it. Bernoff and Li (2008) consider that it can be explained by that the integration requires much time and effort but also that the employees in general has limited knowledge and experience of how to use social media in their work. Another explanation is that firms are scared of handing over the control and power to consumers which gives them limited control over the communicated content. Bernoff and Li (2008) have decided to provide some clarity into the matter by stating that social media can be used by most departments within the firm. The authors present the department’s role, what purpose they could fulfill and how to measure the effect in the table below.
<table>
<thead>
<tr>
<th>Manager’s role or department</th>
<th>Typical groundswell objective</th>
<th>Appropriate social applications</th>
<th>Success metrics</th>
</tr>
</thead>
</table>
| Research and Development     | Listening: Gaining insights from customers and using that input in the innovation process | ● Brand monitoring  
● Research communities  
● Innovation communities | ● Insights gained  
● Usable product ideas  
● Increased speed of development |
| Marketing                    | Talking: Using conversations with customers to promote products or services | ● Blogs  
● Communities  
● Video on user-generated sites | ● Better market awareness  
● Online “buzz”  
● Time spent on sites  
● Increased sales |
| Sales                        | Energizing: Identifying enthusiastic customers and using them to influencing others | ● Social networking sites  
● Brand ambassador programs  
● Communities  
● Embeddable “widgets” | ● Community membership  
● Online “buzz”  
● Increased sales |
| Customer Support             | Supporting: Enabling customers to help one another solve problems | ● Support forums  
● Wikis | ● Number of members participating  
● Volume of questions answered online  
● Decreased volume of support calls |
| Operations                   | Managing: Providing employees with tools so that they can assist one another in finding more effective ways of doing business | ● Internal social networks  
● Wikis | ● Number of members participating  
● Increased operational efficiency  
● Decreased volume of e-mail |

Table 5. Groundswells cross-functional model
Source: Li (2008)
The firms need a clear policy when it comes to social media usage to guide their employees in their daily operations. The Society for New Communications Research has published “*Best practices for developing and implementing a social media policy*” which will help the company to make sure that the employee’s usage of social media is suitable. The policy offers the employees information about the available social media and how to communicate through these channels. The policy stresses that the firm must consider issues such as the organizational culture, how to establish and maintain trust, offer training, guaranteeing transparency, having high accuracy, develop and respond to feedback. Firms must take the risk of letting the control over to the consumers and welcome the social media as an integrated part if their communication- and marketing strategies. Because social media will allow the companies to improve their approach which enables them to reach the changing target group of consumers they desire to have as customers. Consumers have always shared their thoughts and opinions about firms, brands, products and services and will keep doing so despite if a company utilizes social media marketing or not. Social media marketing can decrease cost and increase brand awareness but the most essential quality is that it gives a firm the possibility to use the most powerful type of marketing which is word-of-mouth marketing. The usage of social communication channels that we have experienced during the last years could be compared to the impact of company web sites in the early 1990’s according to Ferguson (2008). The author means that every company is aware of that it should be conducting social media marketing but do not know how to integrate it within the firm.

### 3.3.2 Social Communication Channels (SCC)

Stelzner (2009) argue that Social media marketing is an engagement with online communities to generate exposure, opportunity and sales. Given the low cost of entry, many marketers are doing more than just dipping their toes into these Medias. Stelzner (2009) mean that many marketers see the social media as the next marketing gold rush. The author has a similar argument as Cunningham (2010), who states that technologies are not only about engaging prospects and growing profit; they could be used to better the company’s internal communications. Cunningham (2010) considers that the Internet has become older, therefore it is getting harder to find creative ways to deliver company information. However, applications such as YouTube, Twitter, LinkedIn and Facebook Groups offer firms great forums to do this. According to Stelzners (2009) research on 880 marketers, the number one benefit of social media marketing was to generate exposure for their businesses. The second major benefit was improving traffic and growing listings, and that was followed by building new partnership.
More than half of the participants reported rise in search engine rankings and that in turn lead to reduction in overall marketing costs. However, only one third said that social media marketing helped them to close business deals. Why this number is not higher depends on the fact that it takes time to develop relationships that leads to actual business. Stelzner (2009) means that the marketers who take the time to use social media can have great results. His study also showed that 61,83 % of people who only have invested a few months in social media, report that new partnerships were gained. The top four social media tools used by marketers were Twitter, blogs, LinkedIn and Facebook. According to Stelzner (2009), all the other social media tools paled in comparison to these four. Another interesting result was that men were more likely to use YouTube or other video marketing than women (52,4 % of men compared to 31,7 % women).

One way for companies to use social media is to respond to potential public relations issues and use this platform to handle complaints, inform the consumer and correct misinformation about your product or company. In other words by interacting with the customers companies can obtain feedback instantly through people’s opinions, which they could use in order to make improvements in the future.

3.3.2.1 Collaborative projects
There are two forms of collaborative projects which are the following: wikis and social bookmarking applications according to Kaplan & Haenlein (2010). The authors describe the wikis as a great example of UGC, since users can add, remove or edit the text based content. The author Grace (2009) agrees and describe the characteristics of wikis are the following: easy editing of text, links and references to other web sites, change tracking which means users can see who altered the text and wikis also contain an inbuilt search function. The social bookmarking applications consist of links divided into groups which users can rate and share like for example the application delicious.com. Kaplan & Haenlein (2010) state that this application makes it possible for people to share Internet bookmarks with each other. Companies can follow the example of the computer software company Adobe Systems, which maintains a collection of bookmarks to company-related websites and conversations on Delicious for its employees. The application offers the possibility for the company to share information with each other in a very simple and cost efficient way. Furthermore, the authors consider Wikipedia as the most well known and powerful Wiki because, despite the fact that far from all information on Wikipedia is correct, the amount of online users perceiving it as correct is increasing frequently. The author receives support from Grace (2009) and Cunningham & Leuf (2001) who state that Wikipedia is the best example of a Wiki. Bokos et al. (2006) state that Wikipedia articles can be altered by anyone with an account but at the same time the article often gets
reviewed by more people than an a scientific article and the online encyclopedia constantly gets updated. There is an ongoing discussion about how reliable the information in Wikipedia articles really is. However, West and Williamson (2009) consider that this discussion is irrelevant. The authors explain that Wikipedia must be recognized as the starting place for many individuals when conducting research. West and Williamson (2009) mean that the content community can be seen as a tool that serves people by directing them towards further research. Many companies’ also uses Wikis for managing information flows like for example the handset manufacturer Nokia, which use Wikis to inform and share ideas between the employees according to Kaplan & Haenlein (2010). Furthermore, Wikis can also support learning and knowledge building according to Cress and Kimmerle (2008). Regardless of what type of collaborative projects your company is interested in, the main philosophy is the same; many users can through collaboration create something better than any user can individually.

3.3.2.2 Blogs
The Organization for Economic Cooperation and Development (OECD, 2007) consider blogs as web pages which mainly consists of display date-stamped entries in a reverse chronological order. They are similar to private people’s web pages which often describe the person’s life, thoughts, feelings or opinions. Furthermore, Kaplan & Haenlein (2010) emphasize that blogs also often are devoted to a certain subject that could for example be politics, fashion or movies. In contrast to collaborative projects, the authors state that the blogs are often handled by one person, yet people can interact with the blogger by making comments on the blog. The blogs are originated from the Internet diaries of the 1980’s and Jorn Barger’s who coined the term “weblog” 1997 and that phrase became a noun and a verb to describe the phenomena according to Cox et al. (2008). The authors state that there are 100,000 new blogs created on the Internet on a daily basis. Cox et al. (2008) considers that the huge interest and popularity of blogs are caused by their personal, convenient and informal character. There are both video-based and text-based blogs although Kaplan & Haenlein (2010) argue that the latter is more common, the difference is simply the way information is communicated to the online users. Hwang et al. (2006) explain that there are several different types of blogs depending on who the author and the purpose of the blog itself. The authors continue with describing the “Employee blog” which is a common type of blog managed by a single employee while the “Group Blog” is maintained by several employees. These employees are most commonly experts in a field and the blog itself is related to a topic within their particular expertise according to Hwang et al. (2006). In these Group blogs employees can share their knowledge and experiences with each other. CEO of a company does sometimes also blog and this type of blog is referred to as an “Executive
The idea of the content communities is to share media among the members in the community according to Kaplan & Haenlein (2010). The media that people share could be electronic-books (e.g., BookCrossing), photos (e.g., Flickr), videos (e.g., YouTube), and PowerPoint presentations (e.g., Slideshare). The authors state that the main concern regarding these communities is the issue of sharing copyright-protected material, which has lead to that most content communities remove content of this character. Despite the policy of the content communities, it’s hard to monitor all the content since for example YouTube provided people with more than 100 million videos on a daily basis during 2007. Web 2.0 applications like YouTube, Facebook, LinkedIn, delicious, and Wikipedia,
all use the contributions of thousands of users to constantly improve the content and innovate, according to Kambil (2008). Kaplan & Haenlein (2010) state that it’s a very low cost communication channel which can instantly reach millions of people, that its why YouTube is used by many companies. The kitchen appliances manufacturer Blendtec launched videos with the theme “Will it blend?” which promoted their new blender by displaying unusual combinations of items put into the blender in order to show the blenders excellent performance. The authors explain that the company did both amuse millions of viewers and market their product at a very low cost. Moreno et al. (2009) considers that videos on the Internet are tools that can be used for communication both towards customers, to the public through PR and for internal usage within the firm. The content communities also offer the possibility of employing people, share press announcements and key note speeches according to Kaplan & Haenlein (2010). Furthermore, the authors state that companies that rely on the content communities for previously named purposes are for example Google and Cisco.

### 3.3.2.4 Social networking sites

Kaplan & Haenlein (2010) describe social networking sites as applications which offer people the opportunity to interact with other members through making personal profiles that help them to socialize with friends and colleagues. The users can communicate through emails and instant messages, and post photos, video- or audio files and blogs at their profiles according to Kaplan & Haenlein (2010). Furthermore, the authors state that Facebook, the largest networking site, was originally founded by Mark Zuckerberg as a tool to help him and his fellow students of Harvard University to stay in touch. The authors emphasize that many companies create brand communities with help from the social networking sites while others perform market research or promote their product /service on the social networking site. Kaplan & Haenlein (2010) receives support from Muniz & O’Guinn (2001) and Kozinets (2002) which emphasize that social networking sites as Facebook are great tools for interacting with people. Companies have started to use social networking sites to gain a better understanding of potential employees which Kowske & Southwell (2006) explains as a result of the simplicity in locating the information through these sites. Through the sites employers can learn about issues such as candidates’ age, marital status, and other topics which are typically off limits during job interviews, and organizations can be sued for discrimination if these candidates are not hired according to Frauenheim (2006). According to Brennan (2010) a product company’s Facebook profile can allow customers to connect with the company in a more direct manner than with a Web site, and to connect using a social media platform that the customers are already using. Companies can increase their customers’ sense of brand connection and create transparency by answering their questions on a public site to make the connection stronger.
Kaplan & Haenlein (2010) gives the example of sports apparel manufacturer Adidas, who has used MySpace to establish their own soccer community which offers information about their products, soccer players which use Adidas shoes and product reviews by other customers. Another example is the U.S.-based florist 1-800-Flowers.com that offers a widget on Facebook which is referred to as “Gimme Love”. Through the widget users can send virtual flowers or go the company web page and send real bouquets to friends.

3.3.2.5 Virtual Communities
McLean & Wainwright (2009) says that social networking sites are a growing phenomenon and perhaps the latest innovation to emerge from the World Wide Web technologies. Boyd & Ellison (2008) refers to hundreds of such sites and provide a historical timeline ranging from: SixDegrees.com (1997) through LinkedIn (2003), YouTube (2005) and Twitter and Facebook (2006), to name a few. According to the authors, these sites can focus on groups with similar or shared social, political or business interests at the same time as utilizing a range of emerging technologies. Kozinets (1999) explains that the Internet has contributed to that electronic tribes have been established and are growing rapidly on the web. Furthermore, he states that managers need to become familiar with the new environment, its opportunities and limitations. McLean & Wainwright (2008) mean that it is becoming increasingly difficult to separate out the functionalities and diverse uses of social networking sites from their use towards specific and instrumental personal, social and business interests. Szmigin et al. (2005) says that the network society we live in today has offered a major opportunity for organizations to develop their communications through this landscape, particularly in terms of their relationship with their customers. They say that these communities enhance relationship marketing in two ways; first they provide the opportunity for interactivity and the building of a consumer relevant community. Secondly, organizers can more easily meet the needs of the community participants. But these organizers must carefully consider the most suitable form their community should take and support this through an appropriate framework.

According to Kozinets (1999), people gather together in groups mostly based on their interests which could be cultural, subcultural or social. Most of these affiliations are connected to purchase activities which make it essential for a company to have knowledge about their target group in order to create an appropriate strategy. The most interesting factors for managers and marketers according to Kozinets (1999), are how the customers online are choosing to buy a product and on what preferences the purchase is based. The amount of people using the Internet is rapidly growing as is the number of people that participate in virtual communities. The virtual community becomes established through social aggregations that are created by Internet when people have public discussions with plenty of human presence that are lasting long enough to form personal
relationships on the Internet. McKinsey (1996) has a different definition of communities than Rheingold (1993). The latter author defines communities as “groups of consumers that become united through a shared interest”. Furthermore, McKinsey (1996) state that online groups differ from groups in general since the members rarely physically meet and even as a part of the group you still keep much anonymity. The anonymity can be a result of that most interactions are brief and mostly functional. Clerc (1996), Rheingold (1993) and Turkle (1995) don’t agree fully with McKinsey since they recognize Internet as a tool which is used for social interactions that are meaningful. Kozinets (1999) conclude that virtual communities are groups consisting of people who have similar norms, behavior, moral standard, social ties and common space on the Internet. The interactions taking place on the Internet will not replace the physical interactions or information from traditional media, but rather online interactions are instead a vital enhancement to consumption and social behavior.

Apart from receiving knowledge of the consumption, the group member needs to learn about the group’s norms, values, language, concepts, more about the experts and other members in the group. There are two non-independent factors which determine if a member remains in the virtual community of consumption according to Kozinets (1999). The first factor concerns the type of relationship the member has with the consumption activity. By this the author means that the more related the consumption activity is to a person’s psychological self-concept - the more likely it is that the person pursue and value membership in a community (virtual or face-to-face) that has focus on this consumption activity. The second factor concerns the frequency of which the member interacts and socializes with the other members of the virtual community. Kozinets (1999) state that the two factors are mostly interrelated, which means that if a person has a certain consumption activity like for example a collector of a product he will try to find others who shares this activity. Through usage of the Internet the collector can easily find people who share his interest. Roy (2006) states that the early task of building a community is to gather information from the tribal community members to plan site activities. This is usually done in the form of a questionnaire to the public.

Digital environments originate in networks and networks flourish on social interaction, whether specialized or broad, interpersonal or group-based, formal or social, this is how virtual communities are described by Bagozzi & Dholakia (2002). Furthermore, the authors view virtual communities to be mediated social spaces in the digital environment that allow groups to form and be sustained primarily through ongoing communication processes. Virtual communities conceive groups of two or more individuals, each aware of his or her membership in the group, and each aware of the positive interdependence as they strive to achieve mutual goals. These online communities have also led to a
change in the way that customers and prospects are willing to be engaged according to Cunningham (2010). Whereas previously people have often objected to receiving phone calls or e-mails, but at these sites they appreciate being approached and engaged in conversation. Web 2.0 has led to the personalization of communication since people are approached through a channel they are comfortable with. Furthermore, the author states that savvy businesses are recognizing this fact and are changing their way of approaching stakeholders.

Most virtual communities are organized around some distinct interest, which to a lesser or greater extent provides its reason for being according to Bagozzi & Dholakia (2002). This shared interest can be related to a specific product, topic or a demographic attribute. The members of such virtual communities feel an intrinsic connection toward other members, and a collective sense of separation from nonmembers. These ties have been shown to increase the willingness to share information and resources with other members to provide support and to commit to goals identified by the group. One of the most important features is that the content is created by community members through active participation. To increase the benefit that people receive from online communities, it is important to understand the factors that affect the interaction through which people experience the community.

**Group-Level Factors.** Groups differ in terms of topic, size and the basis of commitment to them. The topics grounding the discussion in these groups are likely to affect the behavior of individuals engaged in the community and their commitment to it. Research shows that bond-based groups (members are attached to the group because of their friendship with other members) have higher member commitment than topic-based groups (members are attached to the group due to the purpose for which it exists). People also tend to be less committed to a group which is large and contributes less to them.

**Individual-Level Factors.** Each online community involves a limited set of topics that are related to its goal or purpose, and these conversational topics help establish and maintain the unique identity of the community. Hence, posts that are consistent with the topic in these discussions are more likely to receive a reply than off-topic posts, because they are likely to appeal to members’ interests. Another factor of a successful community is that longer messages impose a greater cost on readers, reducing the chances that the message will be read or responded to. The authors say that there are no empirical data to refer to when talking about how word choices in a community will influence the likelihood of others responding to a message. The authors claim that recognizing the importance of member-generated content and social interaction, more recent thinking has adopted the “organic ecosystem” metaphor which focuses on managerial practices such as seeding conversations, planting provocative ideas and considering organic attributes of the community, such
as size, intimacy, continuity and growth. Bagozzi & Dholakia (2002) continue and state that the biggest difference between traditional communities and virtual communities is that membership, involvement and communication is driven by volitional choice. The authors examine the notion of personal intention and states that in virtual communities, there is rather the notion of group intentions to capture the social behavior. The resulting joint communication and the positive experience are the direct products that are consumed by members. Bagozzi & Dholakia (2002) suggest that we-intentions, which encapsuls joint behavior by the collectivity, are more appropriate and should be measured instead by marketers for predictive or inferential purposes.

According to the authors, people come to online communities seeking information, encouragement, and conversation. When a community responds, the participants benefit and become more committed. Furthermore, for online communities, like smaller groups, to succeed they need to meet the needs of individual members and maintain themselves over time. They must provide benefits and experiences that the members of the community seek. Most often, conversation is the basic mechanism which participants receive benefit from. Arguello et al. (2006) states that the viability of a community depends somewhat on the willingness of individuals to stay with the group over time. People remain committed to a group only as long as the group meets their various social, instrumental, and emotional needs better than alternative use of their time. They also say that recent research shows that individuals who post for the first time to an online group are more likely to return when others respond to them, and also that, receiving a response increases the speed of posting a second time. Online communities consist of people and the content they exchange. According to the authors, efforts to develop technology to support the formation of viable and effective online communities can do more than just provide access to an infrastructure that allows for sharing and structuring ongoing group discussions. Tools can be developed to help members use appropriate rhetorical strategies, at the right time, at the right place, to effectively benefit from and contribute to online communities and the success of them as a whole.

3.3.3 Information availability and control
Kaplan & Haenlein(2010) state that many companies are concerned over the fact that consumers can speak so freely with each other and that they have almost no control over the information available about them on the Internet. When people today write in the brand name of any company into Google or any other search engine, any information connected to the brand is displayed, the information could both be in the company’s favor or to their disadvantage. The authors argue that many companies have been accused by people to sell dangerous products or using child labor on sites like for example Wikipedia. The companies used to be able to control all the information
through press announcements and public relations but the information flow of society today can’t be controlled by the company. Kaplan & Haenlein (2010) explains that the website has excluded companies from its site which means no company can alter, change or remove texts on the site that could contain information about their company even though the information might be incorrect. The Internet and social media offers incredible opportunities for companies yet companies have to balance the amount creativity and control. Furthermore, the author’s advice companies to focus less on the minimal control and use the social media to find out what customers really think of their company, products, services and brand that can help your firm to improve to meet the needs of the customers. Hepworth (2007) states that understanding the consumer of data, information and knowledge is becoming increasingly important in relation to the design and development of electronic information products and services. The digital environments have become more pervasive, both in regard to number of users and the different activities they are used for; there is a growing realization of their social functions, their potential of bringing like-minded people together and their role in influencing consumer opinions, knowledge and behaviors. The authors concludes that social media allow firms to engage in timely and direct end-consumer contact at relatively low cost and higher levels of efficiency than can be achieved with more traditional communication tools. This makes social media not only relevant for large multinational firms, but also for small and medium sized companies.

Furthermore, Cunningham (2010) argues that many firms are concerned that their employees will use the Internet for social networking which could lead to inefficiency. Consequently, the author suggests that companies should have a clear Internet usage policy and make sure it’s properly understood by the work force. Brennan (2010) states that to develop an effective social media strategy and policy, it’s necessary to understand what is to be gained from social media, how to use it and formulate clear policies of the usage. Those companies who exploit social media successfully will find that the rewards far outweigh the risks.

3.4 Virtual customer environments

Grönroos (2008) mean that the marketing of products and services via Internet have increase dramatically and this has led to the development of a big virtual market besides the traditional physical ones. According to Frankel (2007) this is a new way of competition, suddenly companies can sell to different parts of their country and even offer their products and services all over the world. Hultén et al. (2008) holds that a webpage and its design can clarify and visualize the brand identity of a company. Vilnai-Yavetz and Rafaeli (2006) also argue for the importance of the design on the
virtual webpage, they emphasize that it is most likely that the company’s webpage affect the customer’s feelings, opinions and attraction towards doing business with the company. Nambisan (2002) mean that the virtual customer environments have provided the tools to enable a shift from a perspective of exploiting customer knowledge by the firm to a perspective of knowledge co-creation with the customers. He emphasizes that the customers now can test the finished products and give instant end user product support within the virtual customer environments. Therefore, it is of great importance to design and implement a virtual customer environment that enables the firm to really know their customers needs.

Hultén et al. (2008) mean that the digital technology is a strong driving force behind the individualized society. Every person can on their own terms create, read and decide for them self what they find of interest. Anderson (2006) argues for that the digital technology has started to erase the bottlenecks stand between supply and demand in our culture; everything now becomes available to everyone. Therefore, he mean that a shift in our economy is taking place from being barging buying branded commodities, to becoming mini-connoisseurs, flexing our taste with thousand little indulgences that set us apart from others. These new consumer behaviors are described as “massclusitivity, “silvercasting” and “mass customization”.

3.4.1 Barriers to the online environment
Internet consumer loyalty is difficult and costly and requires a quality service that satisfies the customer (Cristobal et al. 2007). Loyalty is considered to be very important in e-commerce. However, in online transactions there are many uncertainties so therefore, trust becomes especially important for the customers. Riddik et al. (2004) believe that the lack of direct contact with the company and the handover of sensitive information like your credit card numbers, lead to that online purchasing is considered to be more risky than traditional physical shopping. This is in accordance with Frankel (2007), who states that Internet has many different actors and therefore trust have become especially important for the customers. In addition, Vilnai-Yavetz and Rafaeli (2006) holds that people after interacting with different virtual service communities are being attracted to those that have high professionalism and design. Cristobal et al. (2007) state that with the passing of time, web site design has become to be seen as a key factor when the service that an organization provides for its consumers use the Internet as a channel for communication. Riddik et al. (2004) have identified five commonly used e-quality dimensions related to e- trust and loyalty:

- **Ease of use** – Related to the usage of computer technologies and is extra important for new users. It is a determinant for service quality: functionality, accessibility and ease of ordering.
• **Homepage design** – Pleasing to the eye.
• **Customization** – It should be personalized to the user’s need based on information provided by the customers.
• **Responsiveness** – Customers want to have quick feedback on request or questions
• **Assurance** – The perceived security and privacy when using the webpage and the services on it.

Riddik et al. (2004) further propose that by providing a safe and reliable website the companies can indirectly affect the assurance dimension by using the well known VeriSign label. Cristobal et al. (2007) explain that the lack of security as perceived by online customers is one of the main obstacles to the development of e-commerce. Riddik et al. (2004) stress that an e-commerce company constantly should work with the development of products and services, and provide an attractive user interface that can contribute to a positive word of mouth effect among the customers. By doing this, they indirectly affect the customers to be more loyal to the company.

Gurău (2008) has identified barriers that prevents or block the implementation process of IMC:

• Lack of horizontal communication
• Functional specialization
• Decentralization
• Lack of IMC planning and expertise
• Lack of budget
• Lack of database technology
• Corporate culture
• The fear of change

He argues that many organizations already have a marketing communications structure in place and it is impossible to design an implementation model that generally fits all firms. Gurău (2008) emphasizes that to successfully implement IMC within an organization, these barriers must be understood and taken care of for each company.

### 3.5 Segmentation

According to Lin (2002) the concept of market segments was first introduced in 1956 by William Smith and since then it has become an integral part of modern marketing. A market segment is a group within a market that is clearly identifiable based on certain criteria. Later, Pride & Ferrell
(1983) devised the market segmentation process of dividing a market into several market groups. Consumers in each market segment should have similar product needs and each of these market segments requires different mixes of marketing strategies to satisfy the special consumer needs.

Carlson et al. (2009) conclude that the sports industry is one example of a market growing rapidly with consumers spending an increasing amount of money on retail purchases, such as team merchandise and apparel, which enhance the sport consumption experience. Furthermore, they state that the stronger a consumer identifies with a team, the more time and money the consumer will spend to support and thereby demonstrate affiliation with the team.

3.5.1 Tribes
Sport activities have for a long time constituted an essential part of free time occupation in contemporary societies. In Europe, TV broadcasting and live attendance of sport games join together millions of supporters every year. In regards to football, Leal et al. (2008) explains that with time, football supporters have developed tribal behaviors as the result of a great passion that links fans through shared cult places and specific terminology and symbolism. Branscombe et al. (1991) says that fandom allows the individual to be a part of the game, without requiring any special skills. Furthermore, fandom offers social benefits such as feeling of camaraderie, community, solidarity and enhanced social prestige and self-esteem. Leal et al. (2008) states that in contrast to a market segment, a tribe can be defined as a network of heterogeneous persons in terms of gender, age, sex, and income, who are linked by a shared passion or emotion. Its members are not only consumers but also advocates.

Hunt et al. (1999) suggest that sports fans can be divided into different categories, depending on what type of fan you are. According to the authors, this typology of sports fans has important implications for sports marketers as a segmentation variable. This is also supported by Giulianotti (2002) who divides spectators into four different types; Supporter, Fan, Follower, and Flâneur. Hunt et al. (1999) says that when divided into different segments of categorization, the marketers can leverage this information to develop the best product, distribution, and message to more efficiently reach the specific spectator-type. All fan types have different motives and behavior (Hunt et al., 1999; Giulianotti, 2002) and thus requires differential emphases in critical marketing stimuli that sports marketers control. Tapp (2003) explains that supporter loyalties are very complex as a series of behavioral, demographic and attitudinal factors are particularly important. Moreover, the most important issue for sports marketers seeking to use direct marketing to target their fans is that loyalty cannot be relied upon. They will have to look underneath the surface of supporter loyalty to reveal a belief system that is closer to concepts like self image, community belonging, backing the
underdog than it is to product satisfaction and service delivery. In this sense, sport as a product is fundamentally different to those in more mainstream sectors. As there is a complexity of different supporter segments and different needs of each supporter, Tapp (2003) supports a database-driven approach to marketing strategies within this field to accurately understand what makes their customers tick. Both Hunt et al. (1999) and Giulianotti (2002) agrees that the different classifications they present may be sequential, which means that one may start as one type of spectator and progress to another state.

### 3.5.1.1 Classification

Hunt et al. (1999) says that others have realized the existence of different types of sport fans and the need to classify them. Smith (1988) made the distinction between “serious” and “normal” sports fans. Similarly, Real & Mechikoff (1992) suggested the concept of “deep fan” which entails a ritual identification with mass-media sports productions and related commercial advertising. For this deep fan, sport provides a means of identification, celebration, expression, and interpretation of social life. This is also portrayed in the consumer buying behavior, motivated by being affiliated with a social activity. Hunt et al. (1999) focuses on the sources of motivation and behavior by different types of fans to classify them. They are able to make clear distinctions between five different types of fans: the temporary fan, the local fan, the devoted fan, the fanatical fan and the dysfunctional fan. Giulianotti (2002) also argues that a classification should be made in order to make more accurate market segments. He states that there are four ideal-type categories into which we may classify spectators, where the main criterion for classification relates to the particular kind of identification that spectators have toward specific clubs. Furthermore, he explains that these four quadrants represent ideal-type categories through which we may map the historical changes and cultural differences experienced by specific spectator communities in their relationships with identified clubs. In the traditional horizontal axis, the basis of the individual’s investment in a specific club is measured: Here, traditional spectators will have a longer, more local and popular identification with the club while Consumer fans will have a more market-centered relationship to the club, reflected in the consumption of club products. The hot-cool vertical axis reflects the different degrees to which the club is central to the individual’s project of self-formation. Giulianotti (2002) states that hot forms of loyalty highlight intense kinds of identification and solidarity with the club while cool represent the opposite. Each of these categories displays distinctive kinds of identification with a specific club and a particular motivation for such a personal association. Each category evidences a particular form of spatial relationship to the club.
According to Giulianotti (2002), the hot/consumer spectator is a modern fan of a football club or its specific players, especially its celebrities. The author states that the fan is hot in terms of identification, but it is a relationship that is rather more distant than that enjoyed by supporters. Thus, the fans strength of identification with the club is authenticated most eagerly through consumption of related products. The consumer relationship is at its strongest among the wealthiest of football clubs. The thicker manifestation, bordering on the supporter identity, the fans consumption practices is oriented toward enhancing the collective consciousness, intensifying the rituals of support. If large groups attend matches in club shirts or other trademarked colors (Scarfs, hats, painted faces etc), then this striking display of visual solidarity may energize the players during matches. Football fans resemble the fans of leading musicians and actors through their largely unidirectional relationship towards these household names.

As explained previously, Hunt et al. (1999) suggests a different classification from Giulianotti (2002), which involves five different types of fans: the temporary fan, the local fan, the devoted fan, the fanatical fan and the dysfunctional fan. In addition, they also suggest specific strategies and tactics related to targeting each of these fan types. To reach the temporary fan, timing is the key. Marketers should attempt to leverage past successful events by reminding temporary fans of these events and
of their enjoyment from them. The local fan derives satisfaction because they associate some feature of the sport consumptive object with a local, geographical aspect. To reach these types of fans, it is suggested that marketers should develop a message convincing and reminding the local fan that the fan has a “stake” in their local team. Any message developed should include the fans attachment to the team to reinforce the local appeal. The third classification is the devoted fan which is easiest to connect to by using the Internet. The devoted fan will seek information about the team and thus, the marketers should link their goods and services or the firm’s name to these specific pages where these fans go to seek information. The fanatical fan is similar to the devoted fan with the exception of the emotional intensity felt about the personality or team. Marketers should take advantage of these feelings and experiences of the fanatical fan by offering additional ways for them to express their emotions and devotion to a specific team, such as bumper stickers, team clothing and other memorabilia. To the fanatical fan, displaying their loyalty and identification to “their” team by purchasing these kinds of products, is critical to self-identification. In addition, marketers must also understand the significant role the fanatical fan plays at a sporting event itself, because the event itself can become more of a positive experience for the local, temporary and the devoted fan. Reaching these fans with the right communication message can result in a more loyal customer. These fans are reached through links on team pages, sponsorship of broadcasts, and through club sponsorships. Hunt et al. (1999) explains that these fans are more likely to spend their additional income on team merchandise in an attempt to reinforce their identity. There is also the part of the dysfunctional fan (also called the hooligan), which the major marketing effort should be channeling their socially unacceptable behavior into behavior that is more socially acceptable – in other words, a demarketing effort.

3.6 Hypotheses

By conducting an extensive literature review we were able to derive hypotheses’ from the theories presented in this chapter.

According to Greenyer (2006), we have during the last 15 years seen enormous strides made towards greater marketing measurability. Frankel (2007) supports this and states that almost all online marketing can be measured accurately. Most often, the problem with measuring online marketing is not lack of information, instead, it is rather to know what is going to be measured and how the information is going to be interpreted. The number of page views and number of unique visitors are the most common metrics used to measure the effectiveness of an online campaign (Cotter, 2002).
In order for us to evaluate which impact a social media extension strategy can have on an online based company, we have set up four hypotheses.

The first hypothesis concerns a social media campaign and visitors.

**H 1:** *For an online company, a social media campaign has positive effect on amount of visitors / day on the webpage.*

The second hypothesis concerns a social media campaign and time spent on homepage.

**H 2:** *For an online company, a social media campaign has positive effect on average time spent on the webpage.*

The third hypothesis concerns a social media campaign and unique visitors.

**H 3:** *For an online company, a social media campaign has positive effect on amount of unique visitors / day on the webpage.*

The fourth hypothesis concerns a social media campaign and page views.

**H 4:** *For an online company, a social media campaign has positive effect on number of page views.*
4. Results

4.1 Webpage
This part is devoted to show the results gained from our experiment. Our hypotheses gave us the factors to measure which were; visitors, unique visitors, average time spent on the webpage and page views. For the webpage we will present two tables showing, day by day, the measurements taken. To clarify the table it is required to explain the different terms used.

**Visitors** – This refers to how many visitors the webpage has each day. If two people log on to the webpage 10 times each, the number of visitors will be 20.

**Unique visitors** – This refers to how many individuals that have logged on to the webpage. If two people log on to the webpage 10 times each, the number of unique visitors will be two.

**Average time spent on homepage** – This refers to how much time each visitor spends on the webpage in average. If two people log on to the webpage, one for three minutes and the other one for one minute, the average time spent on the site by these two will be two minutes.

**Page views** – A webpage is consisting of one or more pages, which are called sub-pages. This could for example be the “contact us”-page or the “products”-page and then every product has its own sub-page. This measurement tells how active the visitor is on the webpage, i.e. how much he looks around at the homepage.

<table>
<thead>
<tr>
<th>Measure/Day</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>Tot.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors</td>
<td>53</td>
<td>67</td>
<td>52</td>
<td>51</td>
<td>49</td>
<td>34</td>
<td>48</td>
<td>51</td>
<td>39</td>
<td>43</td>
<td>487 (48,7)</td>
</tr>
<tr>
<td>Unique Visitors</td>
<td>46</td>
<td>50</td>
<td>48</td>
<td>47</td>
<td>45</td>
<td>34</td>
<td>45</td>
<td>46</td>
<td>36</td>
<td>43</td>
<td>440 (44)</td>
</tr>
<tr>
<td>Average time spent on site</td>
<td>03:04</td>
<td>03:01</td>
<td>02:40</td>
<td>03:14</td>
<td>02:27</td>
<td>00:50</td>
<td>01:17</td>
<td>01:05</td>
<td>02:54</td>
<td>01:07</td>
<td>02:10</td>
</tr>
<tr>
<td>Page Views</td>
<td>413</td>
<td>423</td>
<td>328</td>
<td>360</td>
<td>340</td>
<td>194</td>
<td>362</td>
<td>231</td>
<td>237</td>
<td>304</td>
<td>3192</td>
</tr>
</tbody>
</table>

Table 6. Webpage before social communication channels

<table>
<thead>
<tr>
<th>Measure/Day</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>Tot.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors</td>
<td>70</td>
<td>52</td>
<td>57</td>
<td>151</td>
<td>72</td>
<td>98</td>
<td>92</td>
<td>90</td>
<td>52</td>
<td>45</td>
<td>779 (77,9)</td>
</tr>
<tr>
<td>Unique Visitors</td>
<td>62</td>
<td>47</td>
<td>51</td>
<td>140</td>
<td>68</td>
<td>79</td>
<td>68</td>
<td>73</td>
<td>46</td>
<td>44</td>
<td>678 (67,8)</td>
</tr>
<tr>
<td>Average time spent on site</td>
<td>04:28</td>
<td>05:38</td>
<td>08:00</td>
<td>03:08</td>
<td>02:35</td>
<td>05:13</td>
<td>06:02</td>
<td>03:59</td>
<td>00:57</td>
<td>01:14</td>
<td>04:12</td>
</tr>
<tr>
<td>Page Views</td>
<td>625</td>
<td>523</td>
<td>730</td>
<td>944</td>
<td>499</td>
<td>1162</td>
<td>1229</td>
<td>827</td>
<td>254</td>
<td>263</td>
<td>7056</td>
</tr>
</tbody>
</table>

Table 7. Webpage after social communication channels
In table 6 it is shown that, during our experiment period of ten days, the average amount of visitors before the introduction of the social communication channels was 48.7. The number of unique visitors was slightly lower at an average of 44. The average amount of time that the visitors spent on the webpage during the first ten days was 2 minutes and ten seconds. The number of viewed pages ended up at a total of 3192.

This should be compared with the numbers presented in table 7 when the social communication channels became introduced. During this time period, the number of visitors was an average of 77.9. The amount of unique visitors was also here slightly lower at an average of 67.8. The average amount of time that each visitor spent on the webpage was 4 minutes and 12 seconds. The number of viewed pages ended up at a total of 7056.

### 4.2 Social Communication Channels

In this part we will present the descriptive statistics gained from our different social communication channels. The intention with the channels was to connect with the company’s intended target group in online platforms that they already use and are familiar with. As we have presented before, the social communication channels that were used were; Facebook.com, YouTube.com and Wikipedia.org.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Facebook.com/Tifo.se</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fans</td>
<td>77</td>
</tr>
<tr>
<td>Demographics</td>
<td></td>
</tr>
<tr>
<td>- Sex</td>
<td></td>
</tr>
<tr>
<td>- Age</td>
<td></td>
</tr>
<tr>
<td>Men (79%)</td>
<td></td>
</tr>
<tr>
<td>Women (18%)</td>
<td></td>
</tr>
<tr>
<td>13-17 (0%)</td>
<td></td>
</tr>
<tr>
<td>18-24 (48%)</td>
<td></td>
</tr>
<tr>
<td>25-34 (39%)</td>
<td></td>
</tr>
<tr>
<td>35-44 (10%)</td>
<td></td>
</tr>
<tr>
<td>45- (1%)</td>
<td></td>
</tr>
<tr>
<td>Total Interactions</td>
<td>9</td>
</tr>
<tr>
<td>Likes</td>
<td>8</td>
</tr>
<tr>
<td>Top Countries</td>
<td>Sweden (57)</td>
</tr>
<tr>
<td></td>
<td>Norway (10)</td>
</tr>
<tr>
<td></td>
<td>USA (4)</td>
</tr>
<tr>
<td>Unsubscribed</td>
<td>1</td>
</tr>
<tr>
<td>Page views</td>
<td>677</td>
</tr>
<tr>
<td>Unique page views</td>
<td>395</td>
</tr>
<tr>
<td>Photo views</td>
<td>108</td>
</tr>
</tbody>
</table>

**Table 8. Facebook.com descriptive statistics**
As can be seen in table 8, the total number of individuals that joined the Facebook-group was 77, the majority of which were men (79%) in the ages between 18-34 years. There were a total of nine interactions, which can be either comments on posted content, when a person writes on the wall or likes an update. There was a total of 8 likes which means that someone in the group press a button that says they like the current status or update of the page. The top countries in the group were Sweden, Norway and USA. There was one individual who unsubscribed, which means that s(he) did not find any interest in this group. The total amount of page views was 677 with 395 unique page views. In the group there were photos of the products uploaded which were viewed 108 times.

In the YouTube channel that was created, a total of seven videos were uploaded by the researchers. During the 10 days of measurements, these videos were viewed 340 times and the particular channel 88 times. The majority who watched these clips were men. The most dominant age group was that between 18-24 years and that between 25-34 years. There was no one who subscribed to the channel. The top countries were Sweden, Denmark and Marocko. The vast majority of those who watched the clips searched for them through the YouTube start page but 5,8% were directed from the Facebook-channel.
We actively searched for blogs that contained news about tifo-related sports and the results was that Tifo.se was mentioned in one blog. This blog made a post about the offer that was posted in the Facebook-group. There was also one blog who created a link to tifo.se and one comment to a blog-post about tifo.se.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Blogs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mentions</td>
<td>1</td>
</tr>
<tr>
<td>Links</td>
<td>1</td>
</tr>
<tr>
<td>Comments</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 10. Result Blogs

The statistics showed the following specific traffic sources which mean that a visitor has used a link from the specific site to get to the webpage. There were 21 visitors directed from Facebook.com, 17 visitors from Wikipedia.com and two visitors from YouTube.com. These figures do not tell the whole truth due to the fact that if a visitor has already visited the webpage, the address is saved in the address field in the users browser. This makes it unnecessary for the user to use a link to get to the webpage. This means that these numbers are only from visitors who have located www.tifo.se through a link on any of these pages.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Specific Traffic Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>21</td>
</tr>
<tr>
<td>Wikipedia</td>
<td>17</td>
</tr>
<tr>
<td>YouTube</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 11. Result Specific Traffic Sources
5. Analysis

5.1 Webpage
The aim of conducting an online channel extension was to launch social communication channels through which people in the company’s target group could interact with the company. By using a multichannel configuration it was possible to reach consumers that had not yet heard about the specific company’s webpage and direct them towards it which is supported by Maymann (2008) who says that companies today are using social media in order to communicate with new customers. Weber (2007) agrees and argues that people’s usage of social media has changed the way individuals interact with each other, which means that companies have to approach the public in different ways than before.

By comparing the result between time series $O_{11}$-$O_{10}$ and $O_{12}$-$O_{20}$, it is shown that when introducing social communication channels to a web-based company that only uses a single online channel, the number of visitors rose by 60%. This can be traced back to the extension of the company webpage by social media. Before the introduction of the social communication channels, the only way to find the company webpage was either to use a search engine or to know about the company in advance. After introducing the different channels, the company brand was exposed to a range of possible customers who were likely to never have heard about the company, which is supported by that the average time spent on the site also rose. An explanation for this is that these were new visitors who were not familiar with the webpage. The number of unique visitors rose by 54%, a significant rise which confirms Stelzners (2009) research, which states that the number one reason for using social media is to generate exposure for the business and the second is to generate traffic to the webpage which in this thesis has been proven successful.

When analyzing the average time spent on the webpage, it is analyzed how active the consumers have been on the webpage. This can also be linked to the number of page views. The higher the average time spent on the webpage and the more page views a consumer has, the more active the user has been on the webpage. Before the channel extension took place, the customers spent an average time of 2 minutes and 10 seconds on the webpage. When opening up the social communication channels, the average time spent on the site rose significantly by 94% to 4 minutes and 12 seconds. The number of page views rose by 121% from 3192 to 7056. This can also conclude that majority of the webpage visitors, during time series $O_{11}$-$O_{20}$, were new visitors. This is strengthened both by that the customer spent more time on the site and viewed more pages. Another indicator that most of the visitors were new is the rise of the average amount of visitors / day. Furthermore, an important aspect to consider when interpreting these results is the target
group. We believe that the results show that the target group was accurately identified and located. The significant rise of the average time spent on the webpage and number of page views indicates that the users found interest in the site and the target group had been located. This receives support from Gurău (2008) who state that the online audience today rather pulls the information that suits their interests and needs. These results state that when extending the company’s only online channel, the company’s online communication reaches more potential customers. This is strengthened by Albesa (2007) who clarify that coordination of channels is an essential factor of the multichannel strategy. When integrated channels are provided, many paths are possible.

5.2 Social Communication Channels

The aim of using social communication channels as extensions is to be seen in channels that the company’s target group already is using and allow customers to connect with the company in a more direct manner (Brennan, 2010). By using these vast online communities, the company has the ability to connect with a huge amount of potential customers in the specific target group. Ferguson (2008) agrees and argue that social media has allowed companies to improve their approach which enables them to reach the changing target group they desire to have as customers. Maymann (2008) states that the companies are relocating its resources and rely more on social media campaigns to bring them new customers. It is not enough for the company to know why social media is beneficial, they also have to know who their intended target group is and how to connect with them. Spencer and Giles (2005) state that knowing who you are targeting is the key issue before implementing any marketing campaign. Furthermore, the author mean that the audience online cannot be segmented by traditional demographics, on the Internet the audience is characterized by community of interest.

The results from the social communication channels show that the intended target group was found accurately. This shows that an accurate analysis was made concerning channel choices for the specific target group.

5.2.1 Facebook.com

In the results gathered from the Facebook-channel it can be seen that a vast majority of the members were connected to the case company’s intended target group. The most dominant group in this channel was men in the ages of 18-34. Barnes et al (2008) state that the group of people that is most desirable for firms to reach are in the ages 25-55. He stresses that these people use social media to find out more about a company and they will also share their opinions about the company with others through social media. There were almost 900 users invited to join the group by which 77
actually did join. This gives indication that users do not join all groups they are invited to. Instead, it is more likely that a user on Facebook joins communities of interest which in this case would be sports and sports related products. This is also supported by the fact that 677 users, which of 395 were unique, chose to enter the Facebook-channel to see what it was and 77 joined. According to Bagozzi & Dholakia (2002) people come to these communities seeking information, encouragement and conversation. Furthermore, they argue that for these smaller groups to succeed, they need to meet the needs of the individuals in the group. This means that the users that did not join did not have any interest in this community. Bagozzi & Dholakia (2002) clarify that membership, involvement and communication in these communities is driven by volitional choice. Another aspect to consider is that only one user in the Facebook-channel chose to unsubscribe to the group. This also motivates that the invited members had interest in the group. In this channel 11 photos were uploaded of the case company’s products. These were viewed 108 times which also indicates that the users had interest in the case company’s offerings. Weinberg et al. (2007) emphasizes that the most successful companies at multichannel marketing are those who have establish and kept connections between the channels and the product groups.

From the statistics it is shown that 21 visitors were directed from the Facebook-channel to the webpage which means that this channel showed the highest potential of the chosen channels for driving traffic to a webpage.

5.2.2 YouTube.com
In the YouTube-channel, seven videos of different tifos were uploaded and tagged with specific key words. These videos were viewed 340 times during the experiment and 88 users entered the created channel to view a video. The most dominant group in this channel was men in the ages of 18-34. The difference between the Facebook- and the YouTube-channel is that in Facebook, users are invited and the channel creator finds his or her segment whilst in YouTube it is rather the segment that finds the creator. Traffic and views were gained from adding key words that the segment responded to. Furthermore, pasting links referring to the YouTube-channel in the other social communication channels managed to drive some traffic. With only two users being directed from the YouTube-channel to the webpage, we conclude that this social communication channels primary function is not to drive traffic towards a webpage.

Moreover, when comparing the demographic results between the YouTube- and the Facebook-channel, there is compelling likeness. Therefore, this can imply that users from the Facebook-channel followed the YouTube-channel link that was posted in Facebook to gain access to multimedia that
could not be found elsewhere. This showed that the YouTube-channel could be used as a complement to other social communication channels by offering multimedia and entertainment. The experiment shows that this channel is an important compliment to other channels due to that the company gets the possibility to interact (by cross-linking) in a channel that is not perceived to be commercial in use. This is in line with Weinberg et al (2007) who explain that synergy can most easily be created through coordinating different channels or handing off from one channel to another. A content community like YouTube is also important to use in a multichannel configuration since the company gets the possibility to create emotions and long-term engagement by using video-multimedia.

5.2.3 Wikipedia.com
The only statistics gained from the Wikipedia-channel was that 17 users were directed to the webpage from the article concerning tifo. Thereby, an indication can be made that this could be a useful channel when it comes to directing traffic to a webpage with regards to the fact that the link to Tifo.se only was available for 24 hours before it was deleted by another member. Kaplan & Haenlein (2010) emphasize that Wikipedia is the most well known and powerful wiki since the amount of users are increasing frequently. Another factor by which Wikipedia could be good at driving traffic is that this site is always ranked as top search-result by any search engine. Hence, by using Wikipedia as an extension channel, the company brand will be displayed as top search-results in any search engine.

An important aspect to consider when using Wikipedia is that the content that is written is critically reviewed by other users and that no commercial content or commercial links are approved. Instead, we suggest that a more fact-based article should be written to give information about a company and its products. This is in accordance with Cress and Kimmerle (2008) who argue that Wikipedia could be used to support learning and knowledge building.

5.2.4 Blogs
In the time series $O_{11}$-$O_{20}$, the company got written about in one blog that was related to tifo-sports. This post was about the case company and the latest offer that had been posted in the Facebook-channel. With regards to the conceptual framework concerning blogs (Kaplan & Haenlein 2010; Kent 2008; Smudde 2005) and the results from the conducted experiment, it can be concluded that this channel is most suitable when combining the company’s own blog with trying to get mentioned by other blogs relating to the same topic. This is because the more interactive a company is on the web,
the higher the probability is that they will get mentioned by a blog that is topic-related. If so, the credibility for the company may increase. Due to the limited time for the experiment, there was no time to create a credible blog for the company. Therefore, it can be argued that this channel rather should be looked upon as a long-term marketing effort.

5.3 Summary

As seen in the results, the target group was accurately found in this experiment. For a social media campaign, this is vital. If the right target group is not found and engaged in the channels used by a company, the communication will not be efficient since the audience has no interest in the company’s communication. In this experiment, the model of “classification of sports fans” by Gulianotti (p.64) together with Hunt et al. (1999) classification was used to determine which target group to aim for and how to communicate with them. Albesa (2007) underline that companies must investigate what their customers channel preferences are and what motivates them to use a particular channel. This shows that a complete analysis regarding target group channel preferences and usage should be made before incorporating social media in the overall communications strategy of a firm.

Another aspect which is considered to be of utmost importance is that of barriers to online communication. As mentioned in the framework, trust becomes especially important for the customer online (Riddik et al. 2004; Frankel 2005). The different dimensions of e-trust that were identified during the experiment were: ease of use for the customer, design of webpage, customization, responsiveness and assurance. These are all important issues and if not met, the customer will feel unsatisfied with the webpage and not return. Vilnai-Yavetz and Rafaeli (2006) and Cristobal et al. (2007) also argue for the importance of the design on the virtual webpage as they emphasize that it is most likely that the company’s webpage affect the customer’s feelings, opinions and attraction towards doing business with the company. As the purpose of social media is to engage the customer, preferably over long-term, these barriers need to be torn down from the company’s perspective. Cristobal et al. (2007) state that the lack of security as perceived by online customers is one of the main obstacles to the development of e-commerce. In this experiment, the barriers on the webpage in question were identified. There was little or no chance to respond to the company concerning new products or delivery times, the webpage also lacked the possibility to appeal to the customer’s emotions and the most important thing, there was little or no assurance concerning payments. These barriers were neutralized before the launch of the campaign to give as accurate results as possible. A safe payment system was incorporated in the webpage and the design was
improved so the customer would have an easier interface to navigate in. There was also a discussion forum added so customers could interact with each other and the company on the site.

As seen in the results and theoretical framework (Albesa 2007; Duffy 2004; Kaplan & Haenlein 2010), each of the social communication channels possess different strengths and weaknesses in regards to their abilities to drive traffic, create awareness, interaction level, cost, information quality levels, image control and communication facilitation. This means that a company must evaluate for what purpose to use a channel and how these can be combined to create a viral synergy. According to Prasad and Sethi (2008), the interaction between the instruments of the communications mix targeted at the same market segments creates synergy – an increase in the effectiveness of each instrument due to the presence of the other instruments. A viral synergy in social media means that the user is directed from one channel to another to gain more traffic both in the channel and to the webpage. This is why channels should be chosen to support each other rather than having many channels with similar functions and characteristics. Duffy (2004) argue that companies who are performing multichannel marketing have learned that one channel does not cannibalize on another channel, therefore the channels complement each other and creates a stronger relationship with the customers. Weinberg et al. (2007) agrees and says that to develop a successful multichannel strategy, a company must understand the value each channel brings, including the strengths and weaknesses and also determining where channel synergies are occurring. In this experiment, the channels were chosen to support each other by creating channels with both high and low interaction levels, high and low information quality, both text-based and video-based communication and with usage purposes both to drive traffic and create awareness. We could see a clear synergy occurring between the Facebook-channel and the YouTube-channel as there were a lot of visitors that came from Facebook to YouTube, following the posted link. In chapter six, a table of social communication channel characteristics is presented.
6. Conclusions

6.1 Hypotheses

In this thesis, a number of hypotheses were created to find answers to whether a channel extension through a social media campaign could have positive effects on the marketing communications of an online-based company. Below it is presented if the hypotheses were confirmed or not confirmed.

**H 1:** *For an online company, a social media campaign has positive effect on amount of visitors / day on the webpage.*

The first hypothesis is confirmed. A social media campaign has positive effect on the amount of visitors / day since the dependent variable showed a 60% increase.

**H 2:** *For an online company, a social media campaign has positive effect on average time spent on the webpage.*

The second hypothesis is confirmed. A social media campaign has positive effect on average time spent on a webpage since the dependent variable showed a 94% increase.

**H 3:** *For an online company, a social media campaign has positive effect on amount of unique visitors / day on the webpage.*

The third hypothesis is confirmed. A social media campaign has positive effect on amount of unique visitors / day since the dependent variable showed a 54% increase.

**H 4:** *For an online company, a social media campaign has positive effect on number of page views.*

The fourth hypothesis is confirmed. A social media campaign has positive effect on number of page views since the dependent variable showed a 121% increase.

6.2 Discussion

It is evident that a web-based company can use social media successfully in their marketing strategy. The research presented here builds on previous studies and the marketing literature concerning channel extensions (Albesa 2007; Weinberg et al. 2007; Gensler et al. 2007) and social media marketing (Kaplan & Haenlein 2010; Solis & Breakenridge 2009; Maymann 2008). It indicates a positive relationship between social media and the ability for a company to attract more potential customers to their webpage. This study also shows that each of the investigated channels possess’ different characteristics regarding concepts of interaction level, information quality, control of image, type of communication, usage purpose and cost. This gives evidence of that when using social media as a channel extension, a company must consider how they want to interact with customers, how the
The purpose of this thesis was to explore and investigate how a web-based company could make use of social communication channels and why a web-based company should use them. Another purpose was to generate recommendations on how these channels could be combined to create a viral synergy effect for such a company. To reach this we have concluded how these channels can be used by a company by performing an experiment with the social communication channels. This experiment also gave answer to why a web-based company should use these channels due to the fact that all hypotheses were accepted and it was concluded that using a channel extension strategy gains the possibility of attracting more consumers to a webpage.

6.3 Implications for theory

Below we have constructed a table which clarifies and present the characteristics of the different social communication channels.

<table>
<thead>
<tr>
<th>Channel</th>
<th>Interaction</th>
<th>Information quality</th>
<th>Control of Image</th>
<th>Type of communication</th>
<th>Main purpose of usage</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wikipedia</td>
<td>Low</td>
<td>Medium</td>
<td>Low</td>
<td>Text based</td>
<td>Brand awareness, driving traffic</td>
<td>Low</td>
</tr>
<tr>
<td>Blogs</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
<td>Text based or video based</td>
<td>Create long-term relationships</td>
<td>Low</td>
</tr>
<tr>
<td>Content communities</td>
<td>Medium</td>
<td>Medium</td>
<td>Low</td>
<td>Text based or video based</td>
<td>Inform the target audience, compliment with multimedia</td>
<td>Medium</td>
</tr>
<tr>
<td>Social networking sites</td>
<td>High</td>
<td>Medium</td>
<td>High</td>
<td>Text based, image based or video based</td>
<td>Obtain real feedback and drive traffic to the webpage</td>
<td>Medium</td>
</tr>
<tr>
<td>Virtual game worlds</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Text based and action based</td>
<td>Inform and interact with the target audience</td>
<td>High</td>
</tr>
<tr>
<td>Virtual social worlds</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Text based and action based</td>
<td>Inform and interact with the target audience</td>
<td>High</td>
</tr>
</tbody>
</table>

The findings contribute to understanding channel extensions through social media and what impact it can have on a web-based company. As the findings indicate, a positive relationship between the
implementation of social media and the ability to attract new potential customers has been found. Kaplan and Haenlein (2010) use existing media research theory to explain the difference between different social media applications. In their model (p. 46) the authors present social media applications divided by social presence, media richness and social processes such as self-presentation and self-disclosure. Kaplan and Haenlein (2010) conclude that the social media channels can be diversified by placing them by the above mentioned categories. Based on our experiment and on Kaplan and Haenleins model, we present a table were the social communication channels qualities are identified concerning factors as level of interaction, information quality, control of the company image, main purpose of usage and the usage cost. However, in the conducted experiment all the social communication channels were not included because they did not fit in the particular experiment. The table is derived from combining findings in the experiment with the theoretical framework. This table states that all the social communication channels are diverse in many aspects. Some channels have better characteristics for driving traffic and some for conveying the company image. The table contributes to understanding how each channel functions and what the purpose for each channel is. The table lacks the benefit of defining target group usage in the different channels and this is because each channel contains many different target groups who use the channels in different ways.

One implication is that models concerning social media marketing should stress the importance of how the target group is found in the online environment and how they prefer to be engaged with the aim of gaining a more holistic view concerning the implementation of social media. So far, marketing literature does not consider the importance of finding the right target group online nor the concern of channel choice for the company.

Another aspect enlightened by previous studies and by the experiment is that the decision of the pursued segment is vital for a marketing effort to be successful. For the company to be successful in the world of social media, it is a necessity to accurately identify the target group. After determining the target group an analysis should be made concerning channel choice and target group preferences. When a set of channels have been chosen for a channel extension strategy, the campaign must identify which objectives to follow and what the core purpose of the extension is. If a company does not have any objectives and core purpose of its channel extension, no proper evaluations can be made concerning the success or failure of the channel extension strategy.
6.4 Implications for practice

From the findings there are some implications for practice. If a company decides to engage social media in their overall communications strategy, the implication is that a holistic strategy must be made concerning current webpage performance, how to engage with the target group online and what channel to choose for delivering the company message.

Finally, based on the findings from this study companies can use social communications channels effectively and our table on social communication channels characteristics (p.77) offers managers a framework on which it is possible to develop a successful multichannel strategy.

6.5 Further Research

The authors of this thesis encourage further research on the topic of channel extension and social media, in order to validate social media as a valuable tool for online marketing communications.

A suggestion could be made that further research should focus on the consumer perspective of social media. This would enable to contrast the validity of social media as a medium which meets the needs and expectations of online consumers.

Further research should also be made concerning what economical implications social media could have on a company as this is rarely discussed. This would provide enough evidence for a company to incorporate social media in their overall communications if a positive connection should be found.
7. References

Bibliography


Linnaeus University – a firm focus on quality and competence

On 1 January 2010 Växjö University and the University of Kalmar merged to form Linnaeus University. This new university is the product of a will to improve the quality, enhance the appeal and boost the development potential of teaching and research, at the same time as it plays a prominent role in working closely together with local society. Linnaeus University offers an attractive knowledge environment characterised by high quality and a competitive portfolio of skills.

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