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UNIVERSITY of OULU

# **Use of social media as a part of organizations marketing strategy: Opportunities, challenges and solutions.**

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Department of Information Processing  
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Paavo Orajärvi  
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## Abstract

The aim of this thesis is to provide companies guidance on how to adopt social media as a part of their marketing strategy and efforts. Social media has been making its way to being a crucial part of marketing communications for over a decade now and its importance has been steadily growing over the years. Marketers and managers have started to see the potential in the channel, and early research on the phenomenon has provided them with insight on how to use the channel properly.

With use of literature the author wants to show how companies can benefit from the use of social media in marketing, and what challenges they may face while implementing these changes. Along with possible benefits companies will face risks when engaging with social media. There are some key challenges arising from the literature that will be tackled and given guidance on how to counter them.

### *Keywords*

Social media marketing, mobile social media, mobile marketing, user generated content

### *Supervisor*

Postdoctoral researcher Karin Väyrynen

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# 1. Introduction

The Purpose of the study is to introduce readers what social media marketing is all about and how it works in relation to traditional marketing methods. Other emphasis of the study is mobile social media marketing. The author will conduct a literature review on these topics and summarise what earlier researchers have said about the phenomenon, extract some key aspects of how marketers can take advantage of social media and also go through the main challenges of social media marketing.

The main motivation for conducting this study is the ever growing importance of social media in the area of marketing. Printed media is losing its power to digital channels in the web and the marketing world is forced to adapt to this change. Mobile use of the internet and social media is also growing fast and for this reason it will also get some attention in this literature review. (Kemp, 2015)

The fast rise, potential and role of social media in the area of marketing has been noted by numerous researchers (Kaplan & Haenlein, 2010; Tuten, 2008; Mangold & Faulds, 2009; Kietzmann, Hemkens, McCarthy & Silvestre, 2011). Also the mobile marketing in relation with social media has been under considerations by researchers for a while now (Kaplan, 2012; Humphreys, 2013)

There are many reasons for the rise of social media in marketing. Social media can be seen as a more reliable source of information from the consumer point of view when compared to traditional media (Dijkmans, Kerkhof & Beukeboom, 2015) It can also work as a low cost alternative compared to traditional communication channels (Kirtis & Karahan, 2011), offering potentially very fast word of mouth diffusion with the social media channels. (Li, Lai & Chen, 2011) Along with positive benefits to be gained, there are also risks involved for companies willing to engage in social media, especially concerning company or brand reputation. (Aula, 2010)

Within the limits of this thesis, the author thoroughly investigates the literature in order to find answers to the following research questions: What are the challenges and possibilities arising from marketing in social media? How can companies prepare for these challenges?

The aim of this thesis is to give readers a clear understanding of the basics of social media marketing. Why is it important now? How to succeed and what should marketers avoid doing?

The first part of the thesis covers the basic knowledge and research of social media marketing like definitions of basic concepts and the different types of social media. The role of social media in marketing strategy will be addressed through literature. Mobile social media marketing will be introduced as its own sub-type of social media marketing, as it offers more targeted ways of marketing. The second part of the thesis (Chapter 3) will explain the opportunities and risks included with the use of social media. A few key challenges of implementing social media strategies are introduced, and also given some guidance and solutions from literature. Afterwards the matters arising from the literature will be discussed and conclusions drawn to tie it all together.

## 2. Different levels of social media marketing

This section will describe the terminology of social media marketing on different levels according to earlier research. Starting with some definitions of key terms on the topic we move on to different types of social media, and explain the relationship between traditional marketing efforts and social media marketing. Afterwards some specific mobile marketing opportunities will be explained, for the extent they are related to being part of the social media scene.

### 2.1 Basic definitions

#### 2.1.1 Social media and social media marketing

In this chapter the author will introduce a few definitions of social media from the literature that have best caught the key points of the phenomenon and choose one that will be used as a basis for this thesis. Social media marketing as an activity will also receive a definition from the literature.

*Social media refers to online communities that are participatory, conversational, and fluid. These communities enable members to produce, publish control, critique, rank, and interact with online content. The term can encompass any online community that promotes the individual while also emphasizing an individual's relationship to the community, the rights of all members to collaborate and be heard within a protective space, which welcomes the opinions and contributions of participants. (Tuten, 2008, p. 20)*

Kaplan & Haenlein (2010) describe social media as follows: "Social media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content (UGC)." (p. 61) Similarly Kietzmann et al. (2011) puts it like this: "Social media employ mobile and web-based technologies to create highly interactive platforms via which individuals and communities share, co-create, discuss, and modify user-generated content." (p.241)

All the definitions are quite similar, but in this thesis the author chooses Kietzmann et al.'s (2011) definition to be the one that best describes the whole phenomenon, for it also takes into account the mobile world we live in today.

Social media marketing on the other hand is a way of promoting a website, brand or business by interacting with or attracting the interest of current or prospective customers through the channels of social media. (Saravanakumar & SuganthaLakshmi, 2012)

#### 2.1.2 Web 2.0 and user generated content

The Term Web 2.0 was first used to describe a new way in which software developers and end-users started to utilize the world wide web; that is, as a platform whereby content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a participatory and collaborative fashion. Some important technical functionalities like Adobe flash, RSS and AJAX among others allowed this change to happen. User generated content is described to be the sum of all ways people make use of social media. (Kaplan & Haenlein, 2010.)

According to OECD (2007) UGC has three requirements: first it needs to be published either on a publicly accessible website or on a social networking site accessible to a selected group of people, second, it needs to show a certain amount of creative effort, and third, it needs to have been created outside of professional routines and practices. However, Wyrwoll (2014) depicts that social media and especially user-generated content, is a relatively young field of research and that there is no common understanding of the subject yet.

Berthon, Pitt, Plangger & Shapiro (2012) point out that marketers talk about both USG and consumer generated media (CGM) when referring to social media. They use these terms as synonyms, but want to distinguish that the media are the platforms used for distribution, while the content is what all those users around the world are creating, whatever the format. Authors see the producers of social media content as creative consumers and that these creative consumers are in possession of great power for value creation. The value can be in the form of taking part in a discussion, reviewing of products, or even product development.

## 2.2 Types of social media

There are numerous types of social media services available and to provide some classification of different social media services, in this thesis author will use the Kaplan & Haenlein (2010) classification consisting of six types of social media: Collaborative projects, blogs, content communities, social networking sites, virtual game worlds and virtual social worlds. In this classification authors have also divided different groups by the dimensions of Social presence/Media richness and /Self-presentation/Self-disclosure. See Figure 1.

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

**Figure 1.** Classification of social media by social presence/media richness and self-presentation/self-disclosure (Kaplan & Haenlein 2010, p. 62)

Tuten (2008) similarly classifies social-networking sites, virtual worlds, social news and bookmarking sites, wikis, forums and opinion sites under the umbrella of the phrase social media. Zarrella (2010) lists blogs, microblogs (Twitter), social networks (Facebook, LinkedIn, media-sharing sites (Youtube, Flickr), social bookmarking and voting sites (Digg, Reddit), review sites (Yelp), forums and virtual worlds (Second Life) as being parts of social media.

So there are some slight differences in the categorizations by different researchers, but they have close to same content. For the lack of review sites found within the classification by Kaplan & Haenlein (2010), it will be additionally included as it has some marketing potential especially in building trust for products and services.

### 2.2.1 Collaborative projects

According to Kaplan & Haenlein (2010) collaborative projects allow many end-users to create content together simultaneously. Later they divide the projects into text-based content projects called wikis and social bookmarking sites where users can rate internet links or media content.

Wikipedia, the free encyclopedia, is probably the best known project for the first category, while Digg, Delicious and Reddit are good examples of social bookmarking. To further explain the term, Reddit lets users of the network send links or text for other users to vote on, links with most positive votes get higher visibility in the network. Open source development projects are also good examples of text-based content projects and they usually use their own internal wikis as one communication channel in their projects.

Saravanakumar & SuganthaLakshmi (2012) describe social bookmarking as follows: “Social bookmarking is a very useful way to access a compiled list of bookmarks from a variety of computers, manage a large amount of bookmarks and share the bookmarks with contacts.” (p. 4448)

The marketing value of social bookmarking is in the value to be gained towards search engine rankings. Social bookmarking creates backlinks or incoming links to a website. Search engines use these links as kind of “votes” in favor of the page content and more votes count for a higher rank in searches. The domains that these links are coming from, are weighed by search engines, so ones coming from sites like Reddit have more value than ones from an ordinary blog for example. (Saxman, 2013)

### 2.2.2 Blogs and micro blogs

Blogs were the early birds of social media, they are special types of websites that usually display date-stamped entries in reverse chronological order. (OECD 2007) Blogs are most commonly text-based, but many kinds of media formats can be used to enhance the experience on some platforms. Blogs can be used as a business tool where one can write entries regarding content about the business area, products and other things. Blogs also allow interaction between the author and audience (readers/subscribers) in the form of comments. The audience can share their opinions and thoughts on the entries and the author can also further participate in the conversations arising from an entry. (Kaplan & Haenlein, 2010)

Singh, Veron-Jakson & Cullinane (2008) have found many uses for blogs in enhancing marketing efforts. Similarly to Kaplan & Haenlein (2010), they see that information sharing is an important use of blogs, but blogs can also be used for market research, building brand loyalty and for better communication to different customer segments. Ease and efficiency of blogging also support its use in marketing.

Li et al. (2011) see the value of blogging as a word of mouth engine and a great promotional platform for products and services. In their paper “Discovering influencers for marketing in the blogosphere.” they have seen blog influencers as an important factor for successful word-of-mouth marketing. By targeting influential blogs/blog sites marketers can diffuse promotional information through the networks. These influencing blogs work as nodes for launching marketing strategies improving effectiveness and availability of blog marketing efforts. Li et al. (2011) provide a Marketing Influence Value Model that helps in identifying these influential nodes in the blogosphere, the model will be explained in chapter 3.

Micro blogging is a special type of blogging where the size of an entry is limited, e.g. Twitter entries can contain up to 140 characters. Twitter has huge potential for marketing efforts: Twitter is easy and it requires little investment of time. Twitter can quickly increase buzz, sales and consumer insight. Twitter for businesses is a fast, easy and free way to: Stay on top of competitors actions, keep in touch with customers, offer discounts and sales announcements and get leads on business opportunities, trends etc. These benefits are very similar to the benefits mentioned earlier on blogs. By their nature, blogs aid search optimization and reduce the burden of post-purchase support and customer service. (Saravanakumar & SuganthaLakshmi 2012.)

Getting deeper into Twitter marketing, the author found a web article by Matthew Yeoman (2014), who provides a set of techniques to improve use of Twitter for better marketing value. As with blogs, influencers are seen as important with micro blogs, twitter in this case. The biggest fans of products are company's valuable promoters as are the trusted industry voices. Companies should engage these influencers and try to find ways to cooperate with them for mutual benefit. Yeoman also gives tips for following competition through Twitter and optimizing tweets for higher engagement. (Yeoman, 2014.)

### 2.2.3 Content communities

There are content communities available for many different media types like text, photos, video and even slideshows. Flickr & Instagram for photos, and YouTube for videos, are some of the best known content communities. The main objective of these services is the sharing of content between users. There is a low level of self-presentation related to these communities and only little data about users is shared within the community. For their high popularity, companies see content communities as an important contact channel for contests, product related content, sharing of recruiting videos or even press announcements. (Kaplan & Haenlein, 2010.)

Contrary to Kaplan & Haenlein (2010) content community such as YouTube may also be seen as social network for it meets the basic criteria of social networking by enabling the development and maintenance of networks on the site. (Tuten, 2008) Tuten (2008) also sees that posting videos and encouraging fans to interact are the main marketing mechanics of YouTube, but YouTube also offers tools for branding for example profile feature and contests where brands can seek consumer-generated advertising. The advertising potential in YouTube is huge and may allow very cheap media exposure when some video gains lots of popularity, or goes "viral" as such occasion is sometimes called.

Alicia Johnston (2015) has written a comprehensive guide for creating an Instagram marketing strategy. She sees the platform as a great tool for branding and especially customer engagement: "As people join Instagram in droves, brands have a unique opportunity for engagement with their fans: Instagram posts generate a per-follower engagement rate of 4.21 %—58 times more engagement per follower than Facebook and 120 times more than Twitter." To find a working strategy each business will need to carefully plan their engagement in Instagram beforehand by defining things like: objectives, content strategy, style, comment management, hashtag monitoring and of course analyzing results. (Johnston, 2015.)

### 2.2.4 Social networking sites

Kaplan & Haenlein (2010) define social networking sites as applications that enable users to connect with one and other through personal information profiles, inviting other users



like friends and colleagues, giving access to the personal profiles and sending email and instant messages between each other. Facebook, Google + and Myspace are few of the best known social networking sites.

Facebook provides advertisers vast selection of strategic tools: Targeted display ads, Social ads, Sponsored stories, Facebook pages (branding), Facebook developers (content development) and Beacon (social news feed) (Holzner, 2009; Tuten, 2008) These together provide a platform that gives marketers a lot of options for building a suitable business strategy.

Some advantages of using Facebook in marketing are mentioned by Saravanakumar & SuganthaLakshmi (2012) as follows: Establishing & enhancing brand image, establishing and enhancing authority in the market, market research purposes, using Facebook Groups for networking and of course targeted advertising.

Myspace also possesses a lot of features quite similar to Facebook: profiles, video, instant messaging, groups and communities, but also differentiates with features such as music and blogs. (Tuten, 2008) She also says in her book that Facebook is the second largest social network, Myspace being number one. However, sometime between 2008 and 2009 Facebook overtook Myspace (Saravanakumar & SuganthaLakshmi, 2012) and has been on the top ever since.

### 2.2.5 Virtual game worlds & virtual social worlds

Kaplan finds virtual worlds as the manifestation of social media because they offer highest level of both social presence and media richness. The first kind of virtual worlds are virtual game worlds, massive multiplayer online role-playing games (MMORPGs). World of Warcraft and EverQuest are some of the best known games of the genre. In these games players choose a role within the game world, in these roles they interact with other players and the environment in various different ways, within the rules set of the game. These games possess mostly marketing value within the game and franchise, but players often feel very strongly about their games, which can be leveraged by others in their marketing campaigns. (Kaplan & Haenlein, 2010.)

Virtual social worlds are the other type of virtual worlds where users can choose their way of behavior more freely compared to games, even live the virtual life as they would in real life. Compared to games, user's self-presentation is less controlled. Second Life by Linden Research Inc. is one of the best known social worlds. It allows users to do their real life things, but also lets users create content for example clothing. These user creations can be sold for virtual currency that can be exchanged for actual currency. This kind of allows users to actually "make a living" within the social world. Marketing potential is very prominent within these virtual social worlds for advertising, virtual product sales and marketing research. (Kaplan & Haenlein, 2010.)

Tuten (2008) separates the two virtual world types by stating that social worlds are game-like, but lack the goal orientation of virtual games. She also sees the marketing potential, but points out that these worlds are communities above all else.

### 2.2.6 Review sites

Some businesses have engaged their customers to review their products and made it an excellent way of promoting their brand in the eyes of consumers. By offering potential customers to see how others have liked a specific product, they are more likely to trust

the product is worth the money if the reviews are good, the others buyers strongly recommend it and say they would buy it again. Research has shown 76% of consumers use these online reviews to help decision making. (Li & Bernoff, 2008)

This allows consumers to have great power both positive and negative. This is also encouraged by Tuten (2008), encouraging authenticity and transparency to build credibility when seeking opinions from users, there is also advice to let users rate the review content itself. Yelp is one of the best known social media review sites where users can give their opinions on different kinds of services like, hotels, restaurants and many more. Users can leave a star rating ranging from one to five and leave comments and pictures.

### 2.3 Social media marketing in relation to traditional marketing

Integrated marketing communications (IMC) are the guidelines that companies use to communicate with their target markets. According to Boone & Kurtz (2009) integrated marketing communications attempts to coordinate and control the various elements of the promotional mix – advertising, personal selling, public relations, publicity, direct marketing, and sales promotion – to produce a unified customer-focused message and, therefore, achieve various organization objectives.

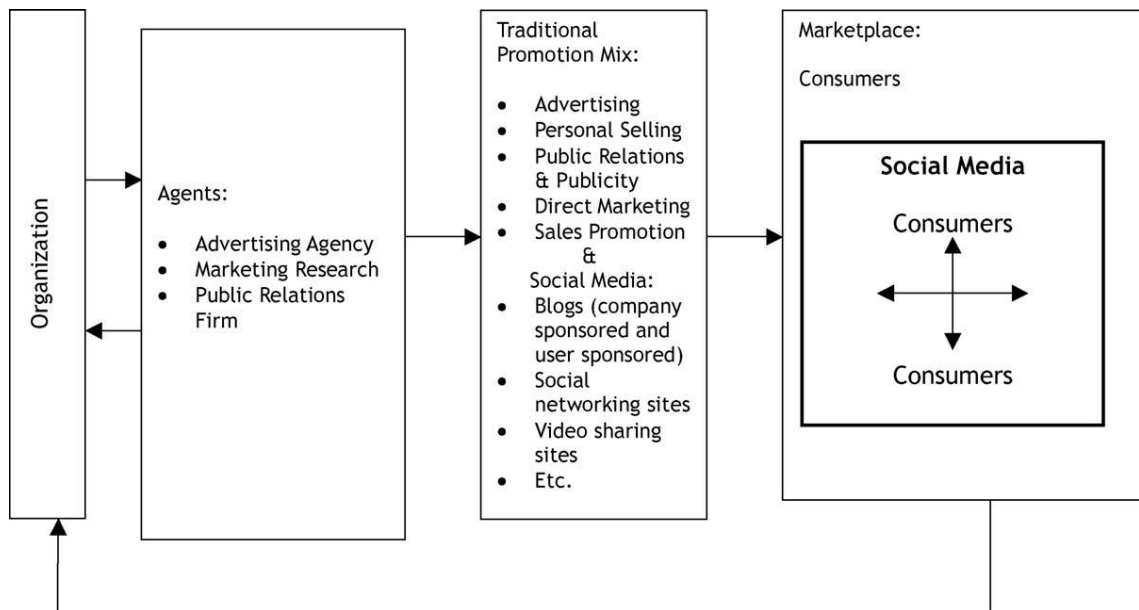
The definition above states that companies want to keep their sales and promotion messages unified which is achievable when we consider the traditional ways of promotion. However, communication in the era of social media can no longer be controlled as well by companies as in this traditional way.

According to Scott (2010), in the traditional marketing paradigm, marketing is one way interaction where the producer is the sender and customer is the receiver of messages. Today in the time of social media, marketers need to communicate in multi-way interaction where these roles of receiver and sender are mixed. (as cited by Lagrosen & Grunden, 2014.) Similarly Saravanakumar & SuganthaLakshmi (2012) compare traditional media channels to be “one direction static show technologies”, while new web technologies (social media) allow anyone to create and issue their own content.

Kietzmann et al. (2011) say that the rise of social media has led to democratization of corporate communication and that power has shifted from marketers and public relations people to the individuals and the communities creating, sharing and consuming social media in its many forms.

This leads to the problem that companies need to face this new kind of communication in their IMC strategy in order to have at least some control over the kind of strong word of mouth that social media in its different forms enables for social media users in the role of being consumers of products and services. Companies with established marketing strategies may struggle to make the jump into this new environment. Mangold & Faulds (2009) state that there is too little guidance available in the literature to help marketing managers incorporate social media into their IMC strategies, this is why many managers are overlooking social media as a promotional channel.

Because the traditional paradigm of promotion mix does not support social media as a part of IMC strategy, Mangold & Faulds (2009) propose that social media should be considered a hybrid component of the promotional mix and therefore be incorporated as an integral part of the organization’s IMC strategy. (Mangold & Faulds, 2009) This idea is presented in Figure 2.



**Figure 2.** New communications paradigm (Mangold and Faulds 2009, p. 360)

So the communication direction with traditional media used to be all about business to consumer (B2C) or business to business (B2B), but now social media enables consumers to talk to one another (C2C). This new way creates more powerful word-of-mouth that cannot be directly controlled by companies, but they can influence the conversations that consumers have with one another. (Kaplan & Haenlein, 2010)

There is also a customer relationship management (CRM) aspect to the matter sometimes allowing customer to communicate to businesses directly. (C2B) This is pointed out by Baird & Parasnis (2011) advising companies to ask their customers for input to better understand what they value. They encourage open dialogue and participation by giving customers ways to show their ideas and let them as a group decide what would be good direction to innovate products further. Involving customers with your products will help businesses build advocacy and brand affinity.

Considering social media interaction from the customer point of view is also a wise approach. By understanding why customer would be interested to interact with brand and managing to give customers what they seek from social media will get the customer on your side in the long run. (Baird & Parasnis, 2011) Kietzmann et al. (2011) see this as a big barrier for firms, because the change from traditional marketing to this new way of listening to customers, engaging in an appropriate manner and responding to customers is so much different than what they are used to. This is especially hard because the old management methods are ill-suited for such new ways of communication. (Kietzmann et al., 2011.)

Boone & Kurtz (2009) state that contemporary marketers cannot ignore the phenomenon of social media because consumers have widely adopted it and they are disseminating their personal information and experiences about products and services. Kaplan (2012) also points out that social media should be integrated with traditional media, because in customer's eyes they are the same. (Kaplan, 2012)

## 2.4 Mobile social media and mobile marketing

### 2.4.1 Early days of mobile marketing

A mobile phone is a personal communication tool that is used everyday by billions of people. It is very personal device which means that the owner of each device wants to have control over who can reach it and who cannot. This personal device is also a perfect marketing medium for companies to utilize in order to extend their revenues, which leads us to how mobile marketing works. Matt Haig (2002) expresses the phenomenon well as follows:

*Indeed the mobile phone, and text messaging in particular, have completely changed the whole marketing process. In this new context, consumers now notify companies when they want to sign up to a campaign. The challenge lies in making sure they want to receive messages in the first place. Marketers also need to respect the consumer's right to choose, as uninvited mobile 'spam' has proved even more unwelcome than its e-mail counterpart. Any company entering this personal space without an invite is, quite frankly asking for trouble. (Haig, 2002, p. 1-2)*

The big SMS pioneers were Companies like Pepsi, Coca cola, McDonalds, New Labor, Carlsberg, and Heineken. There were also small and medium sized enterprises (SME) companies like Rent a flat. These companies were conducting push marketing; they broadcast a general message to a large group of mobile users. There were also a couple of interesting pull marketing examples that gave users location specific marketing data according to the personal needs. Vindigo worked in a way where user tells where he/she is or is going to and receives location based information about places to eat, shop to see etc. Brainstorm is a location based WAP service where users could pull offers based on their location using a promotion finder e.g. user could search for offers in a specific region of a city. (Haig, 2002)

In the early days of mobile marketing, marketing efforts were mostly conducted with either SMS-messages or wireless application protocol (WAP) based services. These same marketing methods are in the use still today, but new have evolved to take advantage of the technical advancements of mobile devices and services. Today there is a countless number of mobile applications where businesses can embed their mobile marketing efforts in different kinds of formats. The permissions have become quite trivial for they are usually required to be accepted before you gain access to an application/service.

### 2.4.2 Mobile social media

There are a few definitions available for mobile social media. "Mobile social media is defined as a group of mobile marketing applications that allow the creation and exchange of user generated content." (Kaplan, 2012) The definition follows the same line as traditional social media in Kaplan & Haenlein (2010).

According to Humphreys (2013): "Mobile social media can loosely be considered software, applications, or services accessed through mobile devices that allow users to connect with other people and to share information, news and content." (p. 21) Humphreys (2013) continues by stating that defining mobile social media is hard because social media is constantly being integrated into different aspects of mediated

communication and because mobile communication technology constantly keeps changing.

Some types of services in mobile social media identifiable today are: micro blogs (Twitter), Social network sites (Facebook), wikis (Wikipedia), video sharing (YouTube), photo sharing (Flickr), recommendation services (Yelp) and location sharing services (Foursquare). (Humphreys, 2013)

Kaplan (2012) has even provided classification of mobile social media. The classification shows well the difference to traditional social media, see Figure 3.

		Location-sensitivity	
		No	Yes
Time-sensitivity	Yes	<b>Quick-timers</b> Transfer of traditional social media applications to mobile devices to increase immediacy (e.g., posting Twitter messages or Facebook status updates)	<b>Space-timers</b> Exchange of messages with relevance for one specific location at one specific point-in time (e.g., Facebook Places; Foursquare; Gowalla)
	No	<b>Slow-timers</b> Transfer of traditional social media applications to mobile devices (e.g., watching a YouTube video or reading a Wikipedia entry)	<b>Space-locators</b> Exchange of messages, with relevance for one specific location, which are tagged to a certain place and read later by others (e.g., Yelp; Qype)

**Figure 3.** Classification of mobile social media applications (Kaplan 2012, p. 132)

Foursquare, Google latitude, Facebook places and Yelp are some of the best known location-sensitive mobile social media services available.

### 2.4.3 Mobile social media marketing and its business potential

In their extensive review of mobile marketing research Varnali & Toker (2010) found that there is no agreement on one definition of mobile marketing that captures the true nature of the phenomenon. Therefore, the scope of mobile marketing is still vague.

However couple of years later, Kaplan (2012) defines mobile marketing as any marketing activity conducted through a ubiquitous network to which consumers are constantly connected using a personal mobile device. There are three conditions: Single network or combination of different networks (with smooth way of switching between networks), constant access to the network and a third condition is the use of a personal mobile device, most commonly a mobile phone, but also any mobile device capable of connecting to different kinds of networks. Device needs to be personal, not shared with anyone else. Each device has to be identified uniquely for example a SIM card. (Kaplan, 2012.)

Kaplan (2012) sees the biggest difference between mobile social media to traditional social media to be in the category of space-timer applications. (Figure 3) He points out these differing characteristics in areas of marketing research, communication, sales promotions/discounts, and relationship development/loyalty programs.

Space-timer applications are great platforms for gathering customer data and especially behavioral data to be used for the good of a business. They also allow businesses to communicate location-based content depending on users' current location. When it comes to promotions and discounts, Foursquare for example allows promotions to be specified

for certain users, but also lets businesses decide on the specific time periods those promotions are available. As an example of nursing customer relations, some space timers allow loyalty programs where the most active users can be granted higher status levels within an application and improved discounts given for these levels. (Kaplan, 2012)

The trend has been that people introduced to mobile social media come from a background of computer use, however things are changing to the direction of mobile use of the internet. Future generations will more likely get their first online experience on their mobile devices, and social media is likely to be part of their online activity. Affordance is seen as one of the key elements backing mobile social media, it provides the means of media production, distribution and consumption in one device. Social media offers the future potential of a faster way to communicate messages across wider audiences. Using social media as a communication channel can also be much cheaper compared to SMS for consumers. (Humphreys, 2013)

All this indicates that mobile social media may as well be the focus of social media marketing efforts in the future. There will be data supporting this trend in Chapter 3.1.

The proliferation of smartphones has spawned a new industry in the creation of applications or “apps” that increase the functionality of smartphones beyond mere communication. (Dinner, van Heerde & Neslin, 2015) In their research on customer engagement through mobile applications they have shown that there is wide user base for commerce apps on the two main mobile operating systems Android and iOS. They continue that companies are also creating branded apps to further engage their customers and that these apps have positive affect on customers in relation to these brands. In cases where these branded apps include social media functionalities, they can be seen as part of the mobile social media marketing efforts.

Huotari & Hamari (2012) have conducted research on how gamification can be used to enhance service marketing. They define gamification to be “A process of enhancing a service with affordances for gameful experiences in order to support user’s overall value creation.” (p. 19) As one example, they mention enhancing service with Foursquare mayor ship competition in a core service of a cafeteria. The gamified service encourages users to visit the service frequently in order to compete with other users. Mayor ship is one feature of Foursquare where the user with most check-ins is the one holding the title of mayor. Such ideas can be applied in many service businesses with some innovation which can work for the benefit of a business. (Huotari & Hamari, 2012.)

## 2.5 Summary

In this chapter the author has introduced the basic concepts related to social media, social media marketing and mobile social media through literature. Different types of social media available have been briefly explained and also given some insight within the marketing context. The relationship between traditional marketing communications and social media marketing has also been explained and how organizations should see social media as a new supporting way to communicate with their audiences. In the next part of this thesis the author will further explain the opportunities and challenges the adoption of social media has brought in to the world of marketing.

### 3. Opportunities and challenges of social media marketing

In this chapter we go a step deeper into social media as a marketing platform for organizations. Social media offers many new ways for businesses to reach out to their audience and potential customers. The audiences influenced by social media marketing can further disseminate information that can lead to positive affects like increased brand awareness, better customer relations, increased sales and many more. This however is not a given and businesses may face multiple challenges while getting familiar with social media as a marketing tool. These opportunities and challenges of social media will be extensively discussed through literature and the main challenges will also be addressed with some guidance to help marketers on their way.

#### 3.1 The opportunity

##### 3.1.1 Social media statistics

Here are some general statistics that should help one understand the ever growing potential of the web and especially social media as a marketing platform. There are 3.175 billion active internet users in the world, of whom 2.206 billion are active social media users. That means roughly third of the global population is connecting through social media. The growth rate is fast 7.6 percent more internet users and 8.7% more social media users over the last year. The three biggest social networks are Facebook with 1.49 billion users, QQ (Largest Chinese social network) with 832 million users and Twitter with 316 million users. (Kemp, 2015) There are also a growing number of instant messaging/Voice over IP apps that have similar numbers of users, but they are out of the scope of this thesis for they are not seen as part of social media.

The amount of mobile users is also impressive: There are 3.734 billion unique mobile users, of whom 1.925 billion are using some form of social media platforms. (Kemp, 2015) The two dominant app providers App Store (iOS) and Google play (Android) have both roughly 1,5 million apps available for download, Google play having just a slight lead. However App Store has double the amount of downloads 100 billion against Google play's 50 million downloads. This data is originally from Apple & TechCrunch 2015; Mashable & Google 2015; STATISTA 2015 (as cited by Dinner et al., 2015). As mentioned before in chapter 2.4 the world is shifting from desktop use of the internet more towards mobile use. These numbers show that mobile use of the internet has now actually bypassed desktop use of the internet, also the use of social media is growing at a fast pace of 23.8 percent in the last year. (Kemp, 2015.)

With statistics from different sources Bosomworth (2015), has shown that time spent on mobile media, has also bypassed the time spent on desktop/laptop. However he has found contradicting information about mobile ad spending, according to IAB data there is a big void to be filled with mobile ads, while eMarketer data from 2015 shows marketers have already started spending on mobile ads accordingly. In any case this further shows the higher potential within mobile social media marketing compared to traditional social media. (Bosomworth, 2015.)

### 3.1.2 Social media marketing statistics

Social media marketing industry report 2015 by Michael Steltzner covers data from over 3700 marketers from over twenty different industries. Below are some interesting points of data extracted from the report, that show the current state of social media marketing efforts that are being utilized today. See Table 1. The report is extensive being over fifty pages long, so here are some of the most interesting results that are related to social media from marketer's perspective chosen by the author.

There are some differences between Business to Customer (B2C) and Business to Business (B2B) marketers. For example B2B marketers value LinkedIn as the most important social media platform (41%), followed by Facebook (30%) and Twitter (19%), on the other hand B2C marketers use Facebook ads more than their B2B counterparts for paid social media. (Steltzner, 2015)

**Table 1.** (Data from Social media industry report 2015, Steltzner 2015)

<b>Point of interest</b>	<b>Measures as percentage of respondents</b>
Weekly time commitment in social media	6 hours or more 64% 11 hours or more 41%
Use of different social media platforms	Facebook 93% Twitter 79% LinkedIn 71% Google+ 56% Youtube 55% Pinterest 45% Instagram 36% Social review sites like Yelp. 17% Geo-location 7%
Most important platform	Facebook 52% LinkedIn 21% Twitter 13% Youtube 4%
Most important channels in the future	Facebook, Twitter, LinkedIn, Google+, Youtube, Instagram and Pinterest (Over 50% of respondents want to increase their activities on these platforms)
Paid social media	Facebook ads 84% Google ads 41%
Commonly used content by type	Visual 71% Blogging 70% Videos 57% Podcast 10%
Most important content type	Blogging 70% Visual 34% Videos 19% Podcast 2%



### 3.1.3 Social media business opportunities and possible benefits

In the previous chapters many social media opportunities related to specific types of social media were discussed. Social bookmarking can increase your visibility on the internet, blogging is easy and efficient way to communicate with an audience. Mobile social media provides even more options for marketers to use location information to reach their customers better, and even on the go when they are nearby. Aside from these specific advantages, there are many benefits to be gained from use of social media overall according to different researchers.

A global survey among 28,000 internet respondents showed that only about 46% of participants reported trusting traditional advertising, whereas 92% reported trusting word-of-mouth from friends and family and 70% reported trusting online consumer reviews. This data is according to a Nielsen report in 2012 (as cited by Dijkmans et al., 2015). Social media has been a superior method in delivering product information to the consumer when compared to traditional marketing methods (Hall, 2000). According to Hanson et al. (2013) social media marketing is accepted by most users as long as it is not exaggerated, which is not the case with many other marketing communication efforts. (as cited by Lagrosen & Grunden, 2014) Social media can also potentially create value fusion, which means that value is created for a whole network including both customers and companies. (Lariviere et al., 2013)

Kirtis & Karahan (2011) have found an interesting angle regarding the reasons motivating companies to increase the use of social media within their marketing efforts. They find that phenomena like global recession and other kinds of economic instability may be one major factor to forcing companies to direct their resources more towards social media and decreasing money spent on traditional marketing efforts. They find that the biggest advantages are related to time, audience, relations and cost. Getting rid of the cost related to distribution of traditional marketing can help companies to be more efficient. This cost efficiency of social media marketing is seen promising by other researchers. Social networks provide a channel where information can spread very quickly causing fast word of mouth diffusion, using these social networks for campaigns can generate more sales, while keeping promotion costs low. (Li et al., 2011) Similarly Lagrosen & Josefsson (2011) say that social media could be an economic, low cost alternative for entrepreneurs and smaller businesses.

There are some worrying notions from research saying that companies may not truly have understood social media as a marketing channel, or they have misinterpreted how consumers see social media and what they seek from interaction with businesses and brands. Research conducted in Sweden has shown that many companies are not sure how to use social media for marketing purposes, but choose to engage just to appear modern and that they just have to be there in the current media situation. (Lagrosen & Josefsson, 2011; Lagrosen & Grunden, 2014)

With data from IBM Institute for Business Baird & Parasnis (2011) studied the relationship between consumers (1000) and businesses (350 executives). They found that main reason for using social media for a consumer is “connecting with friends and family”, 70% of consumers choosing this option, while only 23% were willing to interact with brands. Consumers also value very different things than what companies expect. Consumers want to interact through discounts and coupons and possibilities for purchasing products and services, while companies think these activities would be least appealing to consumers, and think they mostly seek information. Companies also take it

for granted that interaction would increase customer loyalty, while the results show that consumers do not necessarily favor a company interacting on social media.

The same data also points out that 70% of executives say that not engaging would make company seem to be “out of touch” for consumers and that over 50% think their competitors are successfully using social media for reaching out to customers. These results support the results of Lagrosen & Josefsson (2011) and Lagrosen & Grunden (2014). The social CRM (Customer relationship management) as Baird & Parasnis (2011) put it, is still taking shape and companies are struggling to make sense of the phenomenon and best ways to utilize it.

CRM and social media are types of customer focused technology. In their research of nearly 1700 sales professionals, Rodriguez, Ajjan & Peterson (2014) have results that show these technologies positively impact customer orientation and sales performance. When marketing efforts are executed through social media, it seems also viable to embed CRM processes into the same channels when seen fit. However this requires a lot from the organization to adapt such processes. This also means such methods are more fit to big brands and less so for small businesses and entrepreneurs with less resources.

There is also a relationship between social media and corporate reputation found by Dijkmans et al. (2015). In their study of an international airline, they surveyed 3531 customers and non-customers and found out engagement in social media activities positively affects corporate reputation, especially amongst non-customers. Company reputation is important because it affects supplier selection process of possible customers and also may set market entry barriers for competitors.

You can also include your customers even in your product development process by some co-creation project like PepsiCo that has used social networks to collect customer insight via its DEW McCray promotions, which have led to the making of new variety of its Mountain Dew brand. (Saravanakumar & SuganthaLakshmi, 2012)

A specific kind of social media communication can also be crucial for a specific product or a service. According to Mintel report from 2013 social networks are key delivery channels for festivals and organizers, owing to the large amount of information that can be provided through them, such as artist information, schedules, and general festival information. Much of which is delivered in the last months leading up to the event. (Mintel, 2013.)

Social media is a flexible channel that can be used for many business processes: management, customer service, buyer research, lead generation, sales promotion delivery channel, paid advertising channel, and branding. (Baird & Parasnis, 2010) Weber (2009) has also mentioned lead generation and includes partnerships, research and development, and employee communication to the list. (Weber, 2009) In 2013 marketers categorized advertisement on social media to be especially a good branding channel. It can be used to increase brand awareness and brand liking, promote customer engagement and loyalty, inspire consumer word-of-mouth communication about the brand and drive traffic to brand locations on and offline. (eMarketer, 2013)

More recently, according to marketers themselves in the social media marketing industry report from 2015 the most important benefits are: Increased exposure, increased traffic, developed loyal fans, provided marketplace insight, generated leads, improved search rankings, grown business partnerships, established thought leadership, improved sales, reduced marketing expenses. (Stelzner, 2015)

Possible campaign goals include: build brand awareness, maximize crossmedia integration, research consumer behaviour, develop ideas for new marketing strategies, drive traffic to corporate sites, Improve search engine rankings(due to organic links), increase stickiness, extending the brand message's exposure time, garner publicity from news coverage of social-media tactics, build awareness of the brand, enhance the brand's reputation and image, encourage message internalization, increase product sales, accomplish marketing goals with efficiency, engage consumer in a brand experience. (Tuten, 2008)

### 3.2 Main challenges, solutions and guidance for social media

In this chapter the author will use two studies from the literature conducted by separate researchers for determining the most important challenges in the area of social media marketing. These two studies were chosen for their qualities of being recently published and the amount of data used. According to Leeflang, Verhoef, Dahlström & Freundt (2014) study the three main challenges for digital marketers are: The ability to generate and leverage deep customer insights, managing brand health and reputation in a marketing environment where social media plays an important role, and assessing the effectiveness of digital marketing.

Top five challenges extracted from the Social media marketing Industry Report 2015: What social tactics are most effective? (92%) What are the best ways to engage my audience with social media? (91%) How do I measure the return on my social media marketing? (88%) How do I find my target audience with social media? (87%) What are the best social management tools? (87%) (Steltzner, 2015)

In the following sub-chapters the author will use literature to explain these challenging topics in the area of social media marketing and also provide guidance and solutions to these problems which are offered within the literature.

#### 3.2.1 Risks of social media communication and protecting reputation

The free creation and sending of content combined with the interactive and sometimes snowballing nature of social media makes it a tricky communication channel for companies. As companies need to protect their reputation, social media as a channel is very risky because companies cannot have adequate control over conversations about themselves. One example of the power of social media was could be seen in the H&M's "trashgate" incident, where the company was caught for trashing unsold clothes and dumping them instead of donating them for people in need. The New York Times was unable to get comments from the company, but when the public got their hands on the story on Twitter, the quick spread of the public dissatisfaction within the channel finally forced the company to react. (Aula, 2010.)

There are some risks related to specific platforms arising from the literature. Blogs are supposed to be used as interactive tools and they require management from the parties running them. If you are not following the activity of a blog, customers will be left wondering what is going on, marketers need to respond to the interaction in order to avoid negative perception from the audience. (Singh et al., 2008.) There is support to this claim that blogs are a form of online media that require a long-term investment to help and engage the customers and create more interest in the product offering. (Saravanakumar & SuganthaLakshmi, 2012) From a corporate viewpoint there is also a concern content

communities like YouTube carry the risk of being used as platforms for the sharing of copyright-protected materials. (Kaplan & Haenlein, 2010)

There is some merit to considering negative feedback received from social media about companies' products or services and using it for improvement, however Singh et al. (2008) express concerns about how much weight can be given to feedback from anonymous sources when the context of the comments given is not clear and it is hard to specify the true cause of the problem. There are also risks embedded in user rating/review environments, as several researchers have shown, that posted product ratings and reviews become increasingly negative as rating environments mature, as Leeflang et al. (2014) summarized from literature in their research.

Hutchings (2012) has seen some less obvious risks of using social media tools like Facebook and Twitter. The first advice is for marketers to apply same best practices like ASA (Advertising standards authority) principles in social media campaigns as they do in traditional advertising: "legal, decent, honest and truthful". This is to ensure marketing messages communicated through social media are seen as such and to ensure the quality of messages communicated thus preventing risk of possible conflicts. Secondly social media policy is promoted to be a necessary tool to prevent misbehavior of employees and to protect the company when accusations of bad communication and complaints against an employee arise. The third and last risk that should be addressed is the situation where an employee with extensive commitment to social media and a substantial audience is parting ways with a company. The follower list of a company account can be seen as company property and to protect this property companies should also include this matter into their social media policy. (Hutchings, 2012.)

When it comes to employee use of social media there are a lot of things that must be thought through in order to mitigate risks related to these channels. What is the code for behaviour on social media? What can employees share with the community and what is to be kept secret? Accountability, fairness and transparency related issues also need to be addressed. (Weber, 2009.)

To solve this issue Weber advises companies to set rules that guide employees to use the social tools on the web safely and also to set policies for the cases such as accountability for a time problems arise. All the employees and managers that are working with the social web need to be given adequate training covering these matters and best practices, and rewards for good actions also endorsed. So Weber (2009) and Hutchings (2012) have similar concerns for social media, but Weber (2009) adds the educational element to further help businesses control their communication.

### 3.2.2 How to get started? Planning social media strategy, tactics and management tools

Everything marketing related should start with the careful planning of a campaign. A campaign must have some objective and the usefulness of social media needs to be valuated against this objective. So if marketers see potential in using social media in a campaign, they need to further plan who they want to reach out to and what kind of social media strategy they are going to execute. What channels? What is the content that will be in the center of messages? Tactics are about which specific sites and tools will be used to achieve the objectives of the campaign. During execution marketers need to be ready for

adjusting the strategy according to responses. (Tuten, 2008.) The campaign objectives can consist of anything mentioned in the end of chapter 3.1.3. Kaplan & Haenlein (2010) also emphasize the alignment of activities between channels and that integration of channels both social media and traditional is advised. Mangold & Faulds (2009) share this same opinion advising integration of all marketing communication.

From this we can infer that there are a lot of choices to be made related to the planning and execution of social media marketing. As described in Chapter 2, there are many different social media categories and all these possess their specific potential and have their own embedded audiences. It can be very challenging to dig into this pile of possibilities to find the best suited social media platforms and understand which communities are the ones you need to be sharing their content with. There are also many different tools within specific sites like Facebook that need to be considered.

Kaplan & Haenlein (2010) advice businesses to choose social media platforms based on the target group and the message that they want to communicate. He also points out that choosing an existing social media application has many benefits when it comes to popularity and user base, but in some cases you may want to create your own application for a specific purpose. Weber (2009) has also written a whole chapter on evaluating platforms in order to learn what each platform is about.

The factor that makes all this so very hard is that the landscape of social media is constantly changing. One concrete example the author noticed while writing this thesis was that in literature before 2010 Myspace is mentioned being the most popular social network, or at least still competing with Facebook, however in the later literature there is no mention of Myspace at all. This is something that can happen with social media when users shift their interest from one network to another. This does not mean Myspace could not still be of use for specific campaigns that are supported by the remaining active user base, but it has lost a lot of its attractiveness over the years. As the first step for digital marketers Weber (2009) encourages them to observe social media and find the most influential places within the social web.

To guide decisions regarding social media campaigns Tuten (2008) has formed a list of five questions for social media marketers to understand what they need, in order to find right tools for their campaigns. Does the culture of social media fit your brand's positioning or fit with how your brand wishes to be perceived? Do you know where online your customer and prospects are? Are the relevant communities open and welcoming to brand participation? What opportunities exist within each community for brand promotion? Do you have the resources of time and money to commit to the campaign? Do you have a hook, a conversation starter, a point of engagement – something that will inspire interaction with your brand? Are you willing to take risks? (Tuten, 2008.)

Unfortunately there were no articles to be found on the topic of social media management tools, despite there being many social media management tools available in the market, both free and paid. The main benefits of these software are reduced time and effort by posting to multiple platforms simultaneously, allowing quick response to customer inquiries, reducing duplicate efforts through collaboration by multiple users. Tools also help in finding topics, content, and contacts on social channels to share and enhance engagement and allow scheduling of posts for around-the-clock engagement without manual effort. Some of the best reviewed tools are Hootsuite, TweetDeck, Sprout and Social Studio. (G2 crowd, 2015)

### 3.2.3 What is the right way to engage people in social media?

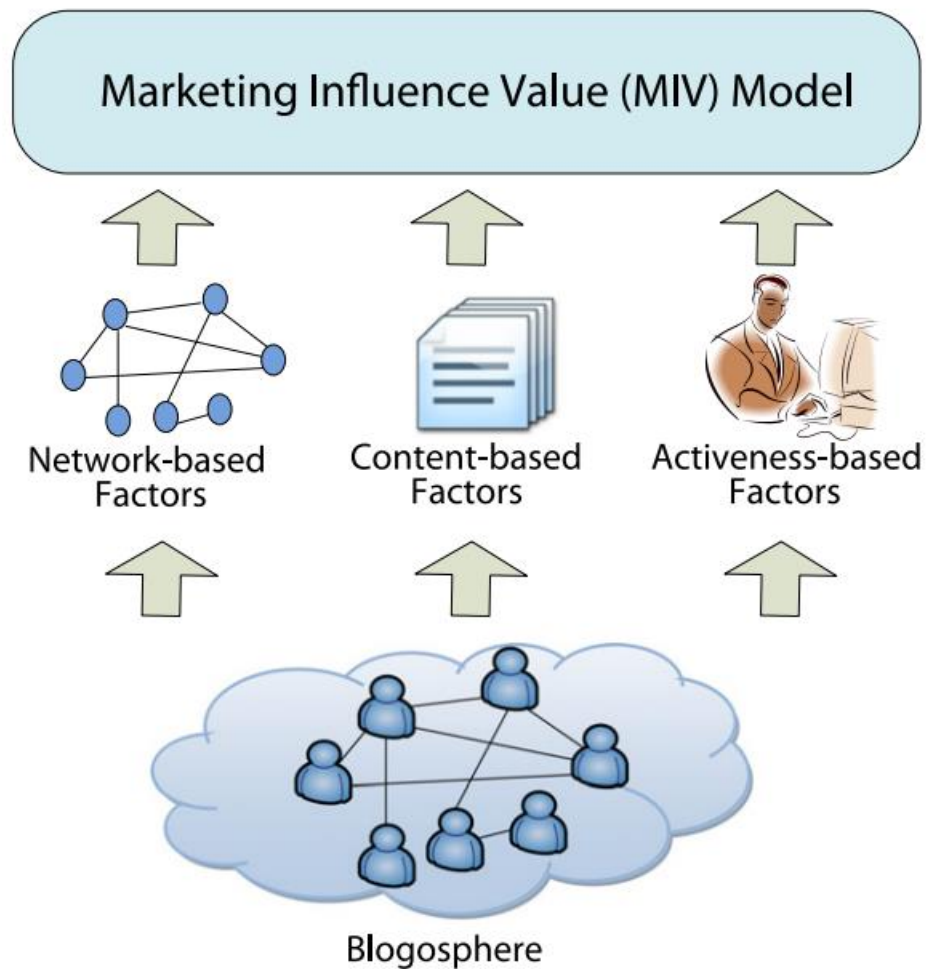
When the most promising social media platforms have been chosen companies should carefully plan the communication on these platforms. On a general level Kaplan & Haenlein (2010) provide some good principles about being social. First principle is to be active, take part in discussion and share with the community, as said earlier about blogs, you need to actively take part and commit to your efforts in order to keep audience attention. Secondly you should also understand the nature of the channels by being interesting with your content, being humble about your position in the channels and by behaving “informally” when you approach other users and are aiming to blend in. Use judgement however, in a social network like LinkedIn it may still be wise to keep the communication professional. Last principle is to be honest. (Kaplan & Haenlein, 2010.)

Engagement should also be considered on a campaign level. Remember the objectives of the campaign and determine which channels, tactics and tools within would best to achieving the desirable engagement from your audience. (Tuten, 2008) If you wish to extend your audience on a social network, maybe use Facebook for a Like & Share-lottery. On an occasion when you need some input from your customer base, you can throw a more creative type of contest maybe asking for pictures or video clips of customers using your product or enjoying your service. If you know the high value of your product, maybe even consider giving chance for people to review it.

As mentioned earlier it is good for a business to know where the discussions of certain topics are hot and to use these spots for engagement. (Li et al., 2011; Yeoman, 2014) Here we get back to the topic of blog influencers that businesses can use when engaging audiences for getting better level of engagement from crowds and guiding the discussions.

Blog influencers are nodes in the blogosphere that have a high influential value in based on network, content and activeness factors. These nodes are good entry points for marketers to launch their strategies, enhancing effectiveness and availability of blog marketing. (Li et al., 2011) Tuten (2008) describes influencers as follows: *“Influencers are people who are seen by others as knowledgeable sources of information with a strong communication network that results in their ability to affect purchase decision for a number of other consumers, directly and indirectly.”* (p. 92)

Li et al. (2011) have provided a model for identifying these nodes based on the factors mentioned. See Figure 4. They provide ways to calculate each factor, but simply put the value of a node is the sum of these factors. By using this model marketers can calculate which nodes possess the highest potential for their marketing purposes.



**Figure 4.** Social influence and MIV factors in the blogosphere (Li et al., 2011, p. 5146)

Another similar way for using existing users of social media are so called buzz agents that are recruited for the purpose of talking up a product or service without identifying their connection to the company. (Weber 2009) These methods are worth considering, but it requires some thought how to get these influencers cooperating and also how to recruit suitable buzz agents while trying to be transparent and honest with the audience.

According to Li et al. (2011) content is one factor affecting amount of influence in the case of blogs, this is also very true in all social media communication and the locus of getting the audience to engage with a business/brand. If your content is not getting people interested or in other way encouraging them to interact, you are doing something wrong. It is also important to think about the ways customers and noncustomers can interact with the content and how to make them access your content frequently.

Chi (2011) suggests through literature that activity on social networks should be user-centred, not message-centred. This means that companies need to figure out how to spread their message in a new way that at the same time satisfies consumer needs. The company/brand needs to provide the consumers with something that they find valuable, not only spam what they have to offer. The message needs to be embedded in the interactions provided for the audience, it should not be the centre of communication. Drury (2008) supports this idea by saying it is about providing content that customers can relate to and appreciate, not just simple messages.

Companies want people to talk about them, creating buzz that gets them on the map, so businesses need to find best ways for getting conversations going. When talking about brands you want dialogue between you, your customers and the potential customers. On top of the dialogue brands should also provide them with ways to feel connected to their brand by promoting green values, high end design, or whatever your brand stands for. The stronger the dialogue, the stronger the brand is, and vice versa. (Weber 2009.) Li & Bernoff (2008) have found three key engagement methods for branding. They encourage brands to utilize customer enthusiasm by using reviews and evaluations. Other ways to engage are to establish a community for your customers and also to take part in your fan communities.

Ashley & Tuten (2015) propose that brands could offer engagement experiences in the form of entertainment like a virtual world or a social game. These solutions are good for making consumers to have longer exposure times with the brand message, which in turn may help them connect with a brand. The gaming elements within such methods also allow consumers to get gamified experiences, like rewards, that support their social experience and as they are getting value from the game, they also are more allowing for things like advertising within the entertainment. (Ashley & Tuten, 2015.)

Just getting people talking is good, but it's even better if the dialogue has a more positive tone than a negative one. Weber (2009) claims that brands in the social web need to take things slow at first to limit the loss of control in the social web. The ultimate goal is to have a combination of professional content and customer-generated content, but jumping straight to the latter is not advised. Companies are advised to start with content from employees or experts in a certain area, the first option being least risky. When moving towards allowing customers to openly discuss company products, it is advised that you start with one "good" product and slowly progress towards more risky topics. Weber also mentions that not all comments have to make it through, but moderation should be done to shape the conversation. (Weber, 2009.)

What Weber proposes above can be seen as wise move for protecting brand reputation, but as social media marketing processes mature, brands should shape their communication to be more transparent. As Kaplan & Haenlein (2010) argued businesses need to be honest with their social media activities. There are always risks involved, but being overly cautious and protective may lead to having low impact and rewards. Communities may also prove hostile if a business were to behave badly or dishonestly, like the H&M "trashgate" incident mentioned by Aula (2010). For every business, new phenomenon like social media marketing comes with a learning curve and some mistakes will be made. Companies need to be prepared for these occasions, mitigate the negative impact and make the positive word spread like fire.

### 3.2.4 Social media marketing metrics and education

Drury (2008) states marketers are accountable to their brand and business and their activities need to provide some return on investment (ROI). Social media has brought some great tools for branding and marketing and it has already provided businesses success in social networking, social search and viral campaigns. Clients of marketing professionals however want to see measurable ROI and proof that social media as a channel leads to success and is worth the money spent on it.

Measuring ROI in social media marketing is not an easy task. Opinions about defining ROI metrics is quite divided. There are a lot of lists defining things marketers should follow in their campaigns but the author considers it most important that for each



individual campaign there needs to be goals that can be measured and followed. Social media cries for more qualitative measurement as opposed to quantitative measurements of online marketing. However marketers tend to go for tactics that are easily and accurately measurable and do not really mind if they may not be most effective. The reason behind it is simply that marketers are under pressure to measure their performance and to be able to show their results. (Fisher, 2009.)

When talking about measuring social media marketing campaigns there is a divided crowd of research and professionals. It seems that there is no consensus of the role and measurement of ROI in social media marketing, but on the other hand such actions are still expected from any marketer seeking to take use of social media as part of marketing efforts. Spiller & Tuten (2015) say that most marketing professors agree that there are no perfect measures for marketing success, and that digital and social media measurement specifically need a lot of testing before they become successful.

Getting into the root of the problem we need to check back with Leeflang et al. (2014), the challenges and the solutions that they name to be the keys for solving these challenges of the digital era. The solutions we are taking a look at are: filling the gap between the supply and demand of analytically trained people in marketing “talent gap” and the creation of actionable digital metrics.

The talent gap is what has got researchers worried about the state of marketing education and how well it provides tools for digital marketers. In their editorial paper Crittenden & Crittenden (2015) express their worry for future marketers not getting the right tools from their education to match the changing needs of consumers in the digital environment.

When it comes to measuring marketing campaigns similar concerns arise. Today’s marketers have an advantage to their predecessors when it comes to availability of marketing data, however Spiller & Tuten (2015) question if marketing students are adequately prepared to make use of all this data available. For this marketers should have good capabilities for quantitative analysis and critical thinking, enabling them to make use of the information and guide strategy.

However research has shown requirements for these skills have actually been reduced in education recently. Currently there is very little offering for digital and social marketing courses in marketing curriculums. Such specific courses are either not available at all or they are offered as electives and not included as compulsory topics. (Spiller & Tuten, 2015; Munoz & Wood, 2015) Spiller & Tuten (2015) suggest that the most important metrics and concepts of digital marketing and social media marketing should be included in the required courses. They also suggest the use of real-world applications and cases to provide a very practical learning experience. To fill gaps in curriculums they suggest the use of digital learning opportunities like Hootsuite University providing information on social media analytics or Google Analytics for online tracking measurement.

Spiller & Tuten (2015) also promote the accountability of individuals in marketing education and point out that team projects and cases are not supporting this aspect. They refer to another study by Glenn (2011) implying that in these tasks students are usually able to stick to their comfort zones, skipping important learning for skills like analytical thinking or mathematics.

There are some new experiments in universities for giving students better understanding of what is going on. To provide one example Atwong (2015) has described a project specifically aimed to enhancing student’s social media marketing and analytics skills at

the California State University, Fullerton (CSUF). In the first implementation students are promoting CSUF Marketing brand in the social media (Facebook, LinkedIn, Twitter and YouTube) as part of a team. They go through different roles and stages of marketing from planning tasks, goals and strategies, to implementing them, following up, and reflecting on the campaigns afterwards. This is a very practical approach that gives students real life experience and prepares them for their future work. (Atwong, 2015.)

So the educational sector seems to have acknowledged the problem and the issue will most likely be taken into account in the years to come, but it will take time to fill the talent gap in the eyes of companies seeking to find the best individuals for their marketing positions. What this means is that any company looking for professionals to do their marketing should really take a deep look into the prospective employees and what they know, where they studied, and if they have been taught the necessary skills they need in the position one is offering.

One way to learn social media marketing is merely experimenting with the channels like most businesses were doing in the study by Lagrosen & Grunden (2014) on wellness industry, but if you can't afford a long learning curve and you have much to lose in terms of reputation, it is better to find professionals with experience and the right skillset.

For when it comes to metrics in social media marketing it seems the best way to approach measurement is on a campaign basis. Tuten (2008) provides six steps for the process. The process starts with the campaign objectives, then the strategy components of the campaign need to be mapped. For each objective of the campaign, criteria of achievement will need to be determined, and also the tools needed to measure these criteria. Then you need to set a baseline that you can measure against. Results need to be analysed for all components and changes made according to the results. Last step is simply to keep measuring. (Tuten, 2008.)

There is a plethora of lists for measuring social media marketing, but every business need to find their own way of doing it. It will take time and iteration to find the best practices just for you. To provide a simple starting point there is a comprehensive list of digital and social media metrics introduced in the article by Spiller & Tuten (2015). This list provides a good idea of what all the possible points of data are that can be extracted from the vast world of social media in the categories of activity, interaction and return. See Table 2.

Category	Exemplar measures	Interpretation
Activity	Number, frequency, and recency of Blog posts Updates/posts Comments/reply comments White papers Photo posts Video posts Tweets Pins Tags Activity in number of media	Measures of the input the brand is making into developing a digital/social presence
Interaction	Number, frequency, and recency of Registrations Bookmarks/favorites/likes/ratings Comments/posts/mentions/tags Links/trackbacks Downloads/installs/embeds Subscriptions Fans/followers/friends Share/forward/invite/refer Reviews/testimonials Traffic/visits/views/impressions Time spent on site Profile development User-generated content contributed Discount/deal redemption rate Echo effect/virality Sentiment	Measures of customer engagement with the brand's digital and social presence; indicators suggest various forms of response from the target audience; beyond basic responsiveness, indicators may also suggest influence beyond the initial target audience to customers' social graph
Return	Cost/prospects Lead conversion rate Average new revenue per customer Customer lifetime value Earned media values Shifts in average sales/site traffic/search engine ratings Share of voice Return on investment	Measures indicate the outcome of the digital and social strategies and tactics and illustrate the financial value of the actions taken

**Table 2** (Spiller & Tuten 2015, Digital and Social Media Metrics, p. 116)

To shed some more concrete light on what measuring in social media can be, we can look at what a specific platform — Facebook in this case — offers in terms of data and following up activities within the platform. Starting with a Facebook page you can get number of page views, number of unique users, number of wall posts (how involved are people), discussion topics, number of reviews, if they are in use on your page, photo views and video plays. You can also get data from your ads. For each ad marketer can see the ad name, how much CPC (cost-per-click)/CPM (cost-per-thousand impression) you have bid on the ad, Type (CPC or CPM), Imp = number of times ad has been displayed (impressions), Number of clicks, CTR (click through rate) = How many clicks on times of displays, average cost, and amount of money spent. Marketers can use this information to improve their activities, test new things and follow if their numbers improve. (Holzner, 2009.)

### 3.3 Summary

In this chapter the author covered both the positive and negative effects social media marketing can have on companies as they start using it as part of their marketing efforts. In the beginning of the chapter some statistics were introduced about how much we use social media today and in what ways today's marketers are engaging us within, to show how important social media has grown to be. Afterwards the biggest drivers and benefits of using social media as marketing channel and how companies can make most use of the channel were discussed. Lastly a closer look was taken at the main challenges related to adopting social media as a marketing tool arising from the literature and given guidance was given on how to overcome these challenges, and also how to mitigate related risks in case they go off.

## 4. Discussion

In this thesis the author has brought together literature regarding the topic of social media in the context of marketing. Starting with the basic concepts and social media types literature review was used to determine some different viewpoints regarding how past research has defined the phenomenon and the technologies related to it. The literature pointed out that the definitions are still quite immature, as is the research field in itself, but the definitions mostly follow the same line throughout the references and there was not much contradiction to be found. Categorizations of social media were also very similar to one and other. It was a little odd that there were no definitions and categorizations to be found past 2010, but many just before.

After examining the topic on a general level social media marketing and its role in relation to traditional marketing was briefly investigated. The literature showed there is a big revolution happening within marketing communication because of social media and the ways people use it. Some control over marketing messages is shifting from businesses to the masses, anyone can broadcast their opinions and they can be heard by people worldwide. This happens in social media regardless of company actions, but by taking part in social media companies can shape the discussions and react to them if they find it necessary. Literature recommends integrating social media marketing with other marketing communications and strategy.

Mobile social media marketing was also given some consideration as it provides some interesting mechanics compared to traditional social media. Mobile use of the internet has outgrown desktop use of the internet and also the use of social media is largely happening on mobile devices and in parallel. Most popular social media applications are available on all mobile platforms and can provide access almost anywhere and anytime. It was surprising to see that there was so little literature to be found specifically on mobile social media, but more on traditional social media. This leaves some room for future research, especially now that mobile usage is growing at such a pace.

The latter part of the thesis provided readers with some aspects of the benefits available for the successful use of social media marketing, but also some of the main challenges arising from the literature from different researchers. This part also provides some guidance for marketers regarding how to tackle these challenges and get on top of them. Most of the literature concentrated on large scale businesses and brands and very few pieces mentioned smaller businesses or entrepreneurs and how they would benefit from social media. On the other hand risks and company reputation are somewhat crucial for businesses and brands of any size, but seeing the phenomenon of social media from this angle could provide some different, perhaps surprising points of interest.

The author has experienced the rise of social media and its use in marketing strongly growing in his personal life. Facebook wall is full of marketing messages of many sorts, some are coming from within the network as friends engage with messages, and others are from organizations that the author has engaged himself. There are also paid ads that seem to be affected by search behaviour. The messages are from large and small businesses, there are contests, discussion topics, lotteries, “advergames” and many other forms of communication. There are differences in the message qualities. This shows that the platforms are ready, users are ready and engaging, and also companies are finding their way into the scene of social media marketing. Some have just started, some have been there for a long time already, some may still be hesitant and afraid, but social media is something everyone seems to talk about and it is here to stay.

## 5. Conclusions

In this thesis author has been broken down social media marketing and its different dimension through a literature review. Starting with the first part of the thesis (Chapter 2). It should give readers a broad understanding of the origins of social media, how it has changed communication, its use as a marketing vehicle, and its relation to traditional marketing, and also how the mobile area has started changing the phenomenon.

The latter part of the thesis (Chapter 3) provides readers with insight to what value does social media have in the eyes of marketers, also what risks and challenges are embedded and how to prepare and overcome these. After reading this thesis the author hopes readers should have clear picture of what are good practices in approaching the subject of social media marketing and how to successfully utilize them as part of a marketing strategy. Businesses that are more or less unfamiliar with the concepts should benefit from the thesis and find ways to get started with these tools of power in today's marketing world.

There is already a large amount of research on the topics covered within the thesis, but there are many aspects still lacking valuable data for example understanding how social media affects specific types of companies like SME's. It would be useful to know if social media has maybe more or less meaning for companies with less resources, than for the big brands with all the means available. Mobile social media marketing is also a growing point of interest that will most likely get lots of attention from researchers in the near future.

Social media as a phenomenon is already covering most of the world, it just keeps spreading, and the landscape of social media is also changing fast. It will be interesting to see the next changes new technologies and ideas will add to the mix and if there will be something completely different taking over its power, but as for now it is growing its influence on people's lives in many ways, especially for the new generations growing up.

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