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Internet Social Networks as a Source of Brand Innovation

-The case of the Swedish Market-

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Abstract

Title:	Internet Social Networks as a Source of Brand Innovation: The case of the Swedish Market		
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Keywords:	Internet Social Networks, Brand Innovation, Interactivity, Word of Mouth, Attention Economy		
Thesis purpose:	The main purpose of this study is to provide marketers with basic guidelines on how brands can benefit from internet social networks such as MySpace, Facebook and Hi5.		
Methodology:	This paper undertakes a qualitative approach based on the research methods of participant observation and in-depth interviews.		
Theoretical perspective:	The main theories supporting the findings of this study include: word-of-mouth-marketing, attention economy, interactivity and CRM.		
Empirical data:	In-depth interviews performed to twelve Swedish students, and participant observation of MySpace, Facebook, and Hi5 web sites.		
Conclusion:	This study revealed that internet social networks have been created as a way for people to get attention in a positive matter. Brands today are competing for this attention, reason why the strategies being implemented should be revised. This study suggests companies should focus more in helping people get attention rather than taking this valuable resource away from them.		

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Internet Social Networks as a Source of Brand Innovation -The case of the Swedish Market-

1. Introduction

The internet as a new technology has brought a whole new set of possibilities for people worldwide. As individuals are increasingly living their lives online their way of socializing and interacting has also shifted towards the computer screen. The social network explosion taking place in the web reflects this change in the patterns of interaction. This transformation in the way of socializing has made it indispensable for marketers to consider internet social networks in their media strategy developments. Having said this, the aim of this research will be to analyze how the socializing process is taking place on the web, in order to provide a set of marketing strategies that better capitalize this new and rapidly growing phenomenon.

1.1Background

In order to have a deeper understanding on how internet social networks emerged and developed, it becomes crucial to acknowledge important factors that helped the conception of this trend. In this sense the concept of "information society" provides a wide yet relevant milieu to build this study on.

1.1.1 Information Society

Researchers tend to agree that changes in how information is used and analyzed are now indicating the upcoming of an information society. It is also argued that not only there is much more information available now, but also this information is producing changes in the way of living. These ideas are the pillars behind the conception of the information society.¹ This "new society" can be easily identified by observing five elements shaping our current social world.² All of these elements are interconnected to a point where changes occurring in one of them subsequently and necessarily affect the others.

The first element is *Technology*. Over the last 20 years there has been a strong technological development and diffusion. Technological innovation is actually the single most visible indicators of the emergence of an information society. Among the many innovations we find CD/DVD ROM facilities, cable and satellite television, PCs, new office technologies, computer-to-computer communications, and most notably all internet applications and online information. An idea argued by researchers is that these technological innovations have a profound impact that must lead to the reconstruction of

¹ Lievrouw L, Livingstone S (2002) p.23

² Lievrouw L, Livingstone S (2002) p.23

the social world. Moreover, one of the world's leading futurists, Alvin Toffler (1980), suggests that the world has been shaped by three main waves of technological innovations: the agricultural revolution, the industrial revolution, and the information revolution. This latest, as suggest by Toffler, is still developing today and will lead us to a new way of living. The internet growth is faster than any other technology right now and its capacities for education and economic success are generating constant discussions. The internet, sometimes called by media as the "Information Superhighway", is here to stay and everybody from futurists and academics to the entire business world are aware of it. ³

Occupational change is the second element which is generally talked by sociologists. One of the main aspects leading to information society lies on the new direction of the occupational structure, which is going towards information based jobs. Daniel Bell (1973) explains in his "post-industrial society" literatures that as occupations change from manual jobs to service and non-manual labor, the informational work pronounces the arrival of an information society. Over 70 per cent of the western world workforce is now found in the service sector. Other authors including Coyne (1997) agree that 'thinking smart', being 'inventive', and having the capacity to exploit networks are among the new ways the economy now behaves. Finally, Leadbetter (1999) expresses how the production of wealth does not come from physical effort, but rather from 'ideas, knowledge, skills, talent and creativity'. The above statements clearly point out how the capacity to manipulate information guides and creates the economy of today. Moreover, it is interesting to acknowledge that the Internet provides an ideal place to manipulate that information.⁴

Another important element to consider is how an information society means an information economy as well. *Economy* then becomes the third element. This is considered the case, since now a large amount of economic activities in the world is using information as the main raw material. It is easy to identify how information industries such as law, education, media, computers, publishing, among many others account for an important part of any society. A good example of an information-based economy is the United States since almost half of its GNP comes from the informational sectors.⁵

A vital element in the conception of the information society concerns time and space. The *Space* relationship and the interconnections between organizations, regions, continents and finally the entire world are essential aspects of this new society. Everyday people are increasingly becoming part of networks of different sorts, which are connected everywhere and growing at a very rapid pace. Inside this new map of networks is where one finds one of the most important communication breakthroughs and information development, the so called "Cyberspace".⁶ The fact is that Cyberspace is becoming a crucial "place" for everyday cultural, economical and human activities. Moreover, this virtual world actually allows a space for social interaction, at the same time it embodies

³ Lievrouw L, Livingstone S (2002) p.23

⁴ Lievrouw L, Livingstone S (2002) p.24

⁵ Lievrouw L, Livingstone S (2002) p.25

⁶ Lievrouw L, Livingstone S (2002) p.25

cultural values. The world is currently living a shift in people's behavior in which more and more social, cultural and economical activities take place in Cyberspace.⁷ In this last statement lies the importance of understanding the uniqueness of this phenomenon and how behavior has changed and will change in the future. The interaction between people continues to evolve in Cyberspace, a new medium created by the Internet.

Culture is the final element in understanding the essence of information society. The conception of this type of society is clearly observed in the extraordinary increase of information in our everyday lives. The reality is that information now touches every person in the world in a "24 hours around the clock" matter. Each day people are surrounded by a heavy amount of information, starting from households' ever increasing presence of radio, TV, newspapers, PCs, and music players. In the same way, other communication sources have increased such as the presence of billboards, windows displays, and free magazines. This explosion of information helped by a media-saturated environment has resulted in a contemporary culture heavily manifested by information. As a result, researchers now discuss how the exchange of information and symbols is now shaping all kinds of decision making in people. This issue is now reflected by simple choices such as what clothes to wear, to even more complex ones like which body shape is acceptable.⁸

The information explosion above described with the five elements: *Technology*, *Occupational change*, *Economy*, *Space*, and *Culture* provides an overview on how information society is shaping the behavior of people. Even though currently it cannot be proven the existence of an information society on the basis of quantitative indices, many researches support otherwise. The advances in technology, communication and information are definitely affecting behavior and have grown in economic significance, especially in developed nations⁹.

In essence, this information boom and media-saturated environment has resulted in the increased importance of the message exchange process within networks. Inside this reality it becomes important to acknowledge how symbols are used and how they affect the interaction between subjects. Moreover, new platforms of communications such as Internet provide an interesting harvesting ground for this symbol exchange process. The internet is actually considered the last phase in the history of communication and information technologies, meaning that is the least studied and understood; nevertheless, the most important and fastest growing one¹⁰.

⁷ Kalay Y, Marx J (2001) p.9

⁸ Lievrouw L, Livingstone S (2002) p.26

⁹ Lievrouw L, Livingstone S (2002) p.146

¹⁰ Lievrouw L, Livingstone S (2002) p.147

1.1.2 Internet Social Networks

As mentioned before, the advances towards an information society where more and more people live their lives online has resulted in the outburst of the so popular internet social networks. In essence, these web pages are creating social playgrounds where registered users can interact, share interests, and express themselves with friends through message boards, blogs and member profiles. These unique characteristics and capabilities of social networking sites are undoubtedly attracting people's attention.¹¹

More than just another web site, online networking sites have been even considered as an obsessive cultural phenomenon. Youtube, MySpace and Facebook are the leaders of this trend, presenting a combination of software, marketing, media, information and entertainment. In the same group of networking sites one can also find Flickr with photosharing and social medium capabilities, and Wikipedia which is an online encyclopedia developed and policed by end users.¹² Other business-oriented internet social networking sites include LinkedIn which focuses on building databases of resumes and linking together employers with possible employees¹³; and finally Spoke, which is the largest business-to-business prospect database of its kind.¹⁴

Now a question that arises is why are suddenly businesses worldwide interested in these sorts of web pages? The answer is simple, over the last two years the number of social networking sites has exploded and today close to half (45 percent) of web users are active on social networking sites¹⁵. In terms of page views statistics, the biggest social networking web sites are unquestionably challenging the older and biggest ones. Internet giants such as Yahoo are actually now showing a decrease in page views. With on-line traffic increasingly shifting to sites with interaction and content creation properties, it is expected that marketing plans will move accordingly.¹⁶

Many believe that leveraging social networks to connect with customers has become not only appropriate but crucial for companies to consider.¹⁷ The high traffic generated in this web pages provide companies with the opportunity to win mind share, interact with customers individually, humanize the brand and boost customer loyalty. Several companies have already realized the advertising opportunities available in this medium, and their increased investment level is the main proof. In the year 2006, the social network advertising market was of US \$280 million, and the projections show that it will hit US\$ 1.8 billion by 2010.¹⁸

¹¹ Sebor, J. (2007) p. 34
¹² Fernando, A. (2007) p. 9

¹³ Freedman, D. (2007) p.71

¹⁴ Spoke web page

¹⁵ Sebor, J. (2007) p. 34

¹⁶ Taylor, C. (2007) p.18

¹⁷ Sebor, J. (2007) p. 34

¹⁸ Wasserman, T. (2006) p.15

A good example of a company already benefiting from internet social networks is Burger King. This company managed to develop one of the most successful campaigns of the year 2006 with the creation of a profile for its mascot "The King" at MySpace. This profile allowed visitors to become a Burger King's "friend" and consequently the opportunity to download TV shows episodes, download fancy branded backgrounds and sponsored videos. With more than 135,000 MySpace fellow users signed as "friends", Burger King has accredited part of the 6 percent boost in sales in 2006 to this initiative. In the same way, other companies such as Gatorade and The Learning Channel have found similar success going that path.¹⁹

Another approach marketers use to leverage internet social networks is through sponsored groups. Both Victoria's Secret and Apple have developed groups on Facebook with over 200,000 and 470,000 members respectively, with the number rising daily. On these groups available for MySpace and Facebook, the brands have the opportunity to sponsor, create and control their forums. The interesting aspect about these groups is that brands are not taking the absolute promotional approach. Instead, brands are creating groups such as "Why I Love My Ipod?", encouraging people to discuss and comment about the product. In the end, this creates word-of-mouth and a high level of interaction with the brand.²⁰

Though there are many advantages and opportunities for marketers within this internet social network industry, it is important to remember that this is still a new and fast changing phenomenon. If businesses wish to profit from the advantages of this trend, it is indispensable to understand the perks and details of this media. In order to take a step forward in this matter, this study will explore three of the major social networks present in the internet.

Facebook (www.facebook.com)

Facebook was launched in February 2004 and holds over 22 million active users across 47,000 networks. This webpage is the sixth-most trafficked site in the United States and the number one photo-sharing site, according to comScore statistics. Even more interesting is the fact that two thirds of its members come back to the page on a daily basis²¹. Facebook is defined by their own people as "a social utility that connects people with friends and others who work, study and live around them. People use Facebook to keep up with friends, upload an unlimited number of photos, share links and videos, and learn more about the people they meet." The main functions of this webpage include: create profiles, connect with friends, share interest, join groups/forums, send messages, write notes and post photos (See Appendix 1 for main page screen shot). This web page was initially created for students, but is now open to anyone with a valid email address. The web site is made of different networks based around regions, companies, schools or

¹⁹ Sebor, J. (2007) p. 36

²⁰ Murphy, S. (2007) p.72

²¹ Lashinsky, A. (2005) p.40

universities. Facebook expresses that the purpose of the company is to develop technologies that facilitate the spread of relevant information through social networks.²²

With the buzz generated by Facebook, the company has attracted talent from major online companies such as Yahoo, America Online and Amazon to work on their management. In the same way, the high traffic generated by the Web page has obviously attracted important companies such as Apple, Electronic Arts, and Victoria's Secret to sponsor their brands in Facebook.com through banner ads and sponsored groups.²³

<u>MySpace (www.myspace.com</u>)

MySpace was founded in July 2003 and is the most popular internet social networking site currently holding 80 percent of visits to this type of web pages.²⁴ It is one of the most visited internet sites worldwide, with more than 105 million registered users, and increasing at a rate of 230,000 registrations per day.²⁵ MySpace is the third most popular website in the US and the sixth most popular in any language²⁶. This web page defines itself as "an online community that lets you meet your friends" friends".²⁷

Among the options offered by MySpace are personal profiles, photos, groups, blogs, network of friends, music and videos (see appendix xx for main page screen shot). In addition to these functions, MySpace offers other features including an instant messenger service called MySpaceIM and more recently a mobile phone access to profiles with a service called MySpace Mobile. Unlike other web pages of this sort MySpace offer special user profiles to musicians. MySpace allows both signed and unsigned artist to post and advertise their music in this web page.²⁸ (See Appendix 2 for main page screen shot).

Hi5 (www.hi5.com)

This internet social network site is one of the top 50 most trafficked sites on the web. Hi5 currently holds over 50 million registered users and it has presence in North and South America, as well as Europe and Asia. This webpage expresses that their aim is to bring people together and make it easy to communicate with people around the world. It is a place that allows people to stay in touch with friends, meet new people, create and explore content, and express themselves. The Hi5 platform has among its functions personal profiles, groups, photo manager, bulletins, journal, messaging, classifieds, video, and music. ²⁹ (See Appendix 3 for main page screen shot)

²² Facebook web page

²³ Lashinsky, A. (2005) p.40

²⁴ Wikipedia web page

²⁵ Harwood, S. (2007) p. 62

²⁶ Murphy, S. (2007) p.72

²⁷ MySpace web page

²⁸ Wikipedia web page

²⁹ Hi5 web page

Hi5 provides a platform for marketing solutions with a range of advertising products including: text and banner ads, rich media placements, and custom sponsorships. The people at Hi5 express that the company delivers advertising messages with precision by using an IP and profile-based demographic targeting.³⁰

1.2 Problem Statement

As the background has shown, the internet as we know it has filtered through the pillars of contemporary society to a point never imagined. In this sense, if 20 years ago someone said that he or she would be meeting an on-line buddy for a date, the comment would had most definitely triggered an enigmatic reaction. This reality is clearly exposing that the internet is no longer just a space to look for information or purchase an item. The internet has in fact been transformed from a "space to a place", meaning that in addition to its spatial configurations is also embodying social and cultural values.³¹

Seeing that new internet technology continues to expand, one finds that the traditional uses of the web expand accordingly. Downloading episodes from your favorite TV series, getting new tunes for the MP3 player or uploading the latest party pictures on the personal web page are some of the new uses this technology encourages. As these internet innovations continue to appear one thing remains certain, people are not just walking but galloping into the information society at rapid speed.

It is among these new uses of the web that the so popular internet social network pages have exploded in importance. These new digital platforms are re-defining the way people interact with each other. Staying in touch with old friends or meeting new people are social activities which are being transformed and shifted to the computer screen. Whether the goal is finding someone to help you with the gadgets in your new camera or finding a date for the movies, the web, and more specifically internet social networks have the answer.

Brands wanting to gain competitive advantage on the market should strongly embrace this upcoming internet phenomenon. After all, this new society shines for the overwhelming amount of information, making it increasingly difficult for companies to pass through their brand messages. This has provoked that researchers find new ways in which they can catch the consumer's attention, making the human interaction process an interesting field of study. New concepts such as word-of-mouth-marketing are finding the way into the discussion table as effective interaction based marketing tools.

As the process of meeting and staying in touch with people shifts to the internet social networks, it is only logical that brand efforts are expected to follow. Moreover, with more than 750 million users' worldwide (10% increase over 2006), of which half are involved

³⁰ Hi5 web page

³¹ Lievrouw, L. & Livingstone, S. (2002) p.160

with social web application, it is clear that the internet monster cannot be waived when it comes to brand investment.³²

Taking a look at the previous line of reasoning one arrives at the indisputable truth that internet social networking applications can be a potential source for brand innovation. Now, despite the many reasons that justify a brand's investment on this new phenomenon, one question still remains. How can brands best profit from this continuously growing internet use?

1.3 Research Purposes

The main purpose of this study is to provide marketers with basic guidelines on how can brands benefit from this new trend of internet programs such as MySpace, Facebook and Hi5. To achieve this purpose, three additional goals must be first fulfilled:

- Obtain an increased understanding of the usage of internet social network applications in Sweden.
- Comprehend the behavioral aspects and motivations of the users which engage in this type of virtual experience.
- Finally, identify current brand efforts within these internet networks and their level of effectiveness.

One hopes that the combination of these elements will allow the researchers to successfully answer the problem. After all, they target the consumer knowledge and marketing theory required to obtain a relevant answer to the research problem.

Since today's polarized markets basically oblige the use of innovative solutions if a brand even wants to survive in this industry. Then, providing marketers with a guideline to capitalize on internet social networks would be extremely beneficial.

³² European Travel Commission (2007) p. 1

2.1 Understanding Branding

Before one can even try to make suggestions about how brands can take advantage of this new internet phenomenon, one must definitely first understand the concept of a brand. By getting to know the concept, functions and goals of any brand one gets to be a step closer to making relevant and clear recommendations about certain brand uses or strategies. In this sense, one can find several definitions that attempt to explain a brand. For the purpose of this paper, the definition of the Marketing Association seems as one of the best choices. According to this institution a brand is a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers.³³

Though this last paragraph explains rather clearly the branding concept, the practical applications for companies are not that easily observed. Why does branding requires such attention if is merely a way to differentiate a company's product from its competitors. As it will be shown further on, differentiating from competitors is not a simple and meaningless task to be expressed purely in logos or package design. There is whole set of elements that surround this differentiation issue, and only those marketers who truly understand the entire scope of these elements can actually propose strategies that can benefit a brand.

Moreover, separating the product or service from the ones of competitors is just one of the brands' basic rolls. There are several other functions a brand has to fulfill in order for it to be considered successful. Creating customer loyalty, generating larger margins, reducing vulnerability against competitor actions and generating trade cooperation are just some of the many advantages a strong brand could offer.³⁴ Saying this in simpler words, a brand is called upon to create value for the product or service it represents, in order to generate some sort of profitable outcome for the company.³⁵

In order to determine if a brand is developing in a correct matter, the concept of brand equity needs to be understood. One could define brand equity as the consumer's positive attitudes about brand attributes and favorable consequences of brand use.³⁶ These set of mental associations and behaviors from the part of consumers' permits brands to earn greater volumes or margins than it could without the brand name.³⁷

³³ American Marketing Association web page (2007)

³⁴ Keller, K. (2001) p. 15

³⁵ Kapferer, J. (2004) p. 14

³⁶ American Marketing Association web page (2007)

³⁷ Kapferer, J. (2004) p. 13

Having this past said, it is important to mention that there are many authors proposing different ways on which one can measure equity. For the purpose of this paper however, one will take the DDB Agency approach which measures equity under 4 different dimensions³⁸.

- Brand awareness
- The strength of brand positioning, concept, personality, a precise and distinct image
- The strength of sign recognition by the consumer (logo, packaging, etc)
- Brand authority with consumers, brand esteem perceived status of the brand and consumer loyalty.

In the end, every brand is continuously searching to be equitable and as we have explained above, this equity depends on the accomplishment of each of the above mentioned categories. The strategies brands apply to successfully develop each of these dimensions is a whole different story. There is a ridiculously large amount of brands in the market with different identities. This issue by itself explains that there is not a "one size fits all" strategy for obtaining equity. How brands play with their strengths and identities in order to reach equity is one of the major principles behind the marketing activity. For this study brand awareness becomes more the focus, since getting the attention from users interacting within internet social networks is the initial intend for brands. In this matter, this new virtual world offers a new window of possibilities waiting to be exploited by marketers around the world.

2.2 Social Media Uprising

After having acquired some knowledge about the concept and goals of branding, it is now necessary to understand the social media phenomenon, to which internet social networks belong to. Basically, this new media trend is where the audience is actively co-generating the content of each message. This is a step forward in on-line media in the sense that it penetrates the internet to reach virtual communities which are well formed and structured. As brands are constantly trying to generate equity, this social media has become the new place to play, and only those brands that learn how to play well will win.

2.2.1 New Media

As earlier mentioned, along with the imminent importance of information and communication in the world, media without doubt has been affected. Media has different definitions and can be used under different contexts. Since this discussion takes place from a marketing perspective, for this study media is referred in the context of advertising mediums. In advertising, media issues are usually concerned with "media

³⁸ Kapferer, J. (2004) p. 16

types", which is defined by Ghauri & Cateora as the different alternatives available to a company for its advertising (radio, TV, magazine)³⁹.

Since society in constantly changing, so are mediums used to spread information and communicate messages. Under this premise, the "old media" could be the radio and newspapers; while the "new media" might include broadcast television, mobile phones, video games, MP3 players, and the internet. ⁴⁰ Within this description, Social Media stands for the new type of media where consumers are now the ones responsible for generating the rules.41

The reality is that all types of media are constantly evolving over time, and new developments in media types are surely related to existing technologies. In the same way, the term "new" media should not imply that it replaces "old" media. The fact is that old and new media in most cases are mutually exclusive, since each medium satisfies different needs. For example, studies by Nielsen indicate that the use of internet does not change television habits of most internet users. Nevertheless, is important to remember that the Internet, among other new mediums, is still on its early stages of development and has not exploited its own wide-ranging power.⁴² This easily means that countless are the possibilities when it comes to the impact the internet could bring to many facets of life, something marketers have to keep track of.

Many factors now indicate that new media has brought with it an "over-mediated" world. This outburst of media is clearly illustrated by the fact that an average American spends almost nine hours a day using media (television, computer, radio, MP3 players, etc). This definitely has a deep impact on the lives of people. A clear change of what "quality time" and "family time" has now changed from the dinner table to activities around media.

Just as explained before changes in technology, occupation, economic sources, space and culture have a profound impact in society. In the same way, the introduction of "new media" plays a major role in encouraging people to embrace everyday activities with new uses of novel technologies. A comparison between television and the internet makes an excellent illustration on how new media changes the rules. On one hand is Television which is a linear, passive, time-constrained medium; while on the other hand the Internet has no time constrain, and allows interactivity. This last aspect of interaction is a vital factor supporting the development of a new medium. In fact, the history of new mediums starts when people come together to use them, creating social groups interested in them. In this matter, with the creation of "online communities" the internet was first developed.43

Discussions about this use of media in everyday life conclude that these communications systems alter value systems. This means that technology actually creates its own value

 ³⁹ Gauri, P. & Cateora, P. (2006) p.401
 ⁴⁰ Stafford, M. & Faber, R. (2005) p.5

⁴¹ Fernando, A. (2007) p. 9

⁴² Stafford, M. & Faber, R. (2005) p.5

⁴³ Stafford, M. & Faber, R. (2005) p.9

systems; and within these new value systems, people are spending more time communicating through web social networks and ignoring the immediate environment. The amount of time people spent submerged in the media environment surely affects their behavior outside of that space.⁴⁴ This is actually the basis for the origin of internet social networking, where the interactivity factor is generating new rules. With this increased use of media, marketers have encountered a new environment where they have to be even more targeted to find their consumers and get their attention in a relevant matter.

2.2.2 Interactivity

As mentioned before, interactivity is a central characteristic of new media. Even though is not unique to new media, under this context it has become an important subject of exploration. When it comes to discussing this concept in regard of this specific study, the relevance is undeniably high. This is the case since interactivity is one of the most important and differentiating features of the internet. Here, a starting point will be to understand what interactivity is. A general definition around from some time (1980's) defines interactivity as "a natural attribute of face-to-face conversation, but also able to occur in mediated communication settings as well, such as two-way cable systems, video games, talk shows on radio or television". This previous definition is lacking important elements now available that have forever changed the way people behave and interact in different mediums. In fact interactivity is more considered as a multidimensional concept that is first categorized under three main traditions. It could be first identified as: humanto-human interaction, human-to-documents interaction and human-to-systems interaction. 45

On the other hand several writers suggest other conceptualizations of interactivity in the context of media. The first comes from an interpersonal communication perspective by Ha and James (1998) in which interactivity is defined as "the facility for individuals and organizations to communicate directly with one another, regardless of distance or time".⁴⁶ A second conceptualization comes from the mechanical perspective, viewing interactivity with certain technological characteristics of a medium. With this approach Steuer (1992) defines interactivity as "the extent to which users can participate in modifying the form and content of a mediated environment in real time". In addition, Steuer explains three elements of the functioning of interactivity: the speed content can be manipulated, the range in ways content can be manipulated, and mapping. Other writers explain interactivity in terms of social communication for the specific internet medium. Sohn and Leckenby (2002) propose that interactivity "is a process-dependent concept where individual's active participation in social communication processes is a crucial factor for increasing the perceived interactivity of the Internet". Nonetheless, other authors view

 ⁴⁴ Tucker, P. (2007) p.12
 ⁴⁵ Lievrouw, L. & Livingstone, S. (2002) p.163

⁴⁶ Stafford, M. & Faber, R. (2005) p.104

this interactivity simply as "the control of the information flow, or the possibility of the user to travel over information" (Bezjian-Avery, Calder, and Iacobucci 1998).⁴⁷

For a better understanding on how interactivity impacts new media such as the internet, studies show that interactive capabilities offers new uses. Among those are included convenience, diversion, relationship development, and intellectual appeal. In the online environment users have total control of the communication experience in the sense that they initiate, sustain, and terminate communication with the respective web sites. From a marketing perspective, this is the foundation of the consumer-marketer relationship based on the interactive context. The main difference in this relationship is the change from one-way messages to two-way interactions. Stewart and Pavlov (2002) agree that this two-way interaction suggest a profound change in how consumer reactions to marketing communications are measured, which may be transformed under the interactive conditions. The response of users is not the only important matter, but rather how these two different entities are interrelating on the presence of different goals. In essence, that is the main reason why researches are now examining the concept of interactivity in relation to the effectiveness of interactive advertising.

Traditions of Interactivity

As may be perceived above, interactivity cannot be easily explained in the context of new media since many perspectives are being considered at the same time. The theoretical basis of this study considers that the most relevant and appropriate approach is the one based on the basic three traditions: human-to-human interaction, human-to-documents interaction and human-to-systems interaction. However, to direct this interactivity approach towards new media such as the internet, the three levels identified by Szuprovicz (1995) seem even more suitable: user-to-user, user-to-documents, and user-to-computer (or user-to-system). Other researchers have identified that within these three types of interactivity users also experience three types of control: relational (or interpersonal), content (or document-based) and process/sequence (or interface-based) controls. Ultimately, the three traditions suggested by Szuprovicz provide a basic framework for investigations in the area concerning this study. This is the case, since it goes from basic human communication to addressing the interaction of people with content and content creators, exploring at the same time the human-technology interface interaction.⁴⁹

Even though three models were developed by Szuprovicz, for the purpose of this study only the "user-to-user" and "user-to-documents" ones will be applied. This is decided since, as will be explained later on the methodology chapter, this study will analyze the internet social networks phenomenon from two perspectives. First, the "human element" side where the "user-to-user" model will be employed. Second, the "marketing element" will be analyzed where the "use-to-documents" model will enter the scene. Although, the third "user-to-system" model could help bring interesting findings, for this study

⁴⁷ Stafford, M. & Faber, R. (2005) p.13

⁴⁸ Stafford, M. & Faber, R. (2005) p.14

⁴⁹ Lievrouw, L. & Livingstone, S. (2002) p.166

researchers believe that strong contributions can not be reached under the methods to be utilized.

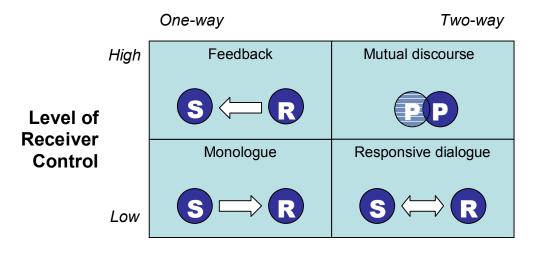
On the basis of the traditions explained by Szuprovicz, the following models are constructed:

1. <u>User-to-User Interactivity model</u>

New media has enabled the already known computer-mediated communication (CMC) which among many uses has social ones including: electronic email, networked electronic bulletin boards, chat, electronic shopping, and more recently internet social networks. The fact is that communication behaviors, rather than communication technologies drive the evolution of meaning in communication systems. Nevertheless, this interpersonal communication which is essentially human can be more easily enacted using technology.⁵⁰

This model is constructed based on the ways individuals interact with each other considering:

- Interpersonal Interaction
- Symbolic Interaction
- Social Interaction
- Interaction as feedback



Direction of communication

User-to-user interactivity model

S= sender, R= receiver, P= participant (sender/receiver roles are interchangeable)

⁵⁰ Lievrouw, L. & Livingstone, S. (2002) p.169

The "Direction of communication" and the "Level of receiver control" dimensions clearly illustrate four basic interactions existing on the world of the internet. ⁵¹ As explained before with new applications such as internet social networks, this user-to-user interaction is facilitated. Moreover, researchers agree that these modern technologies are now providing opportunities for new forms of communication that allow people to explore different aspects of their personalities and behaviors, as will be explained below.⁵²

Behavior and Identity Building

Social interaction theorists have presented many studies that seek to explain the behavioral aspects behind the success of social networks. In this matter, concepts like the construction of self through the process of socialization are key elements in helping understand this new phenomenon. Though there are many theories that touch upon these elements, for the purpose of this paper, Goffman's self-presentation theory will be taken as a point of reference.⁵³

Goffman's Self-Presentation

The first thing one must understand before reviewing this theory and its impact on social networks is the fact that "the non-socialized self is impossible". "What we 'are' and what we 'seem' are both constituted in society".⁵⁴ This reality suggests that our behaviors and actions can sometimes be a result of social influences. In this sense Mr. Goffman analyses the way individuals present themselves in their interactions with others. In his view, the interaction process is a theatrical performance on which people control the impressions of an audience to project the images (real and made-believe) that they want to project.⁵⁵

Basically this theory implies that, when interacting, individuals seek to acquire information about a person, or try and bring into play information they already possess. This behavior looks to help define situations, establishing in advance what they know and what they can expect from others.

For acquiring this past information, people do not solely rely in conversations. There are many sign-vehicles that allow individuals to convey messages among one and the other.⁵⁶ The way people dress, look or carry themselves are elements that are creating impressions among the unacquainted parts. Going back to our social network applications, there are many communication symbols provided by this web pages for

 ⁵¹ Lievrouw, L. & Livingstone, S. (2002) p.169
 ⁵² Whitley, E. (1997) p.161

⁵³ Wynn, E. (1997) p.5

⁵⁴ Naegle, Kaspar D. (2007) p.632

⁵⁵ O'Brien, J. & Kollock (2001) p. 226

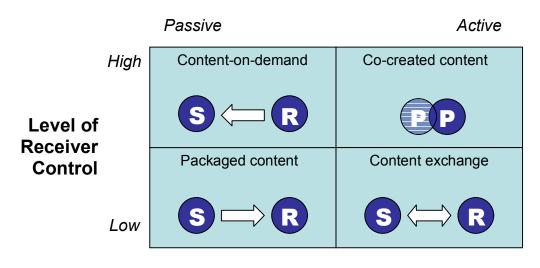
⁵⁶ Loc cit p. 227

individuals to play with. Profile descriptions, photo albums and group memberships are all applications that carry symbolic properties.

Though one will view the impact of this theory in the development of this study's discussion, it is imperative to mention that the social forces are not the only elements capable of influencing identity and behavior. There are many other theories that approach this last issue through a perspective more focused on the individual and less focused in society. However, social interactions theories need to be understood and managed for further discussions about the success of these web applications.

2. <u>User-to-Documents Interactivity model</u>

This second model deals with the way that active audiences interpret mass media messages. With new media new forms of interaction are emerging specifically in areas of active navigation websites that allow for active participation. This type of interactivity involves both perceived interaction with content creators and actual creation of content. Internet social networking sites are among the most important new media platforms facilitating the interaction between content creators (advertisers) and the audience (users).



Nature of audience

<u>User-to-documents interactivity model</u> S= sender, R= receiver, P= participant (sender/receiver roles are interchangeable)

The model bases the different types of interaction on the "Nature of audience" and "Level of control" dimensions. The combination of those two dimensions helps understanding the nature of these types of interactions between advertisers and users. These dimensions become especially important on an internet-based environment as will be later exposed.

⁵⁷ Lievrouw, L. & Livingstone, S. (2002) p.171

Starting with the most simple, yet more commonly found interaction is "Package content". As a self explanatory term, in this case content creators (advertisers) deliver a final and enclosed message to passive audiences, who remain with very limited actions with the message. The next step will be including a higher level of control from the audience perspective resulting in a "Content-on-demand" interactivity. This second interaction presumes that audiences have a higher level of control. In this case, users can actually customize the messages sent by content creators to their specific needs. Nevertheless, is important to remember that this customization is of the existing content (message); audiences have absolutely no participation on the creation of content. 5^{50}

"Content exchange" is the third interaction from this model. Just as the last two interactions, the audience has no creation of content. The main difference is that audiences can become both senders and receivers of content, meaning a more active audience 59

Finally, according to this model the most complex interaction between advertisers and audiences is the "Co-created content". The fact that characterizes this co-created message is that all parties are involved in the process of creating the message. Moreover, the participation of the audience in the content creation development is highly active and important.⁶⁰ To place an example, brands such as Apple create groups or forums in internet social networks sites where no initial message is given by the brand. What the brands does is actually to provide a space where the audience (users) are a 100 percent in charge of producing the content of the message. Important to notice is that the freedom provided by these interactions usually results in users imbuing the product with positive brand awareness; however, negative awareness can also be presented and is something that should be considered.

2.3 Marketing on the Web

Media selection has been an extremely important marketing activity from the beginning of the marketing discipline itself. Taking a look into Kotler's promotional mix. one finds that advertising and publicity functions basically require some sort of media channel for the promotion "P" to even exist.⁶¹ After all, there is simply no point in creating an extremely attractive brand offer or message if one does not find an effective way to communicate it to the consumer.

The problem today is that media channel selection has become increasingly hard for brand managers everywhere. The ever increasing amount of advertisements and the eminent media fragmentation make the marketing communication task an extremely

 ⁵⁸ Lievrouw, L. & Livingstone, S. (2002) p.171
 ⁵⁹ Lievrouw, L. & Livingstone, S. (2002) p.171

⁶⁰ Lievrouw, L. & Livingstone, S. (2002) p.172

⁶¹ Kotler, P. (1988) p. 35

difficult one. Just to paint a picture, a North American urban dweller is exposed to a daily average of 5,000 marketing exposures.⁶² Managing to get a brand message through in this crazy fuzz of information seems to be a nearly impossible task. This is the main reason why marketers are continuously in the search for innovative and creative ways to communicate with the customers. Their brands basically depend on these past factors to catch the customer's attention in this information-filled marketplace.

With a 208% increase from the year 2000, the internet is most probably the fastest growing media in the planet.⁶³ This giant is already shaking the foundations of traditional media by attracting upcoming generations, and with them, the attraction of big advertisement spenders. A UK research showed that while on an average weekday an adult spends 3.9 hours watching TV and 0.8 hours on-line, the story changes completely with youngsters. This generation spends an average of 3.2 hours per day watching TV and 2 hours on-line.⁶⁴ This single fact indicates that the internet is not only growing; but better vet, it is growing among the younger generations. It is safe to say that companies today can simply not develop a marketing strategy without considering some sort of internet influence.

There are many ways one can use the internet and more specifically internet social networks as an effective marketing tool. As it will be shown further on, advertising activities, CRM strategies and attention economy are concepts that are being systematically applied to the web. However for the purpose of this paper the theoretical focus will be more concerned with word-of-mouth-marketing and its possible contributions for internet social networks. The main reason for this is that even though internet social networks make money out of selling banners, buttons, streamed videos and search adds, they aren't the real revenue drivers. Their benefit lies more in their offer to connect people around the globe in a more intimate matter, allowing them to become the ultimate technological expression of word-of-mouth.65

2.3.1 Advertising on the Internet

Advertising is defined as any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. This marketing function is of essential for leveraging the very important brand equity mentioned previously. At a more symbolic/ emotional level, the prime purpose of this marketing tool is to imbue the brand with specific association and values helping it become unique and attractive to consumers ⁶⁶

As the internet continues to grow and consumers are increasingly living online, the advertising expenditure is also shifting. The internet is predicted to grow six times faster

 ⁶² Degraffenreid, S. (2006) p. 82
 ⁶³ Internet World Stats Web Page

⁶⁴ New Media Age (2007) p. 13

⁶⁵ Taylor, C. (2007) p. 19

⁶⁶ Meenaghan, T. (1995) p. 27

than traditional media between 2006 and 2009.⁶⁷ This piece of information indicates that a brand looking to create awareness will be forced to transcend traditional media choices and take some action in this virtual world. Going back to our previous branding explanations, a brand seeking to create equity necessarily has to develop its awareness among consumers. As the internet continues to evolve and outgrow other media, there is no discussion that this tool will be indispensable for brands looking to build equity.

Another important matter is that marketing research today is considering the concept of brand image as an increasing area of interest. This current direction has encouraged the attention on two important components of the business world: structural entities (stores, brands, corporations) and advertisements. ⁶⁸ For the purpose of this paper, this advertising concept is especially interesting because it shows that brands will need to develop ways in which they can carry out their desired image by using the internet. This is the case, since advertising is considered to be the main vehicle for imparting or transferring brand images to the consumers' minds and the internet has proven its importance as a new media. Brands wanting to be successful will have to find a way to effectively apply the advertising concept to the internet in order to reach the customer at a cognitive and behavioural level.⁶⁹

While in past years internet marketing and advertising were basically displayed in the forms of banners and targeted ads (web sites), today's reality presents a different picture.⁷⁰The always increasing technological developments and the growing amount of multimedia applications have allowed a whole new set of marketing possibilities. So, as the era of click and read arrives to an end, concepts such as animated banners and short internet commercials find their way into the table. Given the growing success of video sharing sites such as Youtube and metacafe-a, there has even been some talk about including 5 second advertisements within these videos. Arik Czerniak CEO of metacafe-a said: "I would gladly put 5 second adds in front of videos... never 30-second ads ... It ruins the experience for viewers."⁷¹

2.3.2 Customer Relationship Management

It is no surprise that to engage in many internet pages one must first provide some basic information in order to register in the web page. Information such as email, name, age and location are some of these basic data requirements virtual applications demand to register a user. Given the basic nature of the data required and the initial motivation of consumers to join a given web site, it is probable that little or no resistance will be presented from the part of the user.

This information request found in web pages is no other than the basis for creating a CRM strategy. This approach basically looks to acquire valuable customer information,

⁶⁷ Zenith Optimedia Press Release

⁶⁸ Stafford, M. & Faber, R. (2005) p. 31-32

⁶⁹ Meenaghan, T. (1995) p. 28

⁷⁰ Dahlén, M. (2001) p. 17

⁷¹ Snyder Bulik, B. (2007) p. 10

differentiate their values and needs, promote a dialogue and try to establish a long term fruitful relationship.⁷² When an internet page is requiring information of a future user, it is in reality gathering valuable information stocked in what is called a big data warehouse.⁷³

After the customer data is collected and gathered into the data warehouses, there is a computer automated process that analyses the acquired information. This process is known as data mining and its main function is to find consumers who share patterns or similarities in their needs, tastes and behaviours.⁷⁴

All of this process is done so a company obtains relevant information about their customers. This way they can proceed to approach clients on the basis of what they need or want and establish a long term relationships. After the previous steps are fulfilled, a company might decide to approach customers with some direct marketing over the e-mail or some other mean. In that way, the can offer products that are suited for the needs and wants previously discovered in the gathered information.

2.3.3 Attention Economy

As the digital revolution sparks its torch even further a new era of demands, choices, needs and niches opens up for retailers and manufacturers worldwide. With more than 1 billion people on-line the internet has without a doubt become the biggest bazaar the world has ever seen.⁷⁵ This reality demands that brands develop a whole new way of thinking. As this bazaar gets increasingly big, it creates a huge information "glut" making the brand message transmission a fairly difficult task. Moreover, as the amount of information increases there is something else flowing in the complete opposite direction, namely attention.⁷⁶

Attention is in fact an increasingly scarce resource for brands in today's market⁷⁷. Just to give a simple yet clear example, consider your experience while reading this paper. While you have a pre-established stock of attention to complete this task, a telephone ring, a person walking by, a personal problem or even a past TV commercial are all competing forces looking to grab this resource. While one has proven that attention becomes difficult for even a simple task such as reading this paper, one cannot even begin to imagine the implications for activities such as surfing in the web. In this virtual world the quantity of findings and offers found, coupled with consumers' off-line issues and perhaps hardware limitations, make the attention demand a nearly impossible task.

Companies wanting to stand out from the crowd are facing difficult times. Now more than ever, the market demands a high degree of innovation and creativity if a brand wants

 ⁷² Gummersson, E. (2002) p. 39-42
 ⁷³ Gummersson, E. (2002) p. 39-42

⁷⁴ Loc cit p. 42

⁷⁵ Robert, K. (2007) p. 12

⁷⁶ Goldharber, M. (2007) p. 4

⁷⁷ Loc cit

to even consider getting noticed. Though this information era has enabled consumers to a faster, more accurate and timely findings, it has also created a difficult environment for brands to stand out and grab people's attention.

However, the concept of attention does not apply solely to organizations. People also need some degree of attention from others to survive. In a child's latter stages attention is a requirement in order for themselves to develop a sense of persons. These needs do not ever completely go away. Regardless of the degree of shyness, humbleness or love for isolation, one still needs a minimum of this resource.⁷⁸ Psychology authors such as Maslow seriously consider attention in their published work. In the popular pyramid of needs that lead to self motivation and the construction of personality, Maslow describes that human beings have a series of social needs that include sense of belonging, love and affection.⁷⁹ Going back to our topic, none of these needs can ever be fulfilled without the much discussed resource called attention.

The web presents itself as an ideal ground for the development of attention economy. The fact that the internet presents no walls our boundaries provides each message with the opportunity to reach an immense audience. Moreover, the interactive nature of this virtual platform allows the liberated exchange of attention and information opening up a window of creative possibilities for businesses.

Finally, if brands need attention from consumers to communicate their differentiating values and people need attention among themselves to live successfully in society; then a strategic marketing approach that considers these past elements is perhaps more likely to obtain victorious results.

2.4 Word of Mouth Marketing

2.4.1 Publicity

When talking about an organization's integrated marketing communications, the two components that usually stand out for their importance are advertising and publicity. In this sense, publicity is considered to be any sort of non-paid editorial space in media to promote a product, place or person.⁸⁰ This communication tool can be of great effectiveness for building brand awareness when used in combination with other marketing communication instruments. However, free publicity cannot replace directresponse advertising as a way to generate leads. Nevertheless, this tool can increase the company's name recognition and remind costumers of its existence.⁸¹

⁷⁸ Loc cit p. 6
⁷⁹ About web page

⁸⁰ Loda, M. & Carrick, B. (2005) p. 362

⁸¹ Hudson, A. (2006) p. 68

On starts this chapter with the definition of publicity because of its close resemblance to word-of-mouth marketing. Though at first sight one might believe the two concepts are the same, there are in reality important differences that need to be established. These differences are better explained in the following table^{82 83}:

Word-of-mouth	Publicity		
Looks to create brand awareness through motivating consumers to share information about the brand.			
Brand message controlled by the business company	Brand message controlled by the media provider.		
Is not always cost free	Is always cost free		

The internet, being one of the fastest growing media's on the planet, presents itself as an irresistible harvesting area for publicity purposes. Its open source network characteristic and an audience pushing over 1 billion users' worldwide make this resource impossible for brands to ignore. Basically, all companies can access the internet today and place information about their products and services in hundreds of different web pages. As a result, they can use the web's huge audience advantages, generate positive awareness and avoid incurring in additional advertising costs. Again word-of-mouth-marketing concepts such as buzz marketing have basically the same definition as publicity.⁸⁴ However, this tool is controlled by the business not the media provider, and its purpose is to make consumers share information not merely create awareness.

2.4.2 Word of Mouth Marketing

Word of mouth marketing is one of the hottest subjects found in business today. By definition this communication tool seeks to generate reasons for people to talk about products and services, providing comfortable environments for the conversations to take place. The main goal of this strategy is obtain customer satisfaction through the following elements:⁸⁵

- Educate people about a company's products and services.
- Identify people most likely to share the company's opinions.
- Provide tools that make easier the information sharing.
- Study how, where and when opinions are being shared.
- Listen and respond to supporters, detractors and neutrals.

⁸² Word of mouth marketing association web page

⁸³ PowerHomeBiz web page

⁸⁴ Word of mouth marketing association web page

⁸⁵ Word of mouth marketing association web page

The increasing amount of social internet applications is providing an immense set of possibilities for brands to carry out their word-of-mouth strategies. Social web applications such as: blogs, communities and social networks are characterized by displaying a high degree of interactivity, making the information sharing process a superb delight. For the purpose of capitalizing these applications, different types of word-of-mouth marketing strategies have been developed. Among the most important strategies being implemented today to profit from social media one can find: ⁸⁶

- **Brand bloging**: Creating blogs and participating in the blogosphere, in the spirit of open, transparent communications, sharing information of value that the blog community may talk about.
- **Community marketing**: Forming or supporting niche communities that are likely to share interests about the brand (such as user groups, fan clubs and discussion forums); providing tools, content and information to support those communities.
- **Viral marketing**: Create entertaining or informative messages that are designed to be passed along in an exponential fashion, often electronically or by email.
- **Buzz Marketing**: Create word-of-mouth through high-profile entertainment or news.

⁸⁶ Word of mouth marketing association web page

3. Methodology

This study researches social networks as a way to better understand how internet social networks can be a source for brand innovation. To arrive at this goal, this paper will undertake a qualitative approach based on the research methods of observation and indepth interviews. The combination of these two methods is aimed to provide two different perspectives over the same reality, allowing better foundations for the construction of knowledge. The details of the method and design of this study will be explained further on.

3.1 Research Strategy

In order to understand the methodological reasoning for the choice of design it is first imperative to understand the nature of social networks. Different from other internet applications these web spaces are created for the specific purpose of socializing and interacting with other web users. This fact alone suggests that the same anxieties, tensions, aspirations and behaviours that characterize the human socialization process are to be found among the users of these pages. The only difference in this case is the use of a computer as a vehicle for the interaction, a matter which can promote or discourage some of the elements of the interaction process itself.

Understanding the human element behind social networks with all their behaviours, uses and motivations is of extreme importance for the research problem. One can not simply begin to preach about the way brands can benefit from social media applications if one does not understand the consumers behind them. By going back to the most basic definitions of marketing, this activity is responsible for creating, communicating and delivering value to the customers.⁸⁷ This process would simply not be possible if one does not know and fully understand the targeted consumer. In this sense, there will be a research method appointed to ensure that the relevant data is collected so that meaningful knowledge construction can be obtained from the consumer's perspective.

However, understanding the human element behind social networks is but one dimension of the research problem. Organizations worldwide are already aware of the existence of these internet uses and are undertaking a series of marketing strategies to benefit form them. This issue clearly gives away the second element of the research problem to be addressed in this study, namely the marketing element. It is important that this research paper explores the current strategies brands are applying in these social networks. By clearly describing these strategies one can latter measure their effectiveness and innovation effects. For the purpose of acquiring this data a second research method will be appointed.

⁸⁷ American Marketing Association web page

In the end, by co-relating the data obtained from both of the chosen methods one hopes to have the necessary tools to successfully fulfil the knowledge gap presented in the introduction. After all, knowledge production is of a less linear character, reason why this study can be located among the merger of data obtained from both research methods.⁸⁸

3.2 Research Design

Now that the direction of the study has been established and the data sources have been presented, it is important to illustrate how the research will be carried out. For this purpose, the following methodological steps will be to explain the qualitative nature of this research and to layout the design strategy.

3.2.1 Qualitative Approach

Going back to the problem of the study the choice of research design becomes rather clear. From the human perspective, the elements of experiencing and interacting in social networks suggest practices that have to do with behaviour. By definition, "behaviour is the action or reaction of something -as a machine or substance- under specified circumstances"⁸⁹. This fact dramatically favours the choice of a qualitative study in opposition to a quantitative one. An approach more focused in understanding behaviour rather than quantifying its elements seems to better address the problem.

From a marketing perspective this study would also require a qualitative view. The study calls more for an understanding of the marketing actions taken within these web sites rather than a measurement of the amount and types of applied strategies. It is more relevant for the research problem to be able to measure the impact and effectiveness of the marketing actions that are already in course and see if these actions are collaborating in the brand innovation process.

However, one is not implying that quantitative studies can not be used to measure behaviour. One is simply acknowledging that; for the purpose of this paper, the qualitative design responds better to the research needs.

3.2.2 Choice of design

Now that the qualitative nature of the research has been defined, the choice of a design needs to be fulfilled. There are five different types of research designs used to obtain empirical data.⁹⁰ After closely analysing each scheme, one finds that approaching the problem through a case-study design would be fairly beneficial for the nature of the research. By means of this design choice each internet social network would be

⁸⁸ Abrahamsen, A. & Hartmann, J. (2006) p. 12

⁸⁹ Princeton University 2001, Answers.com

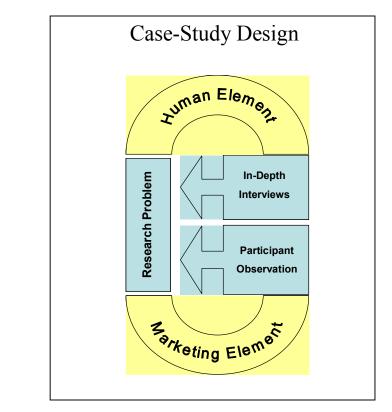
⁹⁰ Bryman, A. & Bell, E. (2003) p. 39

considered as a unique case, encouraging a more detailed and intensive analysis of the phenomenon. As it will be shown further on in the choice of research methods, the casestudy design will also allow the researchers to effectively approach the human and marketing elements of the problem.

3.3 Research Method

Now that the research design has been established, one arrives at a crucial point. What research method should be applied to obtain the best possible data, having validity as a measuring standard?⁹¹ It is important to remember that qualitative research is more concerned in interpreting and understanding a phenomenon rather that quantifying its elements. This absence of figures and measurements suggest that the aspects of reliability and replicability are of secondary importance.

As explained before, the research problem regards two different elements that complement each other. This reality suggests the use of different research methods that can produce relevant data for each of the established problem dimensions. Following, there are two method proposals for the human and marketing elements of the research problem. These methods are participant observation and in-depth interviews (see Figure 1).





⁹¹ Bryman, A. & Bell, E. (2003) p. 33

3.3.1 Participant Observation

"Participant observation" presents itself as a very well suited option for studying the marketing aspects of social networks. "This research involves living within societies or tribes ... attempting to understand the customs and practices of this cultures".⁹² Going back to the social network's presented definition, these are sites available online, which act as social playgrounds where registered users can interact with friends, share interests and express themselves through blogs, member profiles and message boards. This means that social networks can be considered as small tribes or societies because of the shared interests, behaviours and motivations of their users.

There are many proposed ways in which the researcher can apply the participant observation concept. One of the most common classifications is Gold's (1958) scheme of participant observation roles in which the researcher can undertake one of four roles of involvement.⁹³. However, for the purpose of this study one will use an approach found in Easterby-Smith, Thorpe and Lowe based on the more explicit possibilities available in management or organizational research. These are: researcher as employee, research as explicit role, interrupted involvement and observation alone. (see Figure 2) ⁹⁴

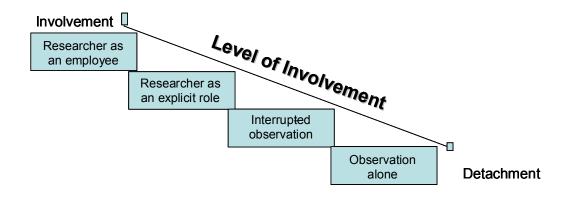


Figure 2

When one takes a look at the social networks, one finds that their design and functions allow high levels of involvement for any user that logs in. The only requirement for a user to be granted with full access to these web applications is to register to them. This reality presents an ideal harvesting ground for the concept of researcher as an employee, because it allows the possibility to be fully immersed and experience situations first hand. However, for this approach to be effective, it requires a daily access to the network, interacting for a specific but sufficient amount of hours.⁹⁵

⁹² Easterby-Smith, M, Thorpe, R, & Lowe, A (2002) p. 110

⁹³ Bryman, A. & Bell, E. (2003) p. 323-324

⁹⁴Easterby-Smith, M, Thorpe, R, & Lowe, A (2002) p. 110

⁹⁵ Easterby-Smith, M, Thorpe, R, & Lowe, A (2002) p. 110

Due to time and resource constraints it is impossible for the researchers to be daily present in these social networks, thus discouraging the researcher as an employee involvement level. Instead, the undertaken observation will be sporadic over a defined period of time, concept which is defined as interrupted involvement. This level of involvement introduces a model where one is able to combine the observations taken in a particular setting with interviews. ⁹⁶ Though at this time it is not possible to explain the immense advantage of this issue, latter on the reader will be able to appreciate this matter.

Data Collection

In order to collect data using the proposed method the researchers will register in three of the most popular social networks, namely Facebook, MySpace and Hi5. The information provided for each registration will be real and accurate to avoid any ethical complications regarding the research. The reason why new accounts have been created is to limit the degree of prior contamination of the social world from part of the researchers.⁹⁷ By starting from cero and avoid using existing accounts, one hopes to approach the object of research with the smallest predisposition possible. This approach suggests that one would make tremendous efforts to target the problem as a blank piece of paper so that the nature of the phenomenon can be really captured.

However, it would be unrealistic to imply that the observations will be undertaken with cero levels of predisposition. There are clear limitations that prevent this research pureness to be complete. Things such as prior use experiences within the networks and knowledge about the study in process are matters that will most definitely put a stop to a completely unstructured approach. Moreover, there are other issues which are less evident but still influence the observation process in an important matter. Gender and cultural aspects are among these issues that prevent the study to be completely untamed.

Given the explained reality it would be unwise to propose an unstructured approach for the observation process. Instead, this paper will recognize its limitations and utilize the selected method in a structured manner. This structured orientation will be taken to help maintain the levels of subjectivity to a limited degree, facilitating the replication process of the research piece.⁹⁸This means that the researchers will be in the look for specific elements within the networks. More specifically, the study will take into account the following issues when observing:

- Offers and attributes present in each social network.
- Similarities and differences among the networks' offers.
- Advertising displays of any nature and their location within the network.
- Brand mentions in the discussion forums, blogs or message boards.

 ⁹⁶ Easterby-Smith, M, Thorpe, R, & Lowe, A (2002) p. 113
 ⁹⁷ Bryman, A. & Bell, E. (2003) p. 298

⁹⁸ Bryman, A. & Bell, E. (2003) p. 299

With this new structure the researcher's job will be significantly more honest by accepting their pre-dispositions towards the study and still allowing enough ground to develop on the found data. It is imperative to point out that this proposed structure does not seek to reflect the researcher's views rather than the studied phenomenon. The structure is basically looking to establish a middle ground where the researchers pre-dispositions are recognized and untamed data can still be collected.

3.3.2 In-depth Interviews

Now that a research method has been appointed to produce data that can help address the marketing element of the problem it is imperative to focus on the human element. After all, users are the main and only reason social networks continue to grow, turning heads of advertisers in many industries. For the purpose of gathering data about this aspect of the problem an In-depth interview becomes a bullet prove weapon.⁹⁹

Interviews are in fact the opportunity for the researcher to uncover new rules, open up new dimensions of a problem and to secure vivid accounts that are based on personal experience.¹⁰⁰ Going once again back to the purposes of the research, unveiling the behaviours and motivations behind social network users and understanding the use itself are major issues presented. Hence, In-depth interviews become a safe and logical tool to explore these purposes. Moreover, like mentioned earlier, interviews are a logical match with interrupted observation as a way to obtain more complete findings about a phenomenon. Thus there will be no interference with the results, but better still a harmonious integration of data that can lead to the successful production of knowledge.

Data Collection

Even though many researchers do not approve perspectives that predetermine formats on the social world¹⁰¹, the complexity of this study suggest otherwise. The need to co-relate the marketing and the human elements implies a new degree of difficulty that would consequently suggest a more elaborate approach. By structuring the angles of the research, one ensures the acquisition of data which will be friendly to the co-relation process. Nevertheless, the shared belief that a qualitative research should not impose a predetermined format is a cry for some sort of middle ground in this matter. This issue has discouraged the choice of a fully structured interview, leaving some room for interviewed subjects to express their ideas freely.

The interview guide will be elaborated following Kvale's (1996) nine types of questions model (see figure 3).¹⁰² This step will help ensure that the research will be able to capture the studied phenomenon as completely as possible.

⁹⁹ Easterby-Smith, M, Thorpe, R, & Lowe, A (2002) p. 103

¹⁰⁰ Loc cit, p. 86

¹⁰¹ Bryman, A. & Bell, E. (2003) p. 297

¹⁰² Bryman, A. & Bell, E. (2003) p. 351

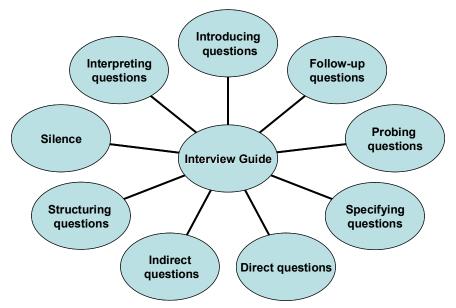


Figure 3

Sampling

In many qualitative studies the sample selection is a product of a convenience or opportunity. This is a result of the shared belief that if a study aims to generate in depth analysis, issues of representativeness are less important.¹⁰³ Despite this reality, it is this study's desire to provide a fair and accurate picture of reality, reason why the sample selected will be clearly specified and supported.

For the purpose of our study, the targeted population will be of 20-30 year old Swedish students who have already had some experience within the social network world. The research will be conducted in the cities of Lund and Malmo and will undertake a total of 12 interview subjects. Though the choices of location and number of interviewed subjects are closely linked to convenience and time limitations, the choice of age and occupation respond to a completely different matter. This issue will be explained below in the following topic.

Broad vs. narrow approach

Depending on the researcher's goal, the problem can be analysed from a broad or narrow perspective. The first option would require different demographics for each of the interviewed subjects selected. This means that one would have to interview a large number of people, of different ages, backgrounds, social status, education, among other things.

The fact that social networks are a fairly new phenomenon suggests that younger generations are the ones more likely to be fully immersed in this internet use. Since the

¹⁰³ Bryman, A. & Bell, E. (2003), p. 356

research problem requires substantial information to produce relevant analysis, it is only logical to target the group more absorbed by the web application. By selecting this narrow perspective one hopes to increase the data findings needed to propose important contributions.

3.3.3 Gender Aspects of the study

Since social networks present a vehicle on which people are able to socialize and interact with others, is also an issue that demands some reflections about gender. Computer mediated communications support socio-emotional and relational behaviours, issues that deeply relate to the concept of gender. These social emotional and relational behaviours could result in content differences in the computer-mediated discourses, affecting deeply the object of the study.¹⁰⁴

The past line of reasoning is the main reason why the sample taken for the interviews will be split half and half according to gender differences. By following this strategy one hopes to capture these social emotional and relational behaviours that can be present between genders. This fact will consequently result in an increased level of representativeness and reliability for the study outcome.

For the observation process the gender aspect also becomes important. Both of the researchers conducting the study are men, reason that could lead to the different perceptions about what is considered important.

3.3.4 Limitations

Even though this research design seems fairly complete, there are several limitations that affect its smooth implementation. Apart from the obvious time limitations, issues like the newness of the topic have made it difficult for the researchers to find previous studies. This issue indisputably reduces the data collection process of secondary sources, providing little guidance for the development of the subject.

It would be both arrogant and unwise to expect that this study will present a miracle bullet-proof marketing guide for businesses worldwide. The before mentioned limitations coupled researchers lack of previous experience present this study more as a point of reference for future researches.

¹⁰⁴ Guiller, J. & Durndell, A. (2006) p. 2241

4. Discussion/Analysis

The following chapter will present the study empirical material and the discussion analysis in a combined and understandable matter. This means that instead of placing first a list of the empirical results to be later discussed; the research will combine both sections in order to increase understanding and text-friendliness.

Having this said, this section will be structured based on the three research purposes mentioned in the introduction. This approach will basically provide three set of discussions based on the different goals of this study. By doing so, the researchers hope to ensure that all three knowledge gaps are fulfilled, taking the reader one step closer to understanding the study as a whole.

Since all three purposes have not been mentioned since the introduction chapter, the researchers have decided to re-state them before each of discussion development. This strategy will ensure that the reader connects the nature of the findings with the research goals without having to go back each time to the introduction.

As mentioned in the methodology, the empirical data supporting the discussion/ analysis of this section is taken from the combination of observation and interviews. In this matter, it is important to present a summary of the interviewed subjects' demographics, since their insights will be continuously used in this chapter.

Name	Sex	Age	Studies	Location
Anne	F	26	Business	Lund
Jonna	F	30	Law	Lund
Jenny	F	26	Environmental Sciences	Lund
Fahd	М	25	Political Sciences	Lund
Dorotea	F	24	Business	Lund
Sihem	F	24	Business	Lund
Frederik	М	24	Business	Malmo
Soren	М	26	Business	Lund
Sofie	F	22	Languages	Malmo
Erik	М	24	Business	Lund
Alexander	М	24	Engineering	Lund
Phillip	М	22	Business	Lund

4.1 First Purpose

Obtain an increased understanding of the usage of internet social network applications in Sweden.

As a starting point, this study revealed that internet social networks such as Facebook, MySpace and Hi5 are a phenomenon that has widely transcended the borders of the markets on which they were conceived, namely the United States. Sweden is a good example of this expansion, considering the very high awareness and usage level found among the whole sample. Overall, the interviewed subjects had a good understanding of the functions and benefits obtained by engaging in these sorts of internet applications.

Within this Swedish market, the study revealed that Facebook is by far the most used internet social network by the sample. All the respondents are in fact registered to this web application, regardless of whether is their main social network site or not. In the interviews MySpace is found to be the second most popular choice, but still far away from Facebook's popularity. Only three of the respondents use this social network and within this sample, only one user has it as his main internet social network. Finally, Hi5 is the least popular internet social network within the sample. Only one respondent agreed to be registered to this web page. Following is the chart with the summary of the findings regarding this issue.

Name	Main Internet Social Network	Secondary Internet Social Network	Third Internet Social Network
Anne	Facebook	Х	Х
Jonna	Facebook	Х	Х
Jenny	MySpace	Facebook	Х
Fahd	Facebook	MySpace	Х
Dorotea	Facebook	Х	Х
Sihem	Facebook	Х	Х
Frederik	Facebook	MySpace	LunarStorm
Soren	Facebook	LinkedIn	Х
Sofie	Hi5	Facebook	Х
Erik	Facebook	Mujabi	Х
Alexander	Facebook	X	Х
Phillip	Facebook	Glife	Lnite

As shown in the chart, another important study finding was the discovery of other internet social networks that are currently being used by students in Sweden. Among these pages one finds LunarStorm (<u>www.lunarstorm.se</u>), Lnite (<u>www.lnite.se</u>) and Mujabi (<u>www.mujabi.com</u>) which are Swedish; in addition, LinkedIn (<u>www.linkedin.com</u>) and GLife (<u>www.glife.com</u>) which are international. This past result suggests that as internet social networks become more popular it could be possible to transcend the mainstream approach and have this phenomenon for specific niches. This would mean that instead of

just having big international networks, one would also be able to find fairly specific internet networks based on subjects or locations.

When it comes to the level of usage of this web application, it is important to examine if there are differences among people. Does everybody use the networks the same way or are there individuals who behave differently? In this matter, the interviews revealed that there are three distinguishable types of users based on a series of characteristics. Basically, the research revealed that there are heavy, medium and random users, each of which will be described in the following:

Heavy users:

- This type of user is engaged in the web site on a daily basis, visiting the network usually more than once.
- They know and manage all or most of the web's features and are actively using these features in the network.
- The amount of personal information posted on the internet social network is vast and detailed.

Medium users:

- This type of user visits the internet social network usually two or three times a week.
- They know and manage the main social network functions. They are still learning and discovering the other available features.
- The amount of personal information posted is more than basic, but still without as many details as the heavy users. They do not reveal very specific information requests such as: religion, political views or mobile number.

Random user:

- This type of user visits the internet social network usually 2 or 3 times a month.
- They only manage the very basic network functions, and usually not even know the available features of the web page.
- The amount of personal information posted is fairly limited.
- These users are usually heavy or medium users of another internet social network or are still fairly new to the internet social network phenomenon.

Name	Facebook	MySpace	Hi5	Other
Anne	Medium	Х	Х	Х
Jonna	Random	Х	Х	Х
Jenny	Random	Heavy	Х	Х
Fahd	Heavy	Random	Х	Х
Dorotea	Medium	Х	Х	Х
Sihem	Medium	Х	Х	Х
Frederik	Medium	Random	Х	Medium
Soren	Random	Х	Х	Random
Sofie	Medium	Х	Heavy	Х
Erik	Medium	Х	Х	Random
Alexander	Random	Х	Х	Х
Phillip	Heavy	Х	Х	Random

Though the difference among the type of users has been established it is still important to see which of the sample belongs to each category. For this purpose the following table was designed.

As shown in the chart most of the sample using Facebook is a medium or random user. This result becomes very interesting, since as shown earlier this internet social network is by far the most popular amongst the sample. In fact, this result could lead one to interpret that though this web application is fairly known it is still new and growing. After all, in order to be a heavy user one should be able to know and actively manage most of the internet social network features. This condition would suggest a fairly high level of experience within the network which is gained through active use and familiarity. The fact that the interviewed ratio tends more to the medium and random users could indicate that the network is known but people are still learning how to use it completely.

On a different matter, it also becomes important to understand the way people became first engaged with these internet applications. Considering this, all of the interviewed parties, regardless of the level of usage, expressed that they first learned and registered into these networks through a friend's invitation. However, this invitation was not always presented in a digital matter (e-mail). Many friends recommended the use of the internet social network through off-line gatherings. This last idea points out that the awareness level of these social networks is fairly high, given the fact that they are being discussed outside the computer screen.

When talking about the use of social networks it becomes significant to understand in what location are users engaging in this web applications. In this matter, the interviews revealed that the preferred setting for users to log-in these web pages is their place of residence. The interviews provided different answers regarding why the house is the preferred place, among which one can mention the following:

- Comfort, ease of use.
- A higher level of privacy.

- Facility to upload and download pictures from/to their own computers.
- Universities and work offices sometimes do not allow log-in into such websites.

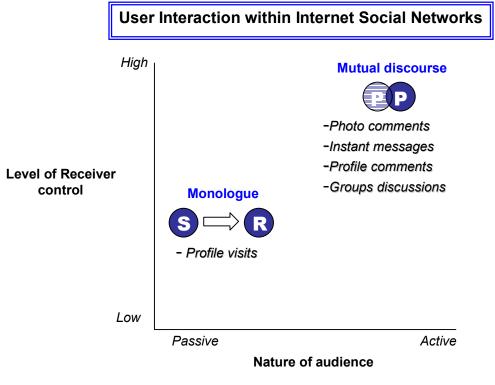
Finally, there is a crucial issue that one must explore in order to better understand the use of internet social networks, namely user-to-user interactivity. When the interviewed parties were asked if they have interacted with other people inside the networks, the whole sample responded positively. It is clear that users identify internet social networks as interaction-based web pages, regardless if this interaction takes place in an active or passive matter. In trying to understand how this works, the interviewed individuals were asked to express the way in which they interact. In this matter the sample revealed the following actions:

- Photo comments
- Instant messages
- Profile comments
- Groups discussions

The obtained responses clearly suggest that internet social networks are ideal platforms where "mutual discourse" is being developed (see graph). The use of the past network features indicate that these web pages allow a straightforward two-way communication flow. Even more important is the fact that network users experience a high level of control over the interaction and communication processes. The last statement is exemplified by the privacy options available in the internet social network, such as: accepting/blocking friends, controlling who can observe profile details, among others.

However, there is a more passive interaction that takes place within this networks which was not brought up by the interviews. In order for an interaction to take place the user does not necessarily need to send a message to another party. This reality makes one wonder if just by visiting somebody's profile one is already interacting. Actually, the answer to this past thinking is yes. Going back to the user-to-user theory presented in previous chapters, one can have one-way communications were the receiver has little or no control over the content of the message. These so called monologues are evidenced every time a social web user visits another user's profile (see Figure 4). If one analyses this issue closely, one is able to observe that profile pages contain a set of symbols and information which are transmitted to the viewer in each visit. This fact suggests that though there is not always exchange of words, people are constantly interacting within these networks.

Figure 4



S= sender, R= receiver, P= participant (sender/receiver roles are interchangeable)

4.2 Second Purpose

Comprehend the behavioural aspects and motivations of the users which engage in this type of virtual experience.

To discuss this second purpose the study will review the behaviors and motivations behind three specific actions regarding internet social networks. These activities are:

- Initial engagement with a social network
- Information sharing with other users
- Use of features within the network

By exploring the motivations and behaviors that guide the user when conducting each of these activities one hopes to gain more understanding of the phenomenon as a whole.

After having set the structure on which this research purpose will be approached, it is now important to explore the behaviors and motivations that lead the sample to engage in a social network. In this sense, interviews revealed that people joined internet social networks to fulfill one or several of the following goals:

- Make new friends.
- Search for music, new artists, listen to radio stations.
- Stay in touch with current friends.
- Re-establish connection with old friends, or friends that live abroad.

Once again, most of the reasons given by people to join these internet applications have their roots in the interactivity concept. Individuals today are in fact living in an information society were the distances are shortened by technology. When the sample was asked if they have overseas friends in these networks, the answer was an overwhelming yes. This piece of information clearly differentiates web social networks from a phone call or an e-mail. Their friendly interfaces do not only provide several ways for mutual discourse to take place, but also gives first hand information and pictures of the people one knows or wants to meet.

After having understood why people register to internet social networks, it becomes important to establish their motivations for placing personal information within these web pages. Regarding this point some important findings were obtained, among which one can state the following:

<u>Anne (Business Student) 1:</u> "I create my profile the way I do, because I want to present myself the best way I can.... Is all about presentation... If somebody looks at my profile than it must be nice".

Sihem (Business Student) 2: "Is a way to describe myself and provide a deeper view of *me ... What I want everybody to know about me*".

Dorotea (Business Student) 3: "Is all about giving and taking ... I you want to check your friends' profiles then you should give them the same opportunity to check yours".

<u>Alexander (Engineering Student)</u> 4: "I don't have information in my personal profile because I'm not comfortable sharing information about myself".

When analyzing the answers of the first two respondents, it is clear that Goffman's self presentation theory is playing a major role in their behavior. The interviewed parties are controlling the impressions they give to the audience, through placing the pictures and descriptions they want others to see. The internet social networks provide functions that help people construct their discourses. Features such as: photo albums, interest descriptions and preferred groups are elements charged with symbolic significance that members can use as they see fit.

The first two results also reveal that the audience is an extremely important element within internet social networks. People are not just concerned with constructing the right impression, they are also concerned in getting others attention in order to start transmitting their discourse. The concept of attention economy takes an important stand in this matter. As the theory well explains, people live surrounded by an "information glut" where the attention resource is becoming more and more scarce. This means that as people increasingly join these internet pages, there is less attention resource for each user to explore profiles. This past reality could lead to behaviors that would seek an increased level of attention, perhaps by uploading pictures or information with specific symbolic meanings.

On a different approach, the third respondent is presenting a different behavior when it comes to the information sharing process. For this individual it is more relevant the fact that other people are behaving in the same matter than their desire to present themselves and provoke an impression. The main concern of this user is not to construct an image or build an identity but to feel part of a group. For this individual, the internet social network acts as a pressure that shapes behavior. This past idea suggest that there is an existing code of conduct within these web applications, regardless whether it is clearly expressed or not.

Different from the first three interviewed subjects, the fourth respondent showed no desire to share personal information within the social web page. The motivation of this user to use this web page is more to see what friends and other people are doing rather than to share information about him. In these cases one could argue that there are trust issues about the security of information placed within the network.

The third and final actions to be covered in this chapter are the behaviors and motivations linked to the use of some of the network's features. In other words, what do people do once they log-in the internet social network and why they do it? To approach this question this section will provide insights on three social web features: update summary page, picture manager and groups.

Since Facebook is the only internet social network used by all interviewed parties, it is only logical that the study will focus the answer to the past questions from this network's perspective. Moreover, the fact that only three people out of the sample used MySpace and only one used Hi5 is a factor supporting the decision of taking the Facebook's perspective. By doing so, one ensures that the engaged discussions will be both valid and trustworthy.

Without further preamble, the study showed that from the moment users' log-in, the first thing most of them do is revise the updates made by their friends since their last visit. These updates are manifested in the ways of: new uploaded photos, comments made on people's profiles, messages, friends' requests, among other things. In reality, it is no surprise that most of the users choose to revise the recent updates as a first step within the page. The reason for this is that after users log in, the first page displayed by the internet social network is a summary of all updates.

Since heavy users are the people who are constantly engaging in the networks, creating updates and browsing other pages, it wouldn't be a surprise to constantly find their

profiles in the summary page. The fact that these users are the most active within their networks consequently produces an increased level of awareness for their pages. If once again one takes the attention economy perspective, heavy users are the individuals which are capitalizing the most on the attention resource.

Even though the summary page suggests some specific behaviors and motivations, this section is not considered the preferred network feature among the interviewed sample. In this matter, all of the interviewed parties agree that the picture manager is the network function they like the most. Whether the goal is to share personal photos or view and/or comment on friend's photos, this was the undeniable favorite web element. Like the popular phrase says "a picture is worth more than a thousand words", pictures placed in internet social networks help users communicate through non-verbal channels.

Going back to Goffman's self presentation theory, what is actually happening is that pictures are symbolic ways in which the user can create an impression to the audience. This means that users can benefit from this tool to transmit specific and yet powerful messages within the web network. For instance a user wanting to stress a substantial academic background could place pictures of his or hers Masters Graduation. This action would tell other network users that this person has increased his education without having to say many words.

Further on, one can assume that the possibility to upload pictures is a middle point between face-to-face interactions and internet chatting. By uploading pictures on a person's profile, users are placing a face other users can relate to. This past statement can lead one to argue that picture uploads inflect friendly behaviors and motivations to the use of internet social networks. After all, when one is communicating it is always better to see a smiley face, a party face or even an ugly face rather than an invisible face.

One final step within this chapter is to analyze the behaviors and motivations encouraging users to join groups and on-line forums. In this sense, the study showed that most of the sample is not usually interested in using this feature. Among the interviewed subjects, the following reasons where given for engaging a group:

- They already belong to the group before joining the internet social network, so it is only logical to also be part of the group in the web page. These groups usually include ex-classmates, company co-workers, among others.
- They join groups about things they feel strongly about or identified with. One of the respondents that studies environmental sciences, expressed that she joined the "Friends of the Earth" group in order to be constantly updated about green issues. In the same category one can find users joining their favorite football club or favorite music band group. These users feel motivated to join these groups to be informed and interact with people with similar interests.
- The last type of users do not really care about the group they are joining, they get engaged with this community through a friend's invitation. This sort of

member is very passive, since they basically joined the group but never interact within it.

Going back to the heavy, medium and random users described at the beginning of the chapter, interviews showed that the first type of users are the ones that actively engage in groups and forums. However, this past statement is not implying that medium and random users do not engage in the groups found in internet social networks. These past users can also join groups or forums, but their participation within them is rather passive.

The lack of interest expressed in the interviews to engage in this network feature, is an issue that sparks some curiosity. However, going back to the reasons the interviewed individuals gave for joining social networks, one finds that this issue is not so enigmatic. People join internet social networks to interact with others. Already belonging to a group, felling very strongly about a subject or even a friends invitation are all actions that take the user one step closer to the process of interaction with others.

4.3 Third Purpose

Current brand efforts identified within internet social networks, and their level of effectiveness.

Marketing Strategies Being Applied in Internet Social Networks

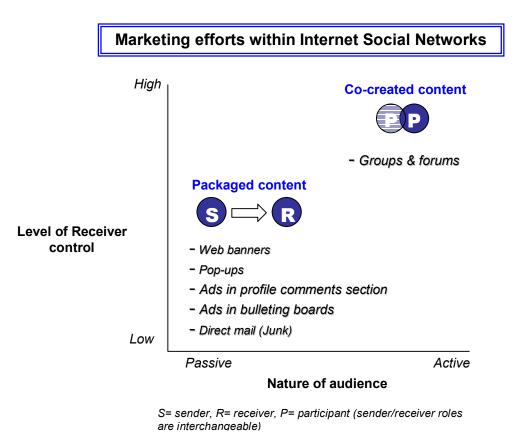
As mentioned in the theoretical framework, user-to-document interactions deal with the way active audiences interpret mass media messages. This definition takes the researchers to focus marketing strategies through the lens of user-to-document interactions. Remembering once again the branding aspects of the theory, for brands to create the much desired equity they must first gain considerable awareness. In this sense, this chapter hopes to present how companies are trying to spread their brand messages through web social networks. With this past goal in mind, the user-to-document model presents itself as an easy way to capture the nature of these marketing activities within the networks.

In this matter, this first part of the discussion will deal with the brand messages created through what is known as a "Packaged content" interaction (see Figure 5), meaning that the content of the message is created by companies and the audience limits to passively absorb it. As it will be shown further on, examples of this interaction forms are the so popular web banners and direct (junk) mail messages.

The discussion will then focus on "Co-created content" interactivity (see Figure 5). Under this type of interaction the content of the message is created through the interaction between sender and receiver. This implies that the level of control regarding the message construction is not placed on the sender's side or the receiver's side. Rather, both parties actively and equally participate in the message creation process. A clear

example of a marketing strategy which is benefiting from this form of interaction is the brand groups found within internet social networks (i.e. "Ipod Lovers").

Figure 5



Packaged Content Marketing Strategies

After having concluded the observation period in all three internet social networks, many marketing efforts in the form of packaged content were clearly identified. Since in this type of strategy the audience absorbs the created brand message, it was fairly simple to identify the marketing efforts within this environment. Following is a set of tables showing how packaged content marketing strategies are being displayed within internet social networks:

Log-in Page

This is the first thing that users come in contact with before logging in the internet social network. In this page the member has to present the network with a valid e-mail and password in order to be allowed in the web page.

	Marketing Efforts In The Log-in Page
Facebook	None
	Sponsored links
	Music advertisements
	Advertising banners on the centre and right side of the page
MySnaoo	Menu link to a page of classifieds
MySpace	Products an services advertised with personal profiles
	MySpace Specials
	Menu links to film, music, events, video and comedy information
	Direct links to products and services offers through hypertext
Hi5	None

<u>Update Summary Page</u>

This is the updates page that was commented on in the middle part of this discussion chapter. This page basically displays the summary list of all recent updates performed in the network. It is basically a way to see first hand which friends have changed something in their web profile as well as recent messages or comments that have been sent to the user.

Marke	ting Efforts In The First Page of the Internet Social Network (summary of recent updates)
	Advertising banner on the left side of the page
Facebook	Gift of the day offer on the right hand side of the page
	Link to a marketplace in the web site's menu
	Advertising banner on top and centre of the page
	Sponsored links
	Featured profile of brands
MySpace	Menu link to a page of classifieds
Myspace	Direct links to products and services offers through hypertext
	Advertisements spaces for books, music, comedy, shows and movies
	Menu links to film, music, events, video and comedy information
Hi5	Advertising banner on the right side
	Link to a classifieds page in the web site's menu
	Pop-up banner

Personal Web Profile

This part of the internet social network displays one's personal information and pictures. It is the main page where users can update or modify their profile view so friends can be kept up to date of the changes.

	Marketing Efforts In The Personal Profile Web Page
Faabaak	Advertising banner on the left side of the page
гасероок	Link to a marketplace in the web site's menu
	Sponsored links
MySpace	Menu link to a page of classifieds
	Menu links to film, music, events, video and comedy information
Hi5	Sponsored links at the bottom of the page
	Link to a classifieds page in the web site's menu

Friends' Profile Page

Each internet social network user has a list of friends registered in their network. Each of these friends has a profile page with pictures and information.

	Marketing Efforts In The Profile Pages of Friends
Facebook	Advertising banner on the left side of the page
гасероок	Link to a marketplace in the web site's menu
	Advertising banner on top of the page
MySpace	Menu link to a page of classifieds
	Menu links to film, music, events, video and comedy information
Hi5	Advertising banner at the bottom of the page
	Link to a classifieds page in the web site's menu

Picture Manager Feature

As revealed in previous chapters the function of uploading, commenting and viewing pictures is the most popular feature among these web networks' users. This issue has not been disregarded by marketers as we will see further on.

Marketing Efforts In The Picture Manager Feature		
Faabaak	Advertising banner on the left side of the page	
racebook	Link to a marketplace in the web site's menu	
	Advertising banner on top of the page	
MySpace	Menu link to a page of classifieds	
	Menu links to film, music, events, video and comedy information	
	Advertising banner at the top of the page	
Hi5	Advertising banner at the left side of the page	
	Link to a classifieds page in the web site's menu	

Groups and Forums Feature

Another internet social network function that is of relevant importance for the outcome of this study is the groups and forums feature. Within this feature members and users are able to join and interact with registered groups in the network, or even create a new group if they desire to.

	Marketing Efforts In The Picture Manager Feature
Faabaak	Advertising banner on the bottom of the page
Facebook	Link to a marketplace in the web site's menu
	Advertising banner on top of the page
MySnaaa	Advertising banner on the left side of the page
MySpace	Menu link to a page of classifieds
	Menu links to film, music, events, video and comedy information
	Advertising banner at the top of the page
Hi5	Advertising banner on the bottom of the page
	Link to a classifieds page in the web site's menu

Other Marketing Efforts

The past tables present a clear list of marketing tactics being used within internet social networks. These efforts are constant and common no matter the examined network. However, other marketing actions which are neither constant, nor common among networks were found. Examples of these strategies include publicity ads and flyers placed on the profile comments section of the page. Nevertheless, it is important to mention that these strategies where found only in MySpace and Hi5 networks.

Another packaged content effort being displayed within these networks has its roots on the CRM strategies. In this sense, direct mail (junk) continues to be a popular tool to promote product and services. Since is not possible to point out this strategy through the observation process, the study relied on the interviews to obtain information regarding this matter. However, no clear link was found between the internet social network registration and the increase of junk mail. The interviewed subjects are rather unaware or skeptic about having received additional junk mail since their social web registration. Answers like "well, it wouldn't surprise me" or "not that I am aware of" were amongst the most repeated responses.

Effectiveness of Packaged Content Strategies in Web Social Networks

Out of the entire interviewed sample one clear message was encountered, as mentioned by one of the subjects "*I have no problems with advertisements, as long as it does not interrupt my normal flow of actions within the network*". In this sense, all individuals agree that they feel disturbed about the following advertising initiatives:

- Pop-Up banners.
- Internet banners with music.
- Internet banners that were constantly glittering.

Even though the theory clearly points out that advertising expenditure in the internet is expected to grow at an accelerated rate, brands should revise how they are spending this money. As the interviews clearly show, many current advertisements are not only being ineffective, but worse still, they are creating a negative awareness for the brand. However, it is important to mention that most of the interviewed sample has no problem with advertising banners within the web pages. There is a general understanding that these internet social networks are businesses, and they have to make a living; reason why advertising banners are generally accepted. Nevertheless, this idea is suddenly dropped if the web banners display or include one of the rejected features mentioned above.

On another subject, the sample expressed similar complaints to direct mail as they did to Pop-ups and blinking banners. All of the interviewed subjects rejected any sort of emailed offers as positive marketing efforts. This finding would suggest that companies revise the effectiveness of their data mining and direct marketing strategies. If nobody from the interviewed sample agrees or likes this approach, then maybe the process of buying a database from an internet social network should be further analyzed.

Co-created content marketing strategies

In the first set of marketing strategies presented, it is clearly observed the packaged content nature of the brand messages displayed. However, the situation changes when it comes to strategies where the users actively participate on the construction of content. More specifically, the content of the message is created during the interaction between the company and the social web users.

In this sense, the observations made on all three internet social networks revealed the existence of a web feature specially designed for the engagement or creation of groups. Within this network function this study searched for groups regarding two brands: Apple's Ipod and Victoria's Secret. The result of the observation process was fairly clear. All internet social networks had several groups regarding the mentioned brands. This issue exposes the existence of close level of involvement between the user and the brand. Many brands capitalize this relationship by making users part of the brand message creation process. Some examples of this could be: asking brand users which Hollywood star they prefer for an add campaign or which features they would like for the next product launch.

Even though the observation revealed the existence of brand groups within social networks, it was impossible to identify if companies where pursuing this co-created marketing strategies. Moreover, the interviewed subjects indicated no active participation in brand groups, providing little data on this matter. The impression this situation

suggests is that, though there are brand groups within social networks, the participation within them doesn't seem very active. Obviously, this past statement is done taking into account a Swedish sample, reason why this matter should not be generalized.

Word-of-Mouth-Marketing

As shown in the theoretical framework the concept of word-of-mouth-marketing presents itself as an ideal choice for companies wanting to capitalize the human interaction process with brand efforts. In this sense, there are several types of word-of-mouth-marketing being applied in internet social networks. Concepts like buzz marketing, blog marketing and viral marketing are approaches based on packaged content interactions. On the other hand, another word-of-mouth-marketing tool such as community marketing is found as a co-created brand interaction. This is normally revealed through brand groups found within internet social networks.

Going back to the observations taken on all three networks one has found how brands are using all of the above mentioned approaches to capitalize on these new internet applications. Within the packaged content strategies one finds buzz marketing efforts such as concert ads placed in profile comments section of the web page. One can also find viral marketing efforts in the form of add or news of activities placed on bulleting board posts or shouts. Also within this tool direct mail presents itself as another alternative, though interviews could not confirm the link between internet social networks and junk mail.

As it was shown previously these past word-of-mouth marketing strategies are so far not well viewed among the interviewed sample. Overall, the response was rather clear, though many of the interviewed subjects have not yet experienced e-mails or friends' approaches promoting brands, those that have been approached do not like it

When it comes to the word-of-mouth-marketing strategies based on co-created content interactions applied in web social networks, the concept of community marketing falls into place. As mentioned earlier, many groups do exist where people can share interest about a brand. However, the interviews show that within the sample there is no specific motivation to incur in discussions and generate content in this type of groups. In addition, it should be considered that co-created content implies a shared level of control in the message creation. Observation showed how some groups were creating negative brand awareness for products or services. Though the ratio of communities generating positive brand awareness was larger than the ones generating negative awareness, a caution flag should be raised among companies. After all, ethical behaviors are not always respected, creating the risk that some competitors might develop groups to discredit a brand.

Finally, observations and interview's insight helped the researches identify how word-ofmouth strategies apply to both the packaged content and co-created interactions. This means that internet social networks represent an ideal platform for word-of-mouth marketing initiatives. However, as has been shown earlier some questions marks have being raised about how effective are these strategies in the end.

5. Conclusions

This study has confirmed that people today are living in the information society. Internet social networks are most definitely playing a leading role, developing new trends of interactive communication. The research showed that internet communications are no longer just e-mails and instant messaging, but have developed a whole new dimension of possibilities for users. It is only logical that if the internet is being transformed from a space to a place, the way of interacting within this digital platform is also shifting. Web relations between people are today characterized by more meaningful and deeper content messages. The comfortable environment and increased level of control given to the users are issues driving a change in the way people interact.

Another matter revealed in this research, is the huge opportunity brands have to find ways to grow alongside internet social networks. All of the interviews and observations indicate that this web phenomenon is far from reaching an end. Moreover, the internet social networks potential for interaction development is still in its early stages. As technology continues to develop one can expect wonders within this sector.

One shocking fact revealed by this study was the overwhelming rejection of the current brand efforts displayed by the sample. The extremely high traffic of people engaging in internet social networks and the increasing amount of advertising expenditure shifted to the internet platform, are head-turning issues for brands to take notice of. In order to start exploring the reasons behind this fulminating sample rejection of displayed strategies within the networks, the concept of attention economy becomes crucial.

Today's economy is better described as an immense arena where information and messages are overflowing and constantly overlapping. Within this "information glut society" the attention resource becomes a very valuable commodity. Brands wanting to get their messages through are finding high levels of interference due to huge limitations of the attention resource. Though internet social networks provide a window of opportunity to capitalize on the attention resource, brands should be extremely cautious on how they use it.

This study revealed that internet social networks have been created as a way for people to get attention from other people in a positive matter. As Mr. Goffman clearly suggests, one of the major drivers behind this popular internet use are the relationship between audience and impressions. In this matter, brands should be extremely careful not to compete with people for the attention resource. Most complains of the interviewed parties were directly related to the fact that brands initiatives where nosing-in on their valuable space for interaction. Companies that wish to obtain advantage of these networks should revise their current marketing strategies and focus more in helping people get attention rather than taking this valuable resource away from them.

6. Recommendations

As mentioned in the conclusion chapter, brands wanting to take advantage of the internet social networks should not interfere with the nature of this web application. Taking this into account, following is a set of recommendation that researchers believe could help brands acquire competitive advantage without generating conflicts with the users. It is important however to mention, that these recommendations should be further developed in future studies. Issues such as time limitations and the lack of experience with a new phenomenon suggest a level of humbleness displayed in the findings.

- Since the study clearly revealed that the picture manager is the element that draws the most attention within the network; then it is only logical to focus brand efforts in this direction. In this sense, a first suggestion would be to permit brands to place one small logo on one of the corners of displayed pictures. However, it is important to remember that brands should not compete with the picture to get the users attention; reason why the size of the logo becomes crucial. We believe that this could be a positive and achievable action since users understand that these web pages have to make a living, and sell some spaces within the page.
- Another study discovery was the fact that there are many types of users within these web pages. Amongst them, heavy users are interested in placing a large and detailed amount of information within their profile pages. Social networks could acknowledge this fact and include "Favorite brands" as a personal profile description possibility. Moreover, this favorite brands list could be displayed in the form of hypertext which with a click will bring the user to his/her favorite company's or brand's webpage. We believe this strategy could raise the level of awareness of a brand, since heavy users are usually accounted for a large number of profile visits.
- Similar to the previous recommendation, internet social networks can provide branded wall papers that can serve to customize users' profiles. Heavy users normally use these customizing options in their web pages. However, this recommendation is targeted to MySpace and Hi5 sites where this option of customization is available.
- Like any TV commercial, billboards or other advertising media, one can also find celebrities in the internet social networks world. Like any other user these celebrities are engaged in the network using its functions and interacting with others. This piece of information becomes crucial for brands wanting to take a celebrity endorsement strategy. With this in mind, brands can endorse the blogs spaces found in the celebrities profile pages. This way, when the celebrity makes comments on what he or she has being doing lately, the name and use of some brands can be mentioned. Taking a look at Paris Hilton's MySpace profile for example, one finds that over six million people have visited her page. This

provides a clear picture of the reach and awareness a brand mention could acquire by being associated with celebrities.

- Web banners were among the few efforts accepted by the sample when conducted this research. However, the level of effectiveness of these advertisements where very questionable since most of the interviewed parties did not remember brands were endorsing this spaces. It is this past reality that lead to the construction of the following recommendation. Brands that choose to invest in web banners found in social networks should be certain that the advertised content in these spaces will be of very high relevance to the target audience. Brands promoting activities or events where interaction between people is likely, should definitely consider these spaces. Considering this last statement, the possibility of users engaging in word-of-mouth initiatives is increased. A U2 concert sponsored by a brand could benefit from a banner in an internet social web page. It gives users the chance to interact physically and have something to talk about in the network with other users.
- As mentioned in the discussion, brand groups found in internet social networks do not seem to be really generating substantial awareness and interaction levels. Once again, internet social network users engage in these pages to interact with other people not to find information about a brand. Taking this issue in hand, one arrives to the suggestion that in addition to the existing brand groups, companies should actually create a brand-based social networking site. However, important to consider is that this strategy should only be applied if the brands behind the newly developed sites are sufficiently strong and its customers sufficiently passionate. By developing its own internet social network site, brands can profit in several ways, including:
 - The conception of an environment where interaction with real customers is facilitated.
 - Brands can gather important information from users engaging in blogdriven dialogues.
 - Increase services by assisting brand users with self-service features within the page.
 - o Offer targeted promotions and important news.
 - o Present updates and future launches.
 - Offer unique benefits for the web site's members such as: special edition products and pre-sale tickets (concerts, events)

As it has been mentioned throughout the study, internet social network is a fairly new and growing phenomenon. Just as any other new trend concepts are rapidly changing in the knowledge construction process. This fact has made difficult to obtain data from different sources on which to build this study upon. Nevertheless, the articles found show high level of interest in the subject, reason why we believe this reality will change in years to come.

Is important to acknowledge that internet social networks are a global phenomenon, and this study is based on a small sample of the Swedish market. The level of representativeness becomes then an issue for this study, though the findings touch upon the reality of the Swedish market, this might not be the case for the rest of the world. This also had an impact on the preferred internet social network; while Facebook is the preferred network within the sample, again this might not be a general understanding.

This study helps surface important realities happening within this new internet use; however, it does not go deep on each of these realities. This paper should be considered more of an informative nature to be used in the developments of further research. A quantitative approach should be considered to explore each of the findings revealed by this paper. As it was expresses before, there is a need to revise and study the effectiveness of the marketing initiatives currently being applied.

Finally with astonishing facts such as 337.5 million people using internet social networks and US\$ 1.8 billion projected marketing investment for 2010 the importance of future research is clearly established. In the words of Angelo Fernando (2007):

"The need to interact with customers and audiences in a truly social way is driving people to the computer screen. But this time there are no brand guidelines, there is no handbook from the corporate office. Exciting, isn't it?"

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Appendix 1

Facebook Main Page Screen Shot

facebook Mark Zuckerberg's Profile (This is you) Harvard Q- Search Mark Harvard My Profile edit Zuckerberg Facebook My Friends San Francisco, CA My Photos Sex: Male My Notes Birthday: May 14, 1984 My Groups Hometown: Dobbs Ferry, NY My Events Relationship Status: In a Relationship My Messages (13) My Account ▼ Mini-Feed My Privacy Displaying 10 stories See All View More Photos of Me (182) Read Notes by Me Today Edit My Profile Mark commented on Ezra Callahan's note Life Goal #16: Go to X the Nut in a Tux. 7:14pm Create a Profile Badge 🖋 Mark edited Profile Picture on his profile. 3:47pm x ▼ Status edit Mark wrote on the wall for the group LOCKDOWN. × 2 updates this week. See All Yesterday Elis Mark is at work. Updated on Friday Will tagged Mark in two photos. 5:35pm ×. Added to: ▼ Harvard Friends finally, new album from will 147 friends at Harvard. See All - 14 Photos 🧕 Mark and Julia are now friends. 2:44pm X September 2 Carolyn Melanie Kasey Deitch Galang 🎎 Mark created a group. 10:44pm x Abram Free Flow of Information on the Internet ▼ Friends in Other Networks Election 2006 - Campaign Issue Networks with the most friends Harvard (147) Facebook (96) San Francisco, CA (82) ▼ Information edit Networks you belong to Contact Info | edit] Harvard (147) Email: Facebook (96) AIM Screenname: San Francisco, CA (82) Mobile: Show All Networks Current Address: 156 University Avenue Palo Alto, CA 94301 ▼ Photos edit Residence: Kirkland You have 2 albums See All Personal Info | edit Activities: lots of facebook **Mobile Photos** Interests: information flow, exponential growth, Updated minimalism, meditation, driving, writing, September 2 making things, social dynamics, domination

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Appendix 2



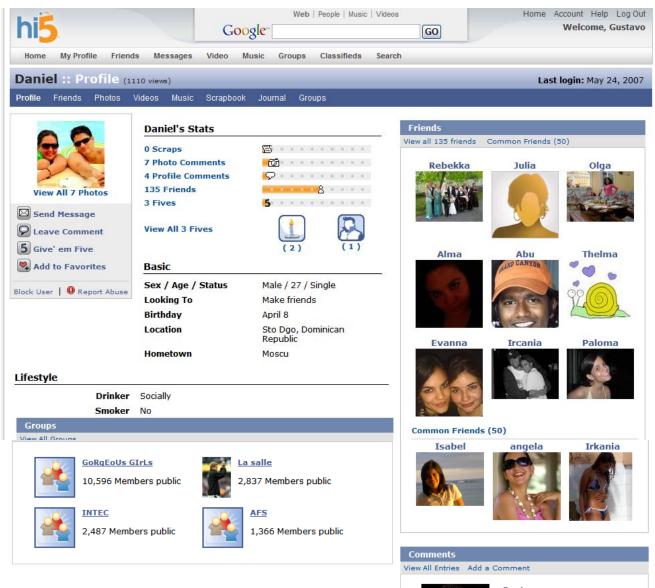
MySpace Main Page Screen Shot



Appendix 3



Hi5 Main Page Screen Shot





Gustavo says: Charlatan!!!!! no le des mas vuelta al asunto y jala pa Suecia.... si no nos vemos en



Junio alla!!!! Elena says:

Daniel es un gran amigo. Es muy responsable y trabajador. El que llega a conocerlo queda fascinado con su personalidad. Eres de los amigos que son como una joya valiosa. Cuidate mucho y no te pierdas. Siempre ten presente que yo no cambio nuestra amistad por nada en el mundo...

Interview Guide

Internet Social Networks as a Source of Brand Innovation

-The case of the Swedish Market-

In	<u>terview Gui</u>	<u>de</u>			
Name of the Interviewed					
Age Ocupation	؛ 				
Location	l				
Sex					
Level of involvement with the social netwo	rks				
Are you registered to any of the social networ	rks site?				
Yes No					
To which social network are you registered to)?				
HI5 MySpace		Facebook		Other	
Do you have preferences among the social ne	tworks you l	belong to? Please e	xplain		
How did you find out/ got engaged with this w	web applicat	ion?			

Level of usage and motivation behind social networks

How many times a week do you visit this/ these social networks?

How do you use social networks? Can you please describe every thing you do within the network from the time you log in to the time you log out

What was the initial motivation that lead you to join these web pages?

Can you mention all of the functions your web application offers? Or at least those you remember

Which are the network functions you use/like the most? Why?

In what location do you usually log on to this web application? (home, work, university, etc) Why?

Which amount of personal information do you have on your profile? Please explain

What are the reasons that lead you to create a personal profile?

When you visit other people's profile which is the element that grabs your attention the most? Why?

Are you member of any of the groups/ forums/ communities inside the network? Why?

Level of Interaction within the network

Please explain if you interact with other people within the network and, if so, in what way does this interaction take place?

Has your way of meeting people changed with the introduction of these web pages? Please explain

Has your way of staying in touch with people changed with these web pages? Please explain

Do you have friends in other countries you stay in touch with through this sites?

Do you think this sort of web pages are a good idea? Are they user friendly? Please explain

Do you believe social networks have facilitated the process of meeting new people? Why?

Do you actively interact in the groups/ forums/ communities of your network?

Marketing efforts within social networks

Have you noticed any type of advertisements within this networks? If so, do you remember which?

Have you ever been conctated by another user promoting or informing about a specific brand, product or activity?

Are you aware if you are receiving e-mailed advertisements because of your network membership?

Have you been re-directed from the social network to another site? Which one?

How do you feel about mail advertisements and re-directing web banners? Do you agree with this sort of advertising?

Have you experienced brand efforts in forum/ group/ blog discussions?

Have you used forum/ group/ blog discussions to find information about a brand?

Observation Guide

1

Internet Social Networks as a Source of Brand Innovation

-The case of the Swedish Market-

Observation Guide

Name of Webpage	
Web address	
Number of users	
_	

Offers and attributes present in each social
network

- 2 Similarities and differences among the networks' offers
- Advertising displays of any nature and their location within the network
- Brand mentions in the discussion forums, blogs or messageboards