

**Buzz marketing in startups**  
**- A case study on the online dating startup Mazily**

**Authors: Ella Peltovuori & Emil Westrin**

**Supervisor: Tommy Shih**

**LUND UNIVERSITY**  
**SCHOOL OF ECONOMICS AND MANAGEMENT**  
**- DEPARTMENT OF BUSINESS ADMINISTRATION -**

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Ella Peltovuori

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Emil Westrin

# ABSTRACT

<b>Title</b>	Buzz Marketing in Startups
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<b>Advisor</b>	Tommy Shih
<b>Key words</b>	Buzz marketing, startups, WOM, viral marketing, resource scarcity
<b>Aim</b>	To explore and describe the phenomenon of buzz marketing in the context of a resource-limited startup. The focus of the study is on the organization's perspective to buzz marketing and how companies can encourage third parties to amplify their marketing messages
<b>Theoretical perspectives</b>	Buzz marketing, seeding strategy, incentive to share
<b>Methodology</b>	A qualitative case study involving the Swedish startup Mazily (Lajku AB) using semi-structured in-depth interviews.
<b>Empirical foundation</b>	Three semi-structured interviews in combination with secondary data collection involving internal analytical data provided by Mazily, membership emails to Mazily users, features and content on the Mazily website and other interviews with the founders in media.
<b>Conclusions</b>	A startup can use buzz marketing to encourage third parties to amplify their marketing messages and spread the product by implementing various buzz marketing tactics. These tactics include on-site features that allow and encourage sharing within the users' social network. They can offer extrinsic incentives to motivate sharing but should also attempt to appeal to intrinsic motives. Furthermore, startups can create buzz through media by creating valuable content for all three parties involved (i.e. media outlets, the users of the media and the startup itself).

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# 1. Introduction

## 1.1 Background

The importance of new ventures has been recognized in the literature widely due to the role they play in economic growth (Kraus et al., 2010; Saxton et al., 2010). However, research shows that only up to 22% new companies survive through the first 10 years (Audretsch & Mahmood, 1994, 1995, cited in Saxton et al., 2010). Eric Ries (2011, p. 37), the author of the critically acclaimed book "The lean start up", defines the concept of start ups the following way: "A start up is a human institution designed to create a new product or service under conditions of extreme uncertainty". Potential entrepreneurs that are determined to start up their own business venture will sooner or later experience the extreme uncertainty Ries (2011) refers to. In addition to the extreme uncertainty, there are certain unique characteristics that differentiate startups and how they work with different functions from large organizations (Gilmore et al., 2001; Kraus et al., 2010). The inherent characteristics of startups often lead to limitations with financial resources, time resources, specialist expertise and a limited impact in the market place (Gilmore et al., 2001; O'Dwyer et al., 2009).

Marketing has been found to be one of the biggest challenges for new ventures and it is considered to be a function that plays a crucial role in the success of the launch and development of the startup (Hirisch, 1992). The minimal impact in the market place and the fact that startups do not enjoy the awareness and brand value larger and more established companies often do, underline the importance of marketing in startups (Gilmore et al., 2001; Narayanan & Manchanda, 2009). However, the marketing function is often severely constrained by the limited time, financial and expertise resources startups face (Carson, 1999; Gilmore et al., 2001; O'Dwyer et al., 2009). Furthermore, the rising cost of traditional advertising and the fact that it is becoming increasingly hard to penetrate with messages that will reach the consumers (Hughes, 2005) have made it even more difficult for startups to market themselves by traditional means. The high cost also comes with a sense

that traditional media advertising is declining in effectiveness, especially among younger demographic groups (Keller & Berry, 2003). Therefore, startups need to come up with other, more cost-efficient and innovative ways of marketing their products and services (Kraus et al., 2010; O'Dwyer et al., 2009).

Buzz marketing has emerged as a potentially more effective and inexpensive promotion tool compared to traditional advertising in this new era of connectivity (Ahuja et al., 2007; Kraus et al., 2010). According to Godes and Mayzlin (2009, p. 722) "the past several years have witnessed a marked increase in attention paid to 'buzz' in the popular and managerial press" and among marketing practitioners. Thomas (2004, p.64) explains the concept of buzz marketing as "the amplification of initial marketing efforts by third parties through their passive or active influence". Sprague & Wells (2010, p. 415) suggest online buzz marketing to be an increasingly useful tool for marketers because the Internet is an excellent interactive medium to promote goods and services. However, according to Godes and Mayzlin (2009) although a lot of interest has been placed on creating buzz, there has been little academic research looking at it from the company's perspective. Furthermore, the established lack of resources and challenges of marketing within startups provide an interesting context of research to uncover how tactics of buzz marketing are used.

## **1.2 Problem formulation**

The problem formulation aims to delimitate and describe the focus of the study in a clear way. Furthermore, the following section will also establish the overall purpose of the research.

### **1.2.1 Problem discussion**

Previous research has established marketing as one of the most important functions for the success of the launch and development of startups (Hirisch, 1992). Furthermore, marketing is also recognized as one the main challenges for

startups due to the unique characteristics and inherent limitations of startups (see for example Zimmerman & Zeitz, 2002; Hirish, 1992; Saxton et al 2010). Research on startups has also argued that resource-limited organizations often cannot use costly traditional marketing tools and should instead implement more unsophisticated and personal marketing tools (Kraus et al., 2010; Morris et al., 2012). However, consensus on what this type of marketing tools include have not been reached.

As a recent phenomenon, buzz marketing has been explained as “the amplification of initial marketing efforts by third parties” (Thomas, 2004, p. 64) and is referring to the increased organizational focus to stimulate buzz by harnessing the power of consumers, media and other third parties to amplify the original messages via word-of-mouth (Carl, 2006; Thomas, 2004). Carl (2006, p. 607) recognizes that “research on buzz marketing is still in its infancy”. Furthermore, Godes and Mayzlin (2009) state that although a lot of interest has been placed on creating buzz, there has been little academic research looking at it from the company’s perspective. Current research has been focusing on consumers’ willingness to engage in word-of-mouth and buzz activities (see e.g. De Bruyn & Lilien, 2008; Keller & Fay, 2012; Sprague & Wells, 2010). Godes & Mayzlin (2009) further claim that the organizational tactics of the buzz creation process have not been researched previously and suggest that future research in this area would be beneficial in order to understand how companies encourage third parties to amplify the original marketing messages. Godes & Mayzlin (2009, p. 738) specifically suggest research that can help answer the questions, “whom [companies] should be targeting and how [companies] might be able to find them, what should the firm do to encourage them to go out and tell people about the firm?”

It has been argued that buzz marketing is cost-efficient, effective and innovative (Ahuja et al., 2007; Kraus et al, 2010). Therefore, due to the inherent characteristics and resource limitations, startups can be seen as a valuable context to study the tactics used for buzz marketing, as it will highlight the need for cost-efficiency and effectiveness of buzz marketing.



### **1.2.2 Research question**

To gain an understanding of how startups use buzz marketing, the current thesis is built upon the following research question:

*How do startups use buzz marketing to encourage third parties to amplify their marketing messages and promote their products?*

### **1.3 Aim of study**

The aim of this research is to explore and describe the phenomenon of buzz marketing in the context of a resource-limited startup. The focus of the study is on the organization's perspective to buzz marketing and how companies can encourage third parties to amplify their marketing messages. The study will take the questions raised by Godes & Mayzlin (2009) into account, namely "whom [companies] should be targeting and how [companies] might be able to find them, what should the firm do to encourage them to go out and tell people about the firm?". These questions have been used as a foundation for the research question as well the case study conducted on the Swedish startup Mazily (Lajku AB) - <https://www.mazily.se/>. The aim of the study is to depict the particularities of the case chosen instead of producing generalizable results.

#### **1.3.1 Managerial implications**

The ambition of the present study is to contribute to practitioners in the field of business administration that are involved in marketing planning and execution. The contribution of this study can be of value for companies that are conducting marketing communication with limited resources or want to use consumers to amplify marketing efforts. Buzz marketing offers a potentially more effective and inexpensive promotion tool compared to traditional advertising in the new era of

connectivity. Other startups and organizations that have yet not taken buzz marketing tactics into practice might learn from the findings of this case study.

### **1.3.2 Theoretical contributions**

The study aims to contribute to earlier research related to buzz marketing, to extend to literature (see Carl, 2006) and provide a rich case description that can assist in filling a gap in the literature suggested by Godes & Mayzlin (2009). The purpose of the thesis is to look at buzz marketing from the perspective of the company and research how companies encourage third parties to amplify their marketing efforts, in the context of startups.

## 2. Theoretical background

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*This section presents the theoretical background of the study. First, the inherent limitations of startups and the implications on marketing are presented. Second, the concept of buzz marketing and its relation to the interconnected concepts of word-of-mouth and viral marketing are discussed. Lastly, a conceptual summary is presented, which argues for the use of buzz marketing as an umbrella concept throughout the study.*

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### 2.1 Limitations of startups

The role and impact of startups in economic growth is widely recognized (see for example Acs & Audretsch, 2003). However, the failure rate among new ventures is very high; “failure statistics universally show that over 50 % of newly founded firms will fail during their first five years” (Laitinen, 1992, p. 323) and only up to 22% new companies survive through the first 10 years (Audretsch & Mahmood, 1994, 1995, cited in Saxton et al., 2010). Another daunting statistic claims that 41 % of all commercialized new products fail during or shortly after the launch (Barczak et al., 2009).

The high failure rate of new ventures can be credited to a variety of reasons. Hirisch (1992) argues that entrepreneurs often lack planning and managerial skills, they frequently underestimate the time and effort needed accomplish a marketing task and at the same time they tend to overestimate the resulting sales. Shrader & Simon (1997) claim that the main role of an entrepreneur is to assemble the necessary resources to start the new venture and then effectively deploy the resources within the organization. Acquisition of the key resources prior to establishment is often of particular importance; both tangible and intangible resources have been linked to new venture performance (Shrader & Simon, 1997; Dencker et al, 2009). Two areas of particular importance in new ventures that require valuable resources are marketing and finance (Hirisch, 1992). Most startups begin their existence with very limited financial resources and are in need of

positive cash flow. Laitinen (1992, p. 323) argues for “the fundamental importance of revenue financing for the survival of a newly founded firm. The difficulties in the revenue financing emerged in failed firms are mainly due to very low initial profitability”.

The scarcity of marketing resources often results in a challenge to create demand and to successfully introduce products on the market (Zimmerman & Zeitz, 2002). The resource-constrained startups must therefore often apply marketing in unsophisticated and personal ways in order to create the initial profitability (Morris et al., 2002). Lingelbach et al. (2012) have suggested that the resource scarcity in startups can foster a creative problem solving approach, which is needed in order to avoid the trap of following the traditional pathway. Marketers must realize that 65% of consumers consider themselves overwhelmed by too many advertising messages, and nearly 60% believe advertising is not relevant to them (Lance & Guy, 2006). The strong evidence indicates that consumers are actively avoiding traditional marketing instruments (Hann et al. 2008).

## **2.2 Buzz marketing**

Recent advancements in the Internet, online social media and telecommunication technologies have opened up new frontiers for marketers. The new technologies have significantly increased online social interaction, and thereby given influential actors the power to guide the behavior and attitudes of consumers (Nejad et al., 2014; Sprague & Wells, 2010). David Meerman Scott (2008), a viral marketing strategist has said that, “one of the coolest things about the Web is that when an idea takes off it can propel a brand or a company to seemingly instant fame and fortune” (cited in Wright & Hinson, 2008, p. 1). Scott also claims that the challenge to public relations and marketing practitioners “is to harness the amazing power of . . . whatever you call it – viral, buzz, word-of-mouth, or word-of-blog – having other people tell your story drives action. One person sends it to another, then that person sends it to yet another, and on and on” (cited in Wright & Hinson, 2008, p. 1). Buzz marketing has emerged as a potentially more effective and inexpensive

promotion tool compared to traditional advertising in this new era of connectivity (Ahuja et al., 2007). Buzz marketing has been given increasing attention in both the popular and managerial press over the last decade according to Godes & Mayzlin (2009). Thomas (2004, p.64) defines buzz marketing as “the amplification of initial marketing efforts by third parties through their passive or active influence”. Third parties include not only consumers but also media outlets and others. Kraus et al. (2010, p. 412) clarify the opportunities media offer for marketers; “Buzz is not only initiated by media campaigns; media coverage itself is a part of buzz. In the ideal case, a cleverly designed buzz marketing action is covered by the media and further distributed at no costs for the marketer”.

The literature suggests an interrelation and closeness of the concepts of buzz marketing, word-of-mouth (WOM) marketing and viral marketing (see for example Carl, 2006; Liu-Thompkins, 2012; Kraus et al, 2010). Carl (2006) argues that the phenomenon of buzz marketing is basically a repackaging of the older concept of influential word-of-mouth marketing, and that buzz marketing was popularized through explicit organizational efforts to stimulate buzz (“contagious talk about a brand, service, product or idea” p. 602). Ahuja et al. (2007, p. 152) argue that buzz marketers should attempt to leverage everyday WOM conversations to promote their businesses, “buzz marketing commercializes WOM communication giving these conversations a business dimension not found in everyday conversations”. Viral marketing is also dependent on word-of-mouth of third parties, most frequently individual consumers who express themselves and their preferences online (Liu-Thompkins, 2012). Additionally, viral marketing can be referred to as the buzz marketing efforts that are conducted online (Kaikati & Kaikati, 2004). All three concepts are relying on the participation of third parties, instead of mass media that is the most common conveyance vehicle in traditional advertising. **Table 1** on the following page illustrates the interrelation and similarities of the three concepts and how they are often used interchangeably. The table provides an overview of definitions and quotes from relevant literature relating to buzz marketing, word-of-mouth and viral marketing.

<b>Author</b>	<b>Main concept</b>	<b>Quote or definition</b>
Thomas (2004, p.64)	Buzz marketing	"The amplification of initial marketing efforts by third parties through their passive or active influence"
Carl (2006, p.602)	Buzz marketing	"Although the influential role of word-of-mouth communication has been known for decades, a more recent phenomenon is the emergence of explicit organizational efforts to stimulate "buzz" (contagious talk about a brand, service, product, or idea"
Balter & Butman (2005 cited in Ahuja et al. 2007, p.151)	Word-of-mouth	"WOM occurs when a person who is knowledgeable or has an opinion about a product or service, completely of his or her own accord (i.e. unprompted by a third party) shares beliefs, attitudes, and experiences about a product or service.
Sprague & Wells (2010, p. 415)	Word-of-mouth	"In response to the public's interest, companies have begun to rely more heavily in recent years on word-of-mouth marketing, often referred to as "buzz marketing," a technique that attempts to generate conversations among and with current and potential customers."
De Bruyn & Lilien (2008, p.151)	Viral marketing	"The most common version of intentional viral marketing occurs when consumers willingly become promoters of a product or service and spread the word to their friends".
Liu-thompkins (2012 p. 465)	Viral marketing	"Viral marketing refers to the act of propagating marketing messages through the help and cooperation from individual consumers. It departs

		from traditional advertising in its reliance on consumer word of mouth (WOM) instead of mass media as the message conveyance vehicle
Wallace et al. (2009, p. 103)	Viral marketing	"One measure of the success of a viral marketing campaign is the amount of word-of-mouth generated by the campaign.
Phelps et al., (2004, p. 334)	Viral marketing	"Some view [viral marketing] as word-of-mouth advertising in which consumers tell other consumers about the product or service"

Table 1. Definitions and quotes of theoretical concepts

### 2.2.1 Word-of-mouth

Word-of-mouth (WOM) communications have been of interest to marketing practitioners and academics since the early 1960s' (Ahuja et al., 2007; De Bruyn & Lilien, 2008). Researchers have found that WOM is a very credible form of communication and that it influences consumers' expectations, pre-usage attitudes, post-usage satisfaction, consumer choices and buying behavior (De Bruyn & Lilien, 2008; Godes & Mayzlin, 2004; Keller & Fay, 2012). Research has even reported word-of-mouth to be more influential and effective than traditional advertisements (De Bruyn & Lilien, 2008). In fact it is regarded as "one of the most influential resources of information transmission" (Duan et al., 2008, p. 233). Through affecting consumers, WOM has been shown to be a key driver of sales in companies (Godes & Mayzlin, 2009) and suggested to be "a leading indicator of a product's success" (2004, p. 545). According to Keller and Fay (2012) 58 % of consumers consider WOM highly credible and 50 % state that they are very likely to buy a product recommended to them in a WOM conversation.

According to Carl (2006) defining word-of-mouth is somewhat complicated, in particular when taking the Internet and the emergence of companies' buzz marketing efforts into account. Traditionally WOM has been seen as the face-to-face communication about a product or a brand between people who are not connected to a commercial entity (Carl, 2006). According to Ahuja et al. (2007, p. 151), "WOM occurs when a person who is knowledgeable or has an opinion about a product or service, completely of his or her own accord (i.e. unprompted by a third party) shares beliefs, attitudes, and experiences about a product or service." However, according to Carl (2006) some researchers have found these unsatisfactory and begun to reconsider these kinds of definitions, as more and more companies engage in buzz marketing and offer incentives for individuals to share their opinions about a product or a brand via word-of-mouth. Additionally, increasingly WOM occurs via electronic medias (Sandes & Urdan, 2013). Therefore, taking into account the subject of the research - buzz marketing, which is considered to include aspects of viral marketing and organizational efforts to create WOM, the definition for WOM that will be used in this paper should make no distinction between the offline and online WOM, or the existence of connection to a commercial entity. Following the example Bruce et al. (2012) and Sandes & Urdan (2013) the definition by the WOMMA (Word of Mouth Marketing Association) is considered most suitable for this research. WOMMA (2014) defines word-of-mouth simply as "the act of someone sharing something interesting with someone else".

However, even though the definition should make no distinction to whether WOM occurs face-to-face or via electronic medias, researchers have found that, still even in the computer and social media era, up to 75% of WOM happens face-to-face (Keller & Fay, 2012, p. 460). Similar findings have been made earlier with even higher figures stating that 80% of WOM conversations happen offline (Carl, 2006, p. 656; Balter & Butman, 2005 cited in Ahuja et al, 2007, p. 151 [both studies conducted 2005 or earlier]). This could suggest that over the years there has been a slight increase in online WOM, however its share is still considerably smaller compared to the traditional face-to-face WOM.



WOM occurs in the everyday communications of consumers and relationships work as a basis for this type of interpersonal influence on others (Carl, 2006). Some researchers have concentrated on personal influence and certain individuals who are especially influential over others, who are called influentials, opinion leaders or innovators (Carl, 2006). These influential people are often first adopters of innovations and play a clear role in other's adoption of new products and the diffusion of innovations (Nejad et al., 2014). Keller and Berry (2005, cited in Carl, 2006) have found that these influentials are "twice as likely to recommend products and services and to be sought out for their recommendations, than the general public" (p. 607). Other researchers have focused on more the general public and how can the WOM message be spread the widest. Furthermore, there are multiple reasons for people to engage in WOM communications. Sundaram et al. (1998) found seven motivations for a person to engage in either positive or negative word-of-mouth conversation: 1) altruism 2) product involvement 3) self enhancement 4) desire to help the company 5) vengeance 6) anxiety reduction 7) solicitation of advice to solve the problems.

### **2.2.2 Viral marketing**

Viral marketing is the "act of propagating marketing messages through the help and cooperation from individual consumers" (Liu-Thompkins, 2012, p. 465). Viral marketing departs from traditional advertising in that it relies on consumer word-of-mouth instead of traditional media as the vehicle of the message (Liu-Thompkins, 2012). Viral marketing is often referred to as the buzz marketing efforts that are conducted on the Internet (Kaikati & Kaikati, 2004) and it is designed to create word-of-mouth and a buzz surrounding a product or a service (Wallace et al., 2009). By using consumer-to-consumer communications the dissemination of information and the adoption by the market becomes more rapid and cost efficient compared to traditional advertising (De Bruyn & Lilien, 2008).

Liu-Thompkins (2012) claims that there is an aspect to a viral marketing that can determine its success or failure, which can be controlled by the company – the

start of the diffusion process, which is referred to as the seeding strategy. The seeding strategy includes decisions on how many and what types of initial consumers (“seeds”) are needed to disseminate the viral content (Liu-Thompkins, 2012). As with word-of-mouth marketing, companies often aim to target influential people or opinion leaders as seeds in the beginning to start the sharing process (Berger & Milkman, 2012; Van den Bulte & Joshi, 2007). Targeting the influentials “allows marketers to benefit from a social multiplier effect on their marketing efforts” (Van den Bulte & Joshi, 2007, p. 400). Berger and Milkman (2012) however suggest that the marginal effect of doing so is doubtful and instead efforts should be focused on creating contagious content that spreads like a virus on its own. Liu-Thompkins (2012) on the other hand shows in her research that the seeding strategy should be dependent on the quality of the message - the better the quality the less seeds are needed to disseminate the message. Furthermore, the actual content has an effect on consumers’ willingness to share. Research shows that strongly emotional and highly arousal content gets shared more, regardless of whether the emotion caused is positive or negative (Berger & Milkman, 2012). Additionally, consumers often post and share practically useful content (ibid) as well as content that can make the sharer feel as if they are on the front edge of something new, different and relevant (Niederhoffer et al., 2007).

## **2.3 Conceptual summary**

As depicted by Table 1 and presented in the theoretical background, the three concepts of buzz marketing, word-of-mouth and viral marketing have only rather contextual differences and are often used interchangeably. Buzz marketing has been chosen as the main theoretical concept for this study since it entails the idea of organizational focus to create ‘buzz’ through third parties (Carl, 2006; Thomas 2004). WOM can be considered as a single ‘buzz’ incident of someone sharing something interesting with someone else (WOMMA, 2014). Meanwhile, the concept viral marketing suggests that ‘buzz’ shared by third parties can be amplified increasingly faster due to new communication technologies and that

'buzz' consists of WOM that spreads exponentially online (De Bruyn & Lilien, 2008; Phelps et al., 2004). From now on, these concepts are gathered under the main concept of buzz marketing. However, in some cases, relating to the literature, the terms WOM and viral marketing are used, to maintain the original context of the researchers' work.

### 3. Theoretical framework

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*This section outlines the theoretical framework used in this thesis. Three key concepts that relate to organizational use of buzz marketing tactics, namely, creating buzz, seeding strategy and creating incentives to share make up the theoretical framework. The three concepts were identified in the theoretical background and involve decisions regarding what buzz marketing tactics to use, who to target and how to motivate and encourage third parties to follow through with the tactics.*

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#### 3.1 Buzz marketing

The increased interest in buzz marketing in the literature has resulted in an emergence of key concepts relating to organizational efforts of creating buzz. Three key concepts in buzz marketing have been identified from the theoretical background and they are presented below. These concepts will later be used as the foundation during the analysis the data.

- **Creating buzz** (Kraus et al., 2010; Mangold & Faulds, 2009; Eyrich et al., 2008; etc.)
- **Seeding strategy** (Liu-Thompkins, 2012; Nejad et al., 2014; Hinz et al, 2011; Geddes, 2011; etc.)
- **Creating Incentive to share** (Shi & Wojnicki, 2014; Kamenica, 2012; Bénabou & Tirole, 2003; etc.)

##### 3.1.1 Creating buzz

Buzz marketing attempts to make use of consumer's social networks and stimulates word-of-mouth spreading of products and services (Hausman, 2012). The many new forms of communication technology offer effective ways for marketing practitioners to interact with and influence consumers on the Internet in order to create buzz. These tactics are also considered to be cost-efficient by nature (Ahuja et al., 2007; Kraus et al., 2010). Social media is widely accepted as an important strategy for marketing communication for companies that are often

limited to by monetary resources, like in the case of startups (Curtis et al., 2010; Diga & Kelleher, 2009). Companies are trying to use social media as a tool to shape consumer discussions about their brand, products or services. However, it is not always without risks. Social media can be referred to as consumer-generated media, which means that the consumers themselves can create and share opinions to thousands or, even millions of other consumers instantly. This means that by default that any company that engages in social media limits the amount of control they have over the content and the dissemination of the information themselves or their consumers share about them. What people say about a company and the timing and frequency of when they express themselves is virtually impossible to control (Mangold & Faulds, 2009). The benefits and opportunities of new communication technology and social media are plenty. The research by Eyrich et al. (2008) concludes that marketing managers and public relations professionals state that the use of new communication technology has greatly made their jobs easier, especially when attempting to reach broader audiences.

The new landscape of social media offers a wide range of online tools for marketers to use. Mangold & Faulds (2009, p. 358) listed the following tools as the most frequently used by marketing and public relations practitioners; “word-of-mouth forums including blogs, company-sponsored discussion boards and chat rooms, consumer-to-consumer e-mail, consumer product or service ratings websites and forums, Internet discussion boards and forums, moblogs (sites containing digital audio, images, movies, or photographs), and social networking websites, to name a few”. Eyrich et al. (2008) conducted a study based on online questionnaires that were answered by American marketing professionals in order to find out the overall social media adoption by practitioners at the time. The study was also an attempt to figure out which tools are most commonly used in the same industry. The top three most widely used social media tools were e-mails (96,1 % of the respondents used this tool), intranet (68,2 %) and blogs (41,7 %). Other common tools that were highlighted in the research were podcasting, video sharing and events. On average the practitioners were said to have adopted six different social

media tools but were said to have still lagging behind using tools that cater to niche audiences (e.g. text messaging, social networks and virtual worlds) (Eyrich et al., 2008, p. 414). However, Berger & Thomas (2014), state that social networks are one of the fastest growing areas of the Internet and thereby also adopted by companies at an expanding rate. In their study of SME's usage of social media platforms in marketing they found that the most used platforms are Facebook, Twitter and YouTube.

Both online and traditional media coverage offers opportunities for marketers to further spread the message of their buzz marketing campaigns. Kraus et al (2010, p. 12) explains that, "Buzz is not only initiated by media campaigns; media coverage itself is a part of buzz. In the ideal case, a cleverly designed buzz marketing action is covered by the media and further distributed at no costs for the marketer". Successful buzz marketing campaigns are often featured in media, which often result in a win-win situation both for the company and the media outlet. Buzz marketing can therefore "provide an avenue to strengthen media relations", according to Eyrich et al. (2008, p. 412).

### **3.1.2 Seeding strategy**

The choice, what kind of seeding strategy to use is a very important aspect of buzz marketing campaigns in startups. The strategy will determine the initial set of targeted consumers that will be contacted or exposed in the early stage of the process, and it needs to take many factors into consideration (Liu-Thompkins, 2012). It is a crucial decision for many organizations since the start of the diffusion process is one of the few factors, which they can control themselves. Firm-created buzz can be viewed as a hybrid between traditional advertising and consumer WOM in the sense that is firm initiated and consumer implemented (Godes & Mayzlin, 2009). Liu-Thompkins (2012, p. 465) explains that the seeding strategy in practice includes, "decisions on how many and what types of initial consumers ("seeds") are needed to disseminate the viral content". Seeding strategy in the literature often refers to the diffusion of online messages, and has been given an

increasing interest due to the emergence of online communities and social media which have enabled individuals to influence people outside of their close circle of friends and family. The main benefits of an effective seeding strategy include lower costs, higher credibility and faster diffusion (Liu-Thompkins, 2012). However, Bampo et al. (2008, p. 289) voiced concern that there is a “need for more sophisticated and targeted seeding experimentation” and other scholars (see for example: Hinz et al, 2011) agree that there is no such thing as an “optimal” seeding strategy.

Hinz et al, (2011, p. 55) on the other hand conclude in their research that “the best seeding strategies can be up to eight times more successful than other seeding strategies” when trying to spread marketing messages. According to some researchers the main challenge is to find the “key influencers” in the social network in each respective situation (Godes & Mayzlin, 2009). The conventional wisdom in the literature states that targeting of “hubs”, or well-connected members of social networks, will result in rapid diffusion. Researchers have found that there are certain individuals who are more in touch with new developments and innovations than other people and that some, often the same, individuals are especially influential over others (Chan & Misra, 1990; Van den Bulte & Joshi, 2007). These individuals are often interchangeably referred to as influentials, opinion leaders, early adopters or innovators (Carl, 2006; Mourdoukoutas & Siomkos, 2009). They also play a clear role in other, later adopters’ adoption of new products and thus a significant role in the diffusion of innovations (Nejad et al., 2014). Keller and Berry (2005, cited in Carl, 2006) have found that these influentials are “twice as likely to recommend products and services and to be sought out for their recommendations, than the general public” (p. 607). Thus, targeting the influential opinion leaders “allows marketers to benefit from a social multiplier effect on their marketing efforts” (Van den Bulte & Joshi, 2007, p. 400). Especially in the beginning of the seeding process, these innovators can be extremely useful due to their desire to be at the edge of new developments and showing that off to their social network (Mourdoukoutas & Siomkos, 2009). Well-connected individuals are believed to have greater reach and are considered more likely to engage in viral

marketing campaigns, but they do not necessarily have more influence on their peers according to Hinz et al. (2011).

The option to targeting particular influential people is to instead target a critical mass of influenceable people (Hinz et al., 2011). The well-connected social hubs can suffer from information overload and the competition to catch their attention can be fierce due to their central position in the social network (Hinz et al, 2011). According to Hinz et al., (2011) scholars such as Galeotti & Donthu (2008) and Sunderarajan (2006) have therefore argued that a more suitable seeding strategy in many cases would be to target low-degree individuals on the fringes of the social network instead. Geddes (2011) agrees with the critical mass approach and defines critical mass in the context of social networks as “that moment where there are enough users of the network to produce enough content on a daily basis to keep users logging in and contributing themselves” (p. 123). He further suggests that for a social network the best seeding strategy is to reach a critical mass within a smaller part of the target group initially and when a saturation is reached in that part, only then enlarge the target group. This way the initial critical mass needed is significantly smaller and does not dilute when enlarging the target group. According to Geddes (2011) these smaller parts of a target group can be limited by for example geography or sub-communities within a larger target group.

### **3.1.3 Creating Incentive to share**

Many companies today are engaging in buzz marketing and it is common to offer incentives or rewards for individuals to spread WOM or make referrals to their social network. Online communication in particular has become increasingly important due to the fact that more websites offer user-generated content, such as blogs, video and photo sharing opportunities, and online social networking platforms (e.g., Facebook, LinkedIn) (Hinz et al., 2011). The response from adaptive companies has been a shift in their budgets from traditional mass media to better targeted and more personalized marketing activities, such as for example promotions, direct email, “tell-a-friend” hyperlinks and viral content (Buttle; 1998;



Hinz et al., 2011) that can be further spread by the consumers. Shi & Wojnicki (2014) divided the motives for individuals to share content between intrinsic vs. extrinsic motivations. Individuals who referred other people based on involvement in a product category, their own interest or due to a desire to help others would be classified as intrinsically motivated. The reasons for sharing based on intrinsic-motivated behavior can be hard to pinpoint and according to De Bruyn & Lilien (2008) there is a stream of research that examines the reasons consumers proactively and spontaneously spread the word about products or services that they have experienced. The often cited factors that drive sharing behavior among consumers are extreme satisfaction or dissatisfaction, commitment to the firm, length of the relationship and novelty of the product. Sundaram et al., (1998) categorized the following intrinsic reasons to share: altruism (positive WOM), product involvement, self-enhancement, desire to help the company, altruism (negative WOM), anxiety reduction, vengeance and advice seeking as the main psychological reasons why individuals share. Thomas (2004) concludes that the ultimate buzz and sharing driving action a company can do is offering exceptional value to the consumers.

Extrinsically motivated individuals would then instead generate referrals in order to receive an external reward in return. Common extrinsic compensation can be cash, discounts or free goods (Shi & Wojnicki, 2014; Kruglanski, 1975). According to Bénabou & Tirole (2003) it is a central idea in economics that incentives increase effort and performance. However, there are also streams of research that question the simplistic claim and argue that in the long run extrinsic motivation might sometimes backfire and clash with the intrinsic motivation to engage in an action (Kamenica, 2012). Many studies have shown that people that got rewarded for an action later got more quickly disinterested in the action and experienced less enjoyment than people who were not rewarded. This applied even when the group that got rewarded had previously enjoyed the action when not being rewarded (Kamenica, 2012; Bénabou & Tirole, 2003). However, in their research Shi & Wojnicki (2014) found that although there is a possibility of backfiring, consumers' online referrals are higher when they are offered incentives. Their

study showed that 3,9% of people engaged in on-site referrals when extrinsic motivations were offered, compared to next to zero without incentives. It is however important for companies to find a balanced level of rewards for them to work. According to Thomas (2004, p. 67) “the reward needs to be large enough to inspire people to make referrals but not so large that it motivates cheating”.

Shi & Wojnicki (2014, p.82) further links the reasons to share to the concept of social capital and argues that, “although intrinsically motivated consumer referrals may enhance social capital, referrals motivated by extrinsic rewards can do the opposite: When consumers receive referrals from “friends” who are compensated for spreading the word, the receiver may make a judgment regarding the motivation behind the referral.” This means that a consumer that is perceived to share content due to extrinsic rewards for his or her benefit (for example a cash reward) may suffer a loss of social capital, and that the message and that the content might be viewed less favorably by the peers (Shi & Wojnicki, 2014).

It is important to note how the emergence of the Internet has fundamentally changed the way consumers share content to each other. One interesting concept for this report is the online communities that rely on user-generated content to provide value and to retain users. According to Trusov et al. (2009), this means that the community members themselves have a direct benefit from bringing in more friends to the community, this applies to both own initiatives as well as participating in a referral programs. Each new member creates unique valuable content that is likely to be of value for the referring individual. Many sites are attempting to capitalize on this by implementing convenient interface for sending invitations to non-members so that they can join the community (Trusov et al., 2009).

## 4. Methodology

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*This section presents the methodological reasoning and choices that are relevant for the study. It discusses the research strategy and the research design, as well as argues for the data collection method, sampling method and choice of case organization.*

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### 4.1 Research Strategy

In order to argue for the methodological choices of this study, it is important to recall the research question:

*How do startups use buzz marketing to encourage third parties to amplify their marketing messages and promote their products?*

The research question communicates two areas of interest in relation to buzz marketing in startups. Firstly, the study aims to identify buzz marketing tactics that can be implemented in companies, as has been called for by Godes & Mayzlin (2009). Secondly, the authors will try to uncover the strategic reasoning and approach to the particular buzz marketing tactics in startups. A qualitative research strategy was chosen since it will enable the authors to capture and discover the meaning of social context by collecting data in the form of spoken words (Bryman & Bell, 2007). Qualitative studies are argued to have “an unrivalled capacity to constitute compelling arguments about how things work in particular contexts” (Mason, 2002, p. 1). Qualitative research further aims to produce “rounded and contextual understandings on the basis of rich, nuanced and detailed data” (Mason, 2002, p. 3). Understanding the particular context of the case is an important component in order to adequately answer the research question. The practical usage of buzz marketing in the case company is a complex subject and it has arguably evolved over time. Therefore, it is argued that a qualitative research strategy enables the capturing of subjective feelings, experiences, behavior and interpretations that have shaped the way the case company conducts buzz marketing today (Bryman & Bell, 2011).

It is acknowledged by the authors that a qualitative research provides non-quantifiable data, which means that the results of this study are subject to the authors' own analysis and are given subjective meaning (Bryman & Bell, 2011). Furthermore, a quantitative research method could have confirmed *what sort of* buzz marketing tactics are implemented in startups. However, a quantitative research method is not considered suitable as the authors are trying to uncover the strategic reasoning and approach as to *why* and *how* the particular buzz marketing tactics are being used.

## 4.2 Research Design

The research design can be viewed as a "structure that guides the execution of a research method and the analysis of the subsequent data (Bryman & Bell, 2011, p. 41). To fulfill the aim of the research and gather a detailed and thorough view on how startups use buzz marketing, a case study was chosen as the research design. The case study will in this research be used as an example which will enable the authors to answer the specific research question by studying a particular case (Merriam, 1994; Platt, 1992). Case study research provides an approach that is "concerned with the complexity and particular nature of the case in question" (Stake, 1995, cited in Bryman & Bell, 2011, p. 59). The aim of this study is not to produce generalizations, but instead a deep examination of a single case, in relation to which theoretical analysis can be conducted, which is in accordance with what Bryman and Bell (2011) suggest. "The goal of case study analysis should, therefore, be to concentrate on the uniqueness of the case and to develop a deep understanding of its complexity" (Bryman & Bell, 2011, p. 61).

The case study was conducted on a single startup organization, Mazily (Lajku AB), which enabled a deeper understanding of the specific context, in order to find the particularities and learning possibilities of the case. Conducting the qualitative case study provided an opportunity for the authors to explore and interpret the usage of buzz marketing tactics in the case organization, instead of confirming

hypothesis (Merriam, 1994). The aim of the study also called for an application of the limitations of startups on buzz marketing and therefore it was considered important that the information collected from the case study was not only about the subject of buzz marketing but also explored the implications of the startup context and the inherent resource limitations. The approach of collecting extensive data on topics related to the main subject of buzz marketing, in order to provide an understanding of the full context is supported by Merriam (1994). The authors wanted to acquire knowledge related to what sort of buzz marketing tactics a startup uses, but it was also important to understand why and how these tactics are used. It was considered important to involve respondents with various responsibilities related to marketing in the case organisation in order to provide rich empirical material and deep understanding of the characteristics of the case (Bryman & Bell, 2011). The choice of the case study design also enabled the authors to use different types of empirical data besides the interviews (Merriam, 1994).

#### **4.2.1 Data collection**

In order to answer the research question, access to the case company's team members' thoughts and reasoning, regarding how they work with buzz marketing is needed. This data is suitably acquired by language data directly from the team members, as they are the only ones that can express their experiences regarding the area of interest. The data collection method chosen for the primary data of this research was in-depth interviews. In-depth interviews aim to gain rich, elaborate and detailed answers to give insight into what the respondents consider important and valuable (Bryman & Bell, 2007) in order to paint a rich picture and find the particularities of the case, which is in line with the aim of the research. The interviews conducted were semi-structured in nature in order to cover the topics identified as the focus of the study and to allow for flexibility to ask follow up questions regarding interviewees' answers (Bryman & Bell, 2007).

There were a number of practical considerations to be addressed before and during conducting the interviews. First an interview guide was prepared (see Appendix I), with themes and preliminary questions to be covered during the interviews in order to cover all topics of interest during the interview (see Bryman & Bell, 2007). Before the start of the interviews, the interviewees were asked for permission to record the data, which all of the interviewees allowed. Thus, the interviews were recorded, by an audio recorder and sporadic notes in order to correct the limitations of human memory, allow for a more thorough and repeated examination of the interviewees' answers and allow for the full attention and responsiveness of the interviewer (Bryman & Bell, 2007; Kvale & Brinkmann, 2009).

The interviewers used both laddering up and laddering down techniques in order to get more information from individual questions and to get the interviewees to elaborate more on their answers (see e.g. Easterby-Smith et al., 2012). Laddering up refers to moving from fact statements to gradually revealing the interviewee's value base. Laddering down on the other hand, refers to when the researcher aims to reveal illustrations of situations or occurrences (Easterby-Smith et al., 2012). Directly after each interview, the interviews were discussed by the two authors, and notes were made about the relevant findings. Then later, the interviews were listened to thoroughly by both authors and transcribed. Some minor parts of the interviews, however, where there was material that was known to unlikely be useful or relevant for the research, were left untranscribed, which is in line with what Bryman & Bell suggest when the part is seen unfruitful and not useful (2007, p. 493). Transcribing the interviews allowed the usage of direct quotes and more thorough analysis of the data (see e.g. Bryman & Bell, 2007; Easterby-Smith et al., 2012).

The primary data of the research was complemented by gathering secondary data. In a case study design, many different types of empirical data can be used (Merriam, 1994). The secondary data gathered included for example organizational documents, which can be according to Bryman & Bell (2007) used in case studies to build up description of the case company and its history as well as add to the

primary data. The organizational documents used in this case were the company Lajku's and the service Mazily's websites (both in English and Swedish) and internal statistics provided by the company. Both of the authors joined the service Mazily for research purposes, thus data about the functions, content and marketing messages directed to the users have been gathered from the service. Also direct emails sent to the users by Mazily have been used as material. Additionally, personal email conversations with the interviewees (with their consent) as well as articles and interviews in mass media outlets about the case company have been used as secondary data (see Bryman & Bell, 2007). From the articles and interviews in mass media, only direct quotes or direct speech in video or sound clip form were used, in order to ensure that the original message and meaning remained unchanged. The secondary data has been evaluated, relating to the authenticity and credibility of the data and only data passing the evaluation has been used (Bryman & Bell, 2007).

The empirical data was analyzed against the theoretical framework, by categorizing the data according to themes in the theoretical frame. The data collected also influenced the formation of the theoretical framework as interesting themes that emerged from the data were added to the theoretical framework. Furthermore, the third interview was conducted a week later than the first two, allowing the authors to revisit and revise the theory and identify areas, which could benefit from more data from the third interviewee.

#### **4.2.2 Sampling method & interviewees**

CEO and cofounder Olle Morin was initially contacted over email when inquired if Mazily would be interested to be a case company. When Mazily accepted, the following step was to, together with Olle, identify key members in the organization who have the useful experience and relevant expertise related to the study. This approach is often referred to as snowball sampling, sometimes also chain sampling or referral sampling (Bryman & Bell, 2011). Snowball sampling was considered suitable since it allowed access to key members in the organisation that could have

been difficult to identify and contact without the help from Olle (see Bryman & Bell, 2011). Olle referred to other members in the company that are involved in marketing and other relevant functions of the company. Olle himself is heavily involved in the marketing of the service and made himself available for an interview. Mattias Pettersson, the recently hired administrator also agreed to be interviewed based on Olle's recommendation. The last member of the company that was identified as valuable for the research was Co-founder Jonas Dahl, who has not been actively involved in Mazily for some months due to employment elsewhere. Jonas was however considered vital to the study due to his earlier involvement in the company and he agreed to be interviewed as well.

<b>Name</b>	<b>Title</b>	<b>Respondent ID</b>	<b>Interview time</b>	<b>Interview conducted</b>
Olle Morin	CEO & Co-founder	Respondent 1	75 minutes	Face-to-face at Minc in Malmö
Mattias Pettersson	Administrator	Respondent 2	75 minutes	Face-to-face at Minc in Malmö
Jonas Dahl	Concept developer & Co-founder	Respondent 3	45 minutes	Face-to face at Minc in Malmö

Table 2. Interviews conducted

It is acknowledged that the small number of three interviewees possibly could result in limited findings from the case. However, Mazily is a small startup with only six employees, out of which three were identified to work or have worked with tasks that are considered to be related to the research subject of buzz marketing. All of these three employees, who were considered relevant for the research by the authors and the co-founder-CEO, were interviewed. The remaining three members of the Mazily team work with the programming of the service and are not related to the marketing, advertising or communication of the service. As mentioned above, other sources of data were incorporated into the analysis to complement the primary interview data. These sources were for example email conversations



with the co-founders, internal analytical data provided by Mazily, membership e-mails to Mazily users, features and content on the Mazily website and other interviews with the founders in media.

### **4.2.3 Case presentation**

Several startups in the Malmö and Stockholm regions were contacted in the search for a case company. The process started by identifying startups that fit the criteria of being resource strapped and having generated buzz amongst users, media and other third parties. The five most attractive and suitable startups for this research were inquired through email about their interest to become a case company. Email and telephone correspondence followed with the companies that showed interest. One startup, Lajku AB that has developed the online dating service "Mazily", stood out due to the accessibility, geographical proximity and the cofounders' backgrounds. Further research on the Mazily service showed that it has been featured widely in both traditional and social media. The service also includes several features for users to share the content with non-members and the company actively encourages members to share. The authors joined the service to investigate how Mazily worked with buzz marketing on their website through for example functions and messages. The first thing that happened after signing up for the service was that a pop-up window appeared on the website that suggested new members to share the service with their friends. The email correspondence with CEO and co-founder Olle Morin confirmed that Mazily is lacking key resources, which is typical for startups. One email read, *"the problem [with participating in a case study] is that Mazily does not bring in enough money for us to be able to work full-time with it, we instead have to make a living in other ways. Everything we do in this company therefore must be extremely prioritized, efficient and directly link to improve the profitability of the company"*. Mazily was therefore considered a suitable choice due to their lack of resources and apparent use of marketing tactics that could be linked to buzz creation, and they accepted our request to become our case company. The characteristics of the Mazily service reveals opportunities to

learn, which should be a main factor when choosing a case company according to Stake (1995, cited in Bryman & Bell. 2011, p.60).

### **Mazily (Lajku AB)**

Lajku AB launched the online dating website Mazily in 2012, which is currently their only product. In order to provide clarity for the reader the case will henceforth be referred to only as 'Mazily'. Mazily includes additionally a mobile application that synchronizes with the website. The mobile application is available to download free of charge for both iOS and Android users but it is still the development phase and lacks some of the website features. The basic version of the Mazily service is free and users can choose to update to a premium account (Mazily Pop) for a monthly fee. Mazily is situated in the startup incubator Minc in Malmö, Sweden. Six people are involved in the company to various degrees: three members work full-time elsewhere, two members work part or full time with Mazily and the sixth member is a recently hired administrator. This study will attempt to research key themes and findings based on the successful launch and marketing of the Mazily service. The average age of the Mazily users are 26 years for women and 30 years for men (Dahl, 2014). The service currently has approximately 30,000 members and the user base is growing with an average number of 2000 members per month (Morin, 2014). Mazily is targeting a strictly defined target group who are interested in culture, they have often been referred to as a 'hipster dating'-service but this is nothing the company itself communicates. (Ligga med P3, 2014). Mazily was first launched in three cities in Sweden: Stockholm, Malmö and Gothenburg. In June, 2013 it was also launched in London, UK. Mazily is targeting a limited number of cities because the team behind has identified their target group as 'urban' and believe that they are concentrated in major cities. This study is delimited to the Swedish service and the marketing on the Swedish market, the authors will not discuss Mazily's use of buzz marketing tactics on UK market since Mazily's marketing efforts in the UK have not yet matured to the same level as in Sweden. Mazily attracted roughly 90% of its earliest users in Sweden through Facebook

advertising, following the launch of the service in 2012. Since then Mazily has diversified their marketing efforts on the Swedish market and today only 15-20 % of the new users join find the service through Facebook advertising (Morin, 2014).

The company presents its service as follows: "With Mazily, we will add dating interaction on top of public events, such as concerts, festivals, exhibitions, shows, etc, thus enabling people to meet more spontaneously at events they are interested in" (Lajku.se, 2014). For this purpose one of the key features of the service is an event guide that showcases current and future cultural events such as concerts, theatre plays and art exhibitions etc. They also claim to be 'keeping it local' and write the following on their website: "Mazily is like a night out at the pub, only you're wearing special x-ray glasses permitting you to peek into that lovely ladettes honey coloured eyes and know, not only that you'd like to speak to her but also her favourite band, film AND director. At Mazily starting a conversation is as easy as saying "I can't believe you're a Bergman fan too!" (Mazily.co.uk, 2014).

Mazily won the award for best lifestyle site in Sweden in 2012 by Internetworld.se and were also nominated for the same award in 2013 (Internetworld.idg.se, 2013). Cofounder Olle Morin commented the award: "This award is a proof for us that a small challenger can shake things around in the fiercely competitive dating industry. We have had very limited resources but are investing sweat and tears to make a great service for our members" (Internetworld.idg.se, 2013). Mazily has also been featured in major media outlets such as Sveriges Television, Sveriges Radio, Dagens Nyheter, GöteborgsPosten and Nöjesguiden (Mazily.se, 2014).

## 5. Analysis

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*This section presents key empirical findings and analyzes them against the theoretical framework of the study. How the case company creates buzz, uses seeding strategy and creates incentives to share will be analyzed. The analysis is conducted taking into account the context of a resource limited startup and how it might affect the buzz marketing efforts.*

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### 5.1 Buzz creation

As stated, Thomas et al. (2004, p.64) defined buzz marketing as “the amplification of initial marketing efforts by third parties through their passive or active influence” and Ahuja et al. (2007) and Kraus et al. (2010) have argued that buzz marketing can potentially be a more effective and inexpensive tool for companies to conduct marketing. The case study revealed that Mazily has struggled with limited resources throughout their existence. The key resources, which are particularly scarce in the company, are seemingly time and capital. Mazily has not yet managed to establish a strong enough positive cash flow from the service. This increases the internal need of the organization to conduct cost-efficient marketing as has been argued by for example Morris et al. (2002). The email from Respondent 1, that was presented earlier in the case presentation, made this evident even before the interview sessions took place, *“the problem [with participating in a case study] is that Mazily does not bring in enough money for us to be able to work full-time with it, we instead have to make a living in other ways. Everything we do in this company therefore must be extremely prioritized, efficient and directly link to improve the profitability of the company.* The lack of key resources was a also a dominant theme during the entire case study and was touched upon several times, exemplified by Respondent 1 saying, *“(…) that goes for us, at least a lack of resources in terms of time and money”* when inquired about the matter.

Mazily has since day one used tactics that can be analyzed and discussed in accordance with the established framework of buzz marketing that has been

presented in this research. There seems to be a clear organizational focus that aims to create buzz about the service through primarily their already existing users and media. The following two chapters will present and analyze the key findings and themes in relation to these two third parties.

### **5.1.1 Buzz creation through users**

Mazily is focusing on growing through their existing user base and encourages its members to spread the word about their service through everyday conversations, as has been argued by Ahuja et al. (2007). The case study has identified the following tactics that aim to encourage its members to share the service in accordance with Godes and Mayzlin's (2009) call for further research on buzz marketing from the company's perspective:

- Push-notifications
- Recommendation function on-site
- Quest system that rewards members for completing tasks
- Rewards for blog mentions of Mazily on private blogs
- Writing a corporate blog
- Guest blogging on Mazily corporate blog

Every Mazily member is exposed to the following message as a push-notification on the website after they sign up for the service, *"We are eager to spread amongst friends of friends, rather than through advertisement in mass media, so we would be grateful if you recommend our service to your friends"* (Mazily.se, 2014). Respondent 3 shared a recent finding and said that, *"I think we did a study where we asked how did you find Mazily and I think it was about 20% who had heard it from someone"* (it turned out to be 23,5 % of the users that had heard about the service from someone else, according to Mazily's internal statistics). Mazily seems to have realized at an early stage that the company would have to grow largely based on recommendations from already existing members and has therefore implemented recommendation features such as a 'sharing button' and a quest based system that rewards their members for recommending their friends through social media. The

implementation of the on-site features provides a convenient interface for sending invitation to non-members like was argued by Trusov et al. (2009). Curtis et al. (2010) as well as Diga & Kelleher (2009) have stated that social media is a widely accepted strategy for companies that are limited by resources. Mazily is no exception and has implemented several Facebook features, both overall in the service, as well as in the way their users can create buzz by recommending it to their friends. The recommendation button in the footer of the website, suggests users to choose 5 characteristics that fit a friend of theirs and to send them a recommendation via Facebook. The website also features so called quests, as mentioned above, and by completing tasks in the quests the users get free trial days of the Mazily Pop premium account (see Appendix II for illustration of the quest system interface). These quests include tasks relating to three areas: recommendations, interacting on the service and completing the user profile. However, the recommendations are considered the most important by the Mazily team, as was explained by Respondent 3: *"I think the most important one is to invite other people because, that has been our biggest problem for us to get more people to the service. And it's also the most expensive for us to buy people, so that's the most important I think"*. This finding does not only exemplify Mazily's internal need to conduct cost-efficient marketing but also the cost-efficiency that buzz marketing offers, according to for example Ahuja et al. (2007) and Kraus et al (2010). Mazily has implemented the buzz marketing features on the site to encourage their users to share the service in their social network. These type of tactics conducted on-site can argued to be highly cost-efficient as they are implemented on the corporate website and thus no additional costs are incurred.

Mazily also encourages its users to write blog posts about them on their own blogs. For a blog article about Mazily that links to the website, Mazily offers the premium account for three months free of charge. However, Respondent 1 has not been very content with the results of this endeavor: *"We have been trying to engage the community to have them write, partly on their own blogs and linking to our sites, it would be really nice to have links coming to our site, but they are incredibly suspicious or lazy. They don't want to somehow, even though they get like three months of Pop*

*for free, if you write about mazily and link to us, which could be easy, just write a short and ... they don't seem to do it. Or they haven't noticed the the banner on the front page. Yeah since we have 30 000 users I mean few of them might want to write about us and then we get inlinks."* He also concluded that *"But it's quite hard to engage the users to go outside their box to do commercial things for you."* The reasons why it might be hard to get the users "to do commercial things for you" will be touched upon later in the analysis of creating incentive to share. Furthermore Mazily has a corporate blog, which has been used for various purposes, including search engine optimization (SEO), content marketing and buzz marketing. According to the team members the blog was until recently used mostly for SEO, but now the strategy has shifted and more emphasis will be put to creating content that would get shared by the users and thus create buzz. Respondent 1 exemplifies: *"So now I think the strategy will be actually to write interesting articles that can be commented on or linked to or referenced in the public's own blogs or websites"*. Respondent 2 explained that he takes a more personal approach to the blogging compared to other content on the site, *"When I write for the blog I try to be personal in my tone and share a lot of my experiences, and since I recently became single I have a lot of things to write about"*. Additionally, a tactic that Mazily is planning on launching soon is to have users write about their experiences on the Mazily corporate blog. Respondent 1 explained, *"We would also in the future want perhaps them to write on our blog, about their experiences, but we haven't announced that yet. One idea is to have that on the quest page, you know, 'Write about us'."* The respondents seemed to believe that engaging members in the blog content creation process would add credibility to the messages that are communicated through the blog due to the inherent credibility person-to-person communication carries, compared to company-to-person communication, as argued by Keller and Fay (2012).

Creating online buzz supposedly comes with many benefits but the case study showed that in reality it is challenging to create online buzz through third parties. The internal statistics provided by the case company showed that 23,5 % of the users had heard about the service from someone else, which is a very high number. It turned out however that only 2,8 % of the current users have actually used the

on-site quest system that rewards them for example for sharing the service to people in their social network. This seems like a reasonable number if you compare it to for example Shi & Wojnicki's (2014) study that achieved only a 3,9 % referral rate with extrinsic rewards. This raises the question how a fourth of the users were recommended the service if not through the buzz marketing features that Mazily has implemented for its already existing users? The case company is not sure but they speculate that is related to a good concept and that they are creating exceptional and unique value for their target group. Respondent 1 said, *"we are just trying to be a nice alternative and also position us as an alternative to the big ones and to be the more sincere alternative or the less commercial alternative. A more modern and a transparent company ... and that has helped the spreading a little bit."*

The case study showed that Mazily as an online-based service need to take both interactive connectivity with the website and the resource limitation in mind when creating buzz. Mangold & Faulds (2009) argued that it is virtually impossible for companies to track what people are thinking and saying about them and their products. The respondents did agree that it is difficult for the company to track offline buzz, but they still argue that they personally have experienced an apparent buzz around the service when talking to people at social events. Respondent 1 said, *"I think that the spread, the Mazily spreading has probably... probably people talk to their friend when they are out in bars and stuff and that recommendation part is actually working pretty well."* When asked what the statement was based on, Respondent 1's answer was *"I base it on a gut feeling"*. Respondent 2 also explained, *"when I talk to people when I go to parties and stuff and I tell that I work for Mazily and explain what the Mazily site is, then they get really interested and want to hear more. They think it's an interesting profile, they are quite attracted"*. Mazily has on the other hand implemented several cost-efficient ways to track and monitor online buzz on the Internet. Moreover, they also have the capability of tracking and monitoring traffic on their own website, which enables them to see how much traffic their online marketing activities result in. Some of the tools Mazily uses to monitor social interactions and website traffic according to the case



study are Google Analytics (<http://www.google.com/analytics/>), Ranktrail (<http://www.ranktrail.se>) and Notified (<http://www.notified.com/>). These tools and other new technologies suggested by Eyrych et al. (2008) has enabled the startup to effectively keep track of their marketing efforts. This finding disagrees to some extent with the tracking issue Mangold & Fauls (2009) referred to. However, Mazily has seemingly no strategy of uncovering offline buzz and the meaning it has for the company. The lack of measuring tools is also a reason why Mazily are not heavy users of traditional marketing tools. Another problem with traditional marketing, and other offline tactics in general, is that they usually lack interactive connectivity with the service on the website. The team behind Mazily argues that it is hard for offline channels to compete with digital channels overall because the users are in 'the mode' to use an online dating service when they are already on the Internet. These key findings were summarized by Respondent 1 saying that, *"Maybe we are building the brand [by using traditional advertising] but it's really hard to measure so most of my co-founders are giving me a hard time because it cost a lot and it takes a lot of time"*. Based on the analysis of the case study it is possible at this point to summarize three reasons why Mazily is argued to focus on online buzz creation: 1) online buzz is more cost efficient, 2) it provides an interactive connectivity to the online service; 3) it provides the ability to track and measure the results.

### **5.1.2 Creating buzz through media**

In this chapter, the findings relating to Mazily's efforts to create buzz through media will be analyzed against the theoretical framework. The home page of Mazily displays a "as featured in" graphic that communicates that the company and the service have been featured in a number of well-known media outlets such national radio Sveriges Radio (SR), national television Sveriges Television (SVT) and some of Sweden's biggest newspapers Dagens Nyheter and Göterborgs-Posten (see picture 1 below). Respondent 1 explained the reason these featured logotypes as follows, *"Once we've had an article written, after a while we've put up... started featuring them who had been writing about us. To build trust basically"* and goes on

to explain how these logotypes are a regular feature on most dating sites today. Respondent 1 suspects that people in general have lost confidence in the “as-featured in”-logotypes due to suspected misuse on other sites. The logotypes are lacking hyperlinks and say nothing about the message in the news piece or the context Mazily has been connected to. There are two other logotypes next to the “as featured in”-logotypes that state that Mazily has won the award ‘best lifestyle site’ in 2012 and was nominated for the same award in 2013 (Mazily.se, 2014). All these logotypes, as previously stated, are put into place to build trust according to the case company but it can also be argued that the logotypes communicate that there is a buzz surrounding the service to new potential users that visit the site. Kraus et al. (2010) discussed the possibilities that exposure in media can amplify the original buzz marketing efforts at no cost for the marketer.



Picture 1. Features of Mazily in mass media (Mazily.se, 2014).

Mazily previously did not work strategically to be featured in media until recently when Mattias, the new administrator was hired. Respondent 1 explains: *“we haven’t really done any marketing efforts to [be featured in media].. I think we did in the beginning, but we’ve been too busy with the product development. Too much product focus rather than market focus, now we have shifted a little bit”*. The same respondent went on to explain *“Before we didn’t really have any time or resources for it but now hopefully we can get that started a bit and so we are going to be more visible and doing press releases and things. Before Mattias we basically did one each year.”* This is a common problem in startups in relation to marketing activities as it

has been established throughout this research. The resource limitation in terms of time and capital has prevented Mazily from actively promoting themselves and creating buzz through media. The media attention so far has been mostly initiated by the media outlets, as explained by Respondent 1: *"Most of the times the newspapers have come to us, they heard about us through friends or read about it somewhere or they even tried themselves and they're curious about it and they've written an article about it"*. Thus, it can be argued that the buzz around the company has gotten media attention, which has further amplified the buzz about Mazily, which is in relation to Kraus et al. (2010, p. 12) suggestion that *"...media coverage itself is a part of buzz. In the ideal case, a cleverly designed buzz marketing action is covered by the media and further distributed at no costs for the marketer"*. The Mazily team members further speculate that the coverage by media they have gotten has been partly due to the niche service they offer. Respondent 1 explains about how the niche target group was useful for the buzz creation: *"[the specific niche] was pretty good since it gave us quite a lot of attention in the beginning"*. Respondent 3 had similar thoughts and explained that *"it has also helped us when other like SVT has done the program with us. If we were a mainstream site they hadn't done that"*. The unique value proposition thus provides value and interest also for the media compared to being a mainstream service. Some of the media outlets that have covered Mazily have a similar culture related target group, thus synergy effects and value for all three parties, i.e. readers, the media outlet and Mazily can be easily gained.

As mentioned, Mazily has however started to more strategically contact media in order to promote themselves through media outlets, primarily by using press releases. Respondent 2 uses a recent example, *"we got this poll on the site asking different kinds of questions then we try to write a press release. We did one last week that was featured in nyheter24.se about openness in dating."* The result of this specific poll proved to be very interesting, only 8 % of the respondents (all of them being Mazily members) claim that they rather not tell anyone else about their online dating habits (nyheter24.se, 2014). This finding will be touched upon in the 'Creating incentive to share' analysis chapter. The recently increased organizational

focus to be featured in media could further strengthen Mazily's media relations. The writing of press releases can be considered a buzz marketing tactic that aims to use the media outlet as a third party vehicle to spread marketing and public relation messages (see Kraus et al., 2010). Mazily has clearly realized that the press releases have to add value to the media outlet and be interesting for the readers. It can be argued that the case company is potentially strengthening their relationship with the media at the same time as they are promoting their company, which supports Eyrich et al. (2008) argumentation that buzz marketing can provide an avenue to strengthen media relations. Furthermore, this tactic can be linked to the cost-efficiency and effectiveness of buzz marketing suggested by Kraus et al. (2010) as writing press releases has no additional costs to the company and might have very wide audiences as a result of a media outlet publication.

One recurring finding throughout the case that emerged once again when talking about buzz creation in media was the ineffectiveness of exposure through traditional offline marketing channels. Respondent 3 explained the disappointing result that followed a feature in the national TV program 'Sverige' that involved the Mazily service, *"It's quite interesting, because it was a very nice program... and there was a girl that had met her new boyfriend on the site and it was really good vibes and good feelings. We thought that it would be very good marketing for us but I think it only gave maybe 100 [new members] and we can buy 100 people for like a couple of thousand on facebook and there are like 300 000 viewers [for that program]. So maybe that says something about how effective marketing or ineffective marketing in TV is."*

## **5.2 Seeding strategy**

This section will present and analyze the findings related to the concept of seeding strategy. The team members of Mazily experienced that getting the first user base was one of the biggest challenges they faced when launching the service. *"Because it's users that is important for our service, so nothing else is important or.. is important of course but the users is the utmost important. (...) So getting the first thousand*

*users was of course the most challenging thing”, Respondent 3 explained about the challenges that preceded the decisions relating to the seeding strategy. For Mazily, getting the very first members on the site was crucial as the people on the dating service is what they offer for other users, as was explained by respondent 3: “[The users,] it’s what we sell. I mean it’s our product in our service”. They were also very focused on bringing in the right kind of users from the very beginning, relating to their niche target group, thus the choice for initial users was very targeted. Respondent 3 explained: “So it was very important to get the right users, to get the users that were engaged in the service and so on, so it was not to get any users, it was to get the right users” When asked what did ‘the right users’ mean, he further clarified: “Engaged users, users that were in this niche that we targeted, the cultural niche, people that like some sort of culture. So it was important to get those users, because otherwise we would users that weren’t satisfied with the service and we have quite transparent functions in the service so that people can post updates and so on, so it would, it reflects the users how they feel about the service and if they don’t think it’s a good service they often complain about it. So it was very important to get users that loved the service and talked good about it in the service.”*

Additionally, the co-founders, who identify themselves as part of the target group, shared and encouraged their own social network, which was also part of the target group, to join the service, however they were not considered as “real users”. This was done, not necessarily with the mindset that they would be a crucial part of the diffusion of the service but instead so that there would be at least a few other members on the site when they started targeting the real consumers. As respondent 3 explained that: *“We managed to get maybe 20 of our friends to sign up so when the first real users came to the site there was some faces some people to interact with.”*

The seeding strategy used by Mazily could be described as a mixed strategy. They used both a strategy where they targeted influential innovators (see e.g. Nejad et al., 2014; Van den Bulte & Joshi, 2007) as well as a critical mass approach (see e.g. Hinz et al., 2011; Geddes, 2011). The case company targeted people who are

interested in new developments and products through a service that provides a platform to pre-announce products and services, before their actual launch, called Launchrock. Respondent 1 expressed: *"We had like a mailing list, for people that had signed up for, before the site was actually launched. Like sign up here if you're interested"*. The service allows companies to acquire, build and engage an audience, who is eagerly waiting for the eventual launch, as well as to create awareness for the product or service beforehand (Launchrock, 2014). Mazily created a preliminary audience on the service by gathering an email list of approximately a hundred people who were interested in joining the upcoming niche dating site. It can be argued that people who sign up to follow a service even before the launch want to be at the edge of new developments and the first adopters of the new service. These consumers are perhaps 'more in touch with new developments' and also want to show that to their social network. This is in line with the characteristics of people who are referred to as innovators or early adopters (Nejad et al., 2014; Van den Bulte & Joshi, 2007; Mourdoukoutas & Siomkos, 2009). Van den Bulte & Joshi (2007) and Nejad et al. (2014) state that it is often assumed that these innovators are also more influential on other people and their adoption of new products and services, meaning that they can be interchangeably referred to as opinion leaders. However, the data gathered does not provide evidence of the influence exerted by these individuals, thus the term innovator is a more descriptive term in this case. However, the literature suggests that these people could be assumed to have provided a social multiplier effect on the marketing efforts conducted by Mazily, through their implicit ability to also influence their social network.

As mentioned, Mazily also used a critical mass approach to seeding their service (see Hinz et al., 2011; Geddes, 2011). The Mazily team members realized that, as the service is "selling" other people, it needed to quickly get a large enough, engaged user-base that belonged to the target group, so that people would return and consider the service valuable. This is considered the critical mass in this context (see Geddes, 2011). Mazily team members defined the critical mass to be a 1000 members and this is what they considered as one of the most challenging

task to achieve when launching the service. Mazily has limited the service to only three cities in Sweden, although the technology would obviously allow a larger target group. This choice has been made with the argument that the target group of culturally interested people and most of the cultural events that the service is partly based on are in these cities. Respondent 1 further explained the reasoning behind the geographical limitation of the service the following way, *“Our concept is kind of based on a local knowledge since we wanna do like a city dating site which not really goes from country to country, rather city to city. (...) More like hubs than countries”*. The critical mass on the website can arguably be linked to ‘a critical mass’ of available singles in an area, Mazily seemed to have realized at an early stage that the buzz surrounding the service will be dependent on the number of users that can actually meet each other in person as a result of their activity on the site or on the mobile application. The key for Mazily in terms of creating the critical mass as defined by Geddes (2011) was to attract enough users in certain geographical areas that could produce enough content to keep other users in the same area logging in and contributing themselves.

The geographical limitation as well as the niche target group has resulted in faster diffusion of the service itself as well as buzz marketing messages according to Respondent 3, *“Yeah absolutely. I think [the niche target group] has helped us, because we can penetrate that group. It’s more likely that they like the service and that they talk to each other”*. The alleged buzz between target group members can result in a perceived higher credibility in Mazily’s original message and can possibly encourage people to join based on the recommendation within their own social network. Liu-Thompkins (2012) argued that these two factors, faster diffusion and higher credibility of marketing messages, are two of the main benefits of a well-designed seeding strategy. The identified seeding strategy of Mazily has enabled the startup to leverage its users and other third parties to amplify their marketing messages and thereby create a social multiplier effect that for example Carl (2006) has presented.

### 5.3 Creating incentive to share

The following part of the analysis is looking at how Mazily is encouraging and engaging its users to spread the word about the dating service to their social network either by offering rewards or by appealing to more psychological, social and emotional motivations to share. As the previous parts of the analysis presented and discussed the buzz marketing tactics implemented by Mazily, such as the recommendation button on the website, this section will analyze *how they try to motivate the users* to follow through the tactics, i.e. to use the recommendation button. It can be argued that Mazily is engaged in encouraging their users to share by attempting to appeal to both extrinsic and intrinsic motivations (see Shi & Wojnicki, 2014).

Mazily offers clear extrinsic incentives in the form of rewards (see Shi & Wojnicki, 2014) for their users if they either recommend Mazily to friends through the recommendation function in the quests on the website or write about Mazily on their private blogs and link the blog post to the Mazily website. The reward for recommending the service via Facebook to three friends is six days of the Mazily Pop premium account. For writing about Mazily in a blog post, they offer the premium service for three months free of charge. Out of the three sections they encourage people to complete within the quests, the recommendations are considered the most important for the company. As presented in an earlier section, respondent 3 clarified: *"I think the most important one is to invite other people because, that has been our biggest problem for us to get more people to the service. And it's also the most expensive for us to buy people, so that's the most important I think"*. This showcases the need of cost-efficient methods for marketing the service to potential new users. Giving away either a few days or even a few months of the premium account can be seen as very cost-efficient compared to "buying" the users (as the respondents call acquiring new users) by using Facebook advertisements, for example. Two of the co-founders members of Mazily however do not consider the incentives offered to be working as well as they had wished and seemed to have similar thoughts about the reasons behind it. In an



experiment Shi & Wojnicki (2014) achieved a percentage of 3,9% who engaged in on-site referrals when extrinsic motivations were offered, compared to next to zero without incentives. About 2,8 % of the members of Mazily complete one or more tasks in the quests when being offered rewards (according to Mazily statistics, 2014). Thus the 2,8 % can be argued to be in line with previous research. Although not fully content with the total percentage of quests completed, Respondent 3 does think that for those who do complete the quests, the incentives do work and explains, *"it is quite clear that it's [shared] to get the free premium account"*. However, Mazily has not experimented with different levels of rewards that are given to users for sharing and therefore the case study can not reveal if a higher reward would result in higher referral rates, as has been argued by Thomas (2004).

The respondents consider that one problem with the recommendation function might be due to people's suspicions about sharing via Facebook, especially when it comes to something as private as dating. The word taboo was not used by any of the respondents but it seemed that they assume that online dating still is somewhat of a taboo and a private matter, which people do not want to share publicly on social media. Respondent 3 said: *"We thought the integration with Facebook would make it easy to recommend people, but on the other hand (...) it could be a privacy issue. Or maybe you get a bit scared that it will be published on your feed"*. He even compared the social stigma about online dating to an illness or a medical issue and pondered that people would not share information on social media about these kind of private issues either. The Mazily team also presumed that other products and services might be experiencing similar issues with hesitance of sharing via Facebook. It was however interesting to see that only 8 % of Mazily's members claim that they would rather not tell anyone about their online dating habits (nyheter24.se, 2014), which could show that the specific members of Mazily seemingly do not agree with the idea of the social stigma of internet dating.

Another reason that two of the team members took up is that dating site might not be considered as something "cool" or innovative enough to get shared.

Respondent 1 said: *"I think that dating service maybe not that kind of cool to talk about"* and used the example of a cool new music service as an example of something that people usually do share to their social network. Respondent 3 basically echoed the exact same thing about the insufficient 'coolness' level of the service. In other words, the team members believe that people are not as likely to share even if rewards are offered if they do not consider the service to be 'cool' enough. Likeability can however compensate for the lack of innovativeness and 'coolness' of the service. *"[The users] still have to like the service as well"* according to Respondent 3, in order for them to feel compelled enough to share it to get the promised reward. This can be argued to mean that sometimes, extrinsic motivation alone is not enough for people to share, but the incentive must be combined with at least some kind of intrinsic motivation to actually work. This can be linked to the possible loss or gain of social capital (Shi & Wojnicki, 2014) since the respondents argue their users seemingly want to share something 'cool' or something they genuinely like with their social network. When asking about the rewards offered to people Respondent 3 started pondering that *"Ye... Maybe it's counterproductive to [offer incentives]"* and went on to tell an example of a study he had heard of, where intrinsically motivated children got paid for engaging in the previously enjoyed game and when they stopped paying the children, they had stopped playing. Thus the team members recognize the possibilities of backfiring relating to the incentives offered (see Kamenica, 2012; Bénabou & Tirole, 2003) and yet continue to offer incentives, thus it can be assumed that the backfiring has not been an issue for Mazily.

As mentioned, the team members of Mazily recognize that the users 'still have to like the service' in order to act upon rewards, meaning that there must be some level of intrinsic motivation behind the sharing for the extrinsic motivation to work. With the data gathered, the true reasons behind the members' referral actions of Mazily cannot be analyzed, but the ways in which Mazily is trying to appeal to the users intrinsic motivation to spread the word about the service are under the scrutiny. When discussing Mazily's strategy to encourage referrals and recommendations, the team members underline the importance of the business

concept that serves a niche target market and offers a more unique value proposition to their users, compared to other, more mainstream dating services. Mazily team members believe that by understanding and fulfilling the needs of their users, the users will want to share the service to their social network. They state that the narrowly targeted concept of the service got them a lot of attention in the beginning and has definitely helped the spreading since. Mazily can be argued to attempt to appeal to reasons of sharing that are linked to extreme satisfaction (see De Bruyn & Lilien, 2008) altruism, self-enhancement, product involvement and desire to help the company (see Sundaram et al., 1998). Mazily expressed their interest in truly serving the target market and providing a service that satisfies the needs of its users, which they hope to encourage people to recommend the service to their single friends within the target group. As stated previously, Respondent 1 explains, *"we are just trying to be a nice alternative and also position us as an alternative to the big ones and to be the more sincere alternative or the less commercial alternative. A more modern and a transparent company"*. This can be seen as aiming to appeal to the extreme satisfaction and thus altruism of people to help their friends to find the exceptional service (see De Bruyn et Lilien, 2008; Sundaram et al., 1998). When new users join Mazily, a pop-up window appears which suggests and asks users to share the service to their friends as follows: *"We are eager to spread amongst friends of friends, rather than through advertisement in mass media, so we would be grateful if you recommend our service to your friends"* (Mazily.se, 2014). With this message Mazily is making a plea to consumers who enjoy the service and finds exceptional value in the limitation to the niche market of culturally interested people. It can be understood as a mild threat that unless the users do not spread it within the target market of 'alternative' people, the company has to spread by advertisements in the mass media, which would then dilute the alternativeness of the service. This can be seen as a plea to the desire to help the company and product involvement motivations to make referrals (see Sundaram et al., 1998). Furthermore, Mazily offers a service, which becomes more useful for the members as more people join, which in itself is an intrinsic motivation for people to make referrals. According to Trusov et al. (2009) and (Thomas, 2004) people often make referrals when they themselves

have a direct benefit of bringing more people in, especially when talking about a social network, which gets better the more members join.

## 6. Discussion & conclusions

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*This section will first discuss key themes lifted from the analysis of the empirical material. Second, it will answer the research question and conclude the learnings of the study. Third, the managerial implications and theoretical contributions of the study will be discussed. Lastly, the limitations of the study and suggestions for future research are considered.*

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### 6.1 Discussion

The analysis of the empirical material resulted in several insights regarding buzz marketing tactics in the context of a startup. Some of the key themes have been lifted from the analysis to be discussed further in this chapter. These key findings are related to the risk of overreliance in online buzz marketing tactics, encouraging users to share and the prerequisite of existing users for certain buzz marketing tactics.

This study has presented several compelling reasons for startups to implement and use specifically online buzz marketing tactics. Online tactics have been analyzed as cost-efficient and effective tools since the on-site features provide the interactivity that allows users to share messages and the service within their social networks. On-site features such as recommendation buttons or quest systems that reward sharing can be implemented on corporate websites for virtually no additional cost (Ahuja et al., 2007; Kraus et al., 2010; Sprague & Wells, 2010). However, it is important to note that online buzz marketing tactics do not necessarily result in buzz creation success by themselves. The study showed that 23,5 % of the members had heard about the service from someone they know, but at the same time statistics showed that only 2,8 % of members had used the quest system that rewards their members for sharing the serving in their social network. Furthermore, according to the literature, estimated 75 % of all WOM conversations are said to take place offline (Keller & Fay, 2012) and therefore it is important to acknowledge that startups need to consider firm-created buzz as a result from a sum of

organizational marketing activities, both online and offline. An over reliance on online buzz marketing tactics in startups could potentially result in a lower total buzz levels. Online buzz marketing tactics do provide better interactivity with online services and with new technology it is becoming increasingly easy to track when, how and where people are talking about the company on the Internet. At the same time most startups do not have the resources or capabilities to track offline buzz as efficiently as online buzz, but they should not for those reasons disregard offline buzz creation. Firm-initiated offline buzz was in the study shown to be difficult to create and to track (Mangold & Faulds, 2009), and was in this case measured based on gut feeling. It is very hard to control spontaneous buzz, as it can happen offline or within online private conversations and not through the platforms offered by the company.

It has been stated to be important for companies to encourage third parties to make referrals and promote their products (Carl, 2006). Yet, for a resource limited startup, the intrinsic, spontaneous reasons for sharing recommendations of the product are very challenging to uncover, and thus leaves a lot of areas up to speculation. This is reasonably one of the reasons why it has become quite normal for companies to offer extrinsic rewards for people to make referrals to their social network, which the companies can track, measure and control (Shi & Wojnicki, 2014). However, extrinsic motivations can backfire (Kamenica, 2012) and as this case study has also shown, offering rewards does not come without challenges. It is hard to get users to do marketing for the company and furthermore to know the needed level of rewards for the extrinsic motivations to work (see Thomas, 2004; Kamenica, 2012). The case study showed that a startup can benefit from having a well-defined niche target group. The niche target group can enable startups to create a unique value proposition based on the characteristics of the people that are targeted. It was seemingly hard to pinpoint the reasons why the users shared the service but the need to offer a 'good service' was continuously raised. Since intrinsic value is hard to define and is embedded in the consumers' minds, startups can only concentrate on creating exceptional value for their customers that possibly can encourage intrinsically motivated sharing. Offering extrinsic

motivations can be seen as a final push to get users to make referrals and recommendations.

The case organization in this study used buzz marketing tactics mainly to encourage their existing members to share the service. It has become clear that gathering an initial users base is a prerequisite in order to successfully implement certain buzz marketing tactics. It is possible to use a mixed seeding strategy that can target both influential opinion leaders and the required number of influenceable consumer in order to spread the word about the product and reach a critical mass, as defined by Geddes (2011). Attracting the initial user base is related to other challenges that startups have been argued to face, namely creating demand and introducing products on the market (Zimmerman & Zeitz, 2002). Startups with limited financial resources could consider buzz marketing tactics as suitable for the various reasons that have been presented in this study but need to realize the importance of first attracting customers and members that can be used to amplify future marketing activities. At the same time, most startups are by nature facing the fundamental importance of financing themselves through revenues and need to create profitability at an early stage (Laitinen, 1992; Hirsch, 1992). Creating the user base for buzz marketing purposes can or maybe should be considered as a secondary benefit when attracting customers in the beginning of a startup's existence.

## **6.2 Conclusions**

This study was conducted as a case study on the Swedish startup Mazily. The case company was chosen based on opportunities of learning due to Mazily's apparent characteristics of a resource limited startup and the company's usage of marketing tactics, which could be analyzed in accordance with the presented theoretical framework of buzz marketing. The conclusion drawn from this study answers the research question that was raised in the introduction chapter of this study. The research question was formed influenced by Godes & Mayzlin's (2009) claim that the organizational tactics of the buzz creation process have not been researched

previously and suggest that future research in this area would be beneficial in order to understand how companies encourage third parties to amplify the original marketing messages. As recalled, the research question of this study was:

*How do startups use buzz marketing to encourage third parties to amplify their marketing messages and promote their products?*

This study has shown that a startup can use buzz marketing to encourage third parties to amplify their marketing messages and spreading the product by implementing various buzz marketing tactics. These tactics include on-site features that allow and encourage sharing within the users' social network. Furthermore, startups can offer extrinsic incentives to motivate sharing but should also attempt to appeal to intrinsic motives. The intrinsic motives can be challenging to uncover and thus a startup should strive to create a unique value proposition and fulfill the needs of their target group by offering exceptional value. Offering exceptional and unique value to a specific target group will facilitate sharing and create buzz. Startups can furthermore create buzz through media by creating valuable content for all three parties involved (i.e. media outlets, the users of the media and the startup itself). The study uncovered that the existing users and media were the key third parties depicted by Thomas' (2004, p. 64) definition used for buzz marketing: "the amplification of initial marketing efforts by third parties through their passive or active influence". Thus, gathering an initial user base can be considered prerequisite for startups that intent to implement buzz tactics in order to create social multiplier effects on their marketing efforts.

### **6.3 Managerial implications**

This study offers findings and insights into the buzz creation process in a startup in order to understand how companies can encourage third parties to amplify their original marketing messages. It can provide guidance for marketing practitioners that are restricted by limited resources, specifically in terms of capital. The buzz marketing tactics that have been identified and analyzed in the study offer tools for



practitioners to use, in order to allow and encourage their users and the media to amplify their marketing messages. This study argues that buzz marketing can be cost-efficient and effective. Buzz marketing can be seen as cost-efficient as a result of the fact that most of the tactics presented in the study can be implemented on corporate websites, without any additional costs. Furthermore buzz marketing relies on strengthening media relations and getting exposure through media without investing in traditional advertisements. This study also agrees with previous notions about the effectiveness of peer-to-peer referrals, as was shown by the high percentage of members that joined the service after hearing about it from someone they knew.

#### **6.4 Theoretical contributions**

Carl (2006) argued that the research of buzz marketing was still in its infancy. Godes & Mayzlin (2009) in turn further defined a gap in the literature and called for future research on buzz marketing from the company's perspective that studies buzz creation tactics used by practitioners. This study aimed to research buzz marketing in the context of a resource-limited startup in order to provide a rich case description that can assist in filling the gap in the literature. This research looked at the particularities of the specific case and does not allow for greater generalizations. However, it can be used as a background for future research to fully fill the gap in the literature by extensive research in the subject.

#### **6.5 Limitations & recommendations for future research**

The study has a number of important limitations that should be acknowledged and that call for further research in the field to verify and extend the findings of this research. First, this study was conducted as a single case study, with an aim to provide understandings of the particularities of the case instead of generalizable results. Thus, future research on this subject is needed in order to provide more quantifiable, generalizable results about the buzz marketing tactics used by startups or other companies.

Second, this research was conducted in the context of an online service, which might have some specific characteristics and effects on buzz marketing not present in other categories, such as physical products or 'offline' services. For example, the use of on-site features that provided interactivity with the case organization's service could possibly be less effective in different contexts. Further exploration into different categories could therefore prove to be a valuable extension of the current theory. Third, the current research is conducted in a dating service, which could be described as a social network. Social network provides a possibly specific background and could facilitate buzz creation, as members realize the benefit of each new member to the community (Trusov et al., 2009). More research into buzz marketing of social networks would be beneficial for the research in this field.

Finally, the case study respondents discussed the perceived social stigma related to online dating and the privacy issues related to it, which might have effects on consumers willingness to share and amplify the marketing messages initiated by the company. This notion provides an interesting area of further research; more research should be conducted about the social stigma that can be relevant to certain industries and how it affects the results of buzz marketing.

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# Appendices

## Appendix I

Semi-structured interview guide.

Malmö, April 28, 2014

Questions:

- How did Mazily attract the first group of users to the service?
- Who were the first users of the service?
- Who do you target with your marketing activates?
- What was the intention of communicating the message "*We are eager to spread amongst friends of friends, rather than through advertisement in mass media, so we would be grateful if you recommend our service to your friends*" to new members on the site?
- How do you actively work in other ways to encourage people to share your service?
- Do you know if the actions and features that are encouraging people to recommend the service are working?
- Why are you communicating what sort of media outlets you been featured in on your website?
- Why and how did you come to be featured in media?
- What sort of online marketing activities do you use?
- Do you monitor and track your online marketing activities?
- How important is the event guide on your site in order to attract members?
- How do you use social media in marketing and do you implement it on your website?
- What is the content marketing strategy?
- Are you using any traditional advertising to date or are you planning on using traditional advertising in the future?

## Appendix II

Screen shot of Mazily.se depicting the quest system interface. Translation on the following page.

### Gör utmaningar och få gratis Mazily Pop-dagar.

Vill du öka dina chanser att träffa intressant folk och samtidigt testa Mazily Pop? Gör någon av våra utmaningar som ger dig extra Popdagar. Klarar du alla får du dessutom hela 30% rabatt på Mazily Pop!

Got 99 problems, but money ain't one? Här kan du [köpa Mazily Pop direkt](#).

Sprid ordet		
Rekommendera tre vänner (via Facebook)	2 kvar	+ 6 dagar
<b>Totalt</b>		<b>+ 6 dagar</b>

Börja kommunicera		
Skriv ett statusmeddelande	1 kvar	+ 1 dag
Gilla någons statusmeddelande	1 kvar	+ 1 dag
Följ 5 personer	5 kvar	+ 1 dag
Gilla 3 evenemang	3 kvar	+ 1 dag
<b>Totalt</b>		<b>+ 4 dagar</b>

Visa vem du är		
Lägg till minst 30 taggar	30 kvar	+ 1 dag
Ladda upp minst 5 bilder	5 kvar	+ 1 dag
Skriv en presentation på minst 300 tecken	300 kvar	+ 1 dag
Ange din längd, familjesituation och sysselsättning	3 kvar	+ 1 dag
<b>Totalt</b>		<b>+ 4 dagar</b>

0%

Du har 1 utmaning kvar innan du får 6 nya Pop-dagar.

0%

Du har 4 utmaningar kvar innan du får 4 nya Pop-dagar.

0%

Du har 4 utmaningar kvar innan du får 4 nya Pop-dagar.

När du har klarat alla utmaningar får du hela 30% rabatt när du tecknar Mazily Pop!

**ANVÄND DIN RABATT**

**Translation:**

Complete the quests and receive free Mazily Pop-days.

Do you want to increase your chances to meet interesting people and at the same time try Mazily Pop? Complete any of these quests, which will give you extra Pop-days. If you complete all you will receive 30 % discount on Mazily Pop.

(The three sub-headings read: 1) Spread the word 2) Start to communicate 3) Show who you are.)