Social media

The influence of social media on marketing

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Foreword

Writing this thesis was a difficult process, but I have learned a lot from it. The main lesson was to approach a thesis with a good structure from the beginning, when this is done it is easier to work towards an end result and you’re able to complete it step-by-step. Social media and marketing are fascinating subjects, but with an unstructured approach it is easy to get lost in the overwhelming amounts of information that is available. I have discovered a lot of information which is not all part of this thesis, but has helped in figuring out my next step towards my master’s degree.

I would like to thank my parents, and especially my mom for their amount of support in writing this thesis. I would also like to thank my mentors who have invested their time: Frans Verhees for helping in figuring out a structured approach and Ynte van Dam for his general advice.

Thomas Osinga,
July 2012
Management summary

In this literature research, the influence of social media on marketing is examined. Social media are deemed to be important in the marketing landscape these days (Bernoff and Li, 2008a, Constantinides et al., 2008, Ernst & Young, 2012). Marketing managers are allocating their resources more towards social media (Owyang et al., 2009) and the popular media are also full of stories about the importance of social media (Hodson, 2012). The question is if social media really are that important, or if they are just one of the many marketing tools.

Marketing is about delivering value to customers, based on their needs and wants, profitably. This is done by generating and disseminating information and responding with a product that customers value (market orientation following Kohli and Jaworski, 1990). The influence of social media on marketing is evaluated following this market orientation principle.

Social media is about social interaction. The essence of social media is connecting and interacting with others online and building the information intake around referrals and recommendations of a network full of people that a user chooses. Social media penetration is rising, but the time spent online is on average still lower than spent on television. There is some change ahead, because internet penetration is rapidly growing in emerging markets, as is the use of mobile devices.

There are six important changes that social media have brought.

1. More interaction and connection
2. Equal voice
3. Refer/Recommend/Rate
4. Profiles/Personalized
5. Always connected
6. Speed of information circulation

Those six changes influence most of the marketing functions that are part of the market orientation following Kohli and Jaworski. Information generation about customers, target marketing, branding and promotion are the functions that are most influenced. The six changes have changed the marketing landscape. They have brought new opportunities, but also new threats.
Opportunities/ benefits

1. Increased visibility.
2. Increased brand awareness and loyalty.
3. Improved customer service and relations through interactions.
4. Understanding of customer satisfaction and behavior, as well as corrective actions by monitoring and analyzing customer opinions, experiences, critiques and ideas.
5. Low cost and high accessibility of information.
6. Improved segmentation, targeting and positioning strategies.

Threats/ challenges

1. Increased visibility.
2. Every stakeholder is a potential communication risk. This puts a company under increased scrutiny and forces a company to communicate more openly.
3. There are no established metrics yet for measuring results and no history to validate the value of social media.
4. Requires comprehensive knowledge, skills and time for implementation and maintenance.
5. Provision and continuous generation of sufficiently interesting content.
6. Has to be tied into comprehensive strategic marketing planning to be effective.

In conclusion one can say that the influence of social media on marketing is quite extensive: marketers have to learn to communicate with a different tone of voice, they have to learn how to use the extensive information treasure that social media offer and they have to learn how to use the different social media. Marketing is about creating value for customers at a profit through exchange. Social media fit in this essence of marketing.
Introduction

Social media are deemed to be important in the marketing landscape these days (Bernoff and Li, 2008a, Constantinides et al., 2008, Ernst & Young, 2012). Marketing managers are allocating their resources more towards social media (Owyang et al., 2009) and the popular media are also full of stories about the importance of social media (Hodson, 2012). The question is if social media really are that important, or if they are just one of the many marketing tools. This research will examine what the influence of social media is on marketing management.

To measure the influence of social media on marketing, this research has been split-up in five chapters:

1. What is marketing?
   In this chapter the evolution of marketing theory, definitions of marketing, misconceptions about marketing and market orientation will be presented. This market orientation by Kohli and Jaworski (1990) will provide the framework to define the influence of social media.
2. What are social media?
   In this chapter the difference between Web 1.0 and Web 2.0, definitions of social media and types of social media will be presented.
3. Why are social media deemed so important for marketing?
   In this chapter statistics about social media, the change in communication and the change in the way people interact and handle information will be presented.
4. How do social media influence market orientation?
   In this chapter the effect of social media will be discussed on the basis of the market orientation framework of Kohli and Jaworski (1990).
5. Threats and opportunities of social media marketing
   In this chapter the most important threats and opportunities of social media will be presented. These threats and opportunities will be illustrated by practical examples.

After this the conclusion will answer the main question: **What is the influence of social media on marketing?**
1. What is marketing?

In this chapter the evolution of marketing theory, definitions of marketing, misconceptions about marketing and market orientation will be presented. This market orientation by Kohli and Jaworksi (1990) will provide the framework to define the influence of social media.

Evolution of marketing theory

It is no surprise that marketing thought started to evolve after the industrial revolution: with mass production companies became more removed from their customers and so they began to feel the need for a strategy to reach their target groups. Marketing is a combination of different disciplines like sociology, psychology, anthropology, economics and corporate strategy (Blythe, 2006). The development of marketing thought has originated from economic theories and has evolved from a goods-centered model of exchange to a service-centered model of exchange (Vargo and Lusch, 2004), from a production orientation to a customer orientation (Blythe, 2005). This shift has resulted in the insight that the customer is in control and that marketing has the task to integrate the needs of customers in the company.

Some definitions

There is not one definition of marketing in common use (Blythe, 2006). There are some authoritative definitions that are good to mention here to grasp the versatility of marketing:

“Marketing is the process of achieving corporate goals through meeting and exceeding customer needs better than the competition” (Jobber, 2007).

This definition covers three important aspects of marketing: corporate goals, customer needs and the competition.

“Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services” (Kotler, 2012).

This definition is more elaborate and focuses on the general tasks of marketing managers.

“Marketing is a customer focus that permeates organizational functions and processes and is geared towards making promises through value proposition, enabling the fulfillment of individual expectations created by such promises and fulfilling such expectations through support to customers’ value-generating processes, thereby supporting value creation in the firm’s as well as its customers’ and other stakeholders’ processes” (Grönroos, 2006, pp.407).

This is a promise based definition. It highlights the importance of interaction with the customer.
“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (American Marketing Association, 2012).

This is the most recent definition of the American Marketing Association. It covers the two most important concepts of marketing: value and exchange. It is a broad definition and can be used to define all human exchanges.

All these definitions are good for showing the multiple aspects and nuances of marketing. It is about creating value for customers at a profit through exchange.

Misconceptions about marketing

People who are not engaged in marketing usually define it as advertising and selling (Kotler et al., 2009, pp7). Although advertising and selling are a part of marketing, it is not the only part, but the tip of the iceberg (Kotler et al., 2009, pp7). Because people think that marketing is about advertising and selling, they get the impression that marketing is about getting rid of the products a company makes. That marketing is about tricking consumers somehow into buying products they do not want (Jobber, 2007).

The definitions of marketing should have given insight in the practice of marketing. It is about delivering value to customers, based on their needs and wants, profitably. A marketer that tricks a consumer into buying its product might sell much in the short term, but the customer will not come back. As it is cheaper for marketers to keep a customer than to recruit a new one (Jobber, 2007), short term tricks will not provide the largest returns.

The marketing concept: market orientation

The marketing concept holds that customer’s needs and wants should be the starting point for any marketing process. It introduces marketing as the beginning, rather than the end, of the production cycle and integrates marketing into each phase of the business operation. The marketing concept focuses on the customer. Although many companies endorse the marketing concept and define the purpose of its businesses as the creation and retention of satisfied customers, they find the implementation of the concept very difficult. This is what market orientation addresses. Kohli and Jaworski (1990) define market orientation simply as the implementation of the marketing concept. A market oriented firm focuses its efforts on:

1. Continuously collecting information about customers’ needs and competitors capabilities (information generation);
2. Sharing information across departments (information dissemination); and
3. Using the information to create customer value (responsiveness).

Market orientation following Kohli and Jaworski will be the core of this research and the influence of social media will be evaluated according to the three steps above. Within the third step (responsiveness) attention will be given to the marketing mix, target marketing and branding. The marketing mix is chosen because it is still a very relevant marketing idea that is included and dominant in every major marketing
management book. Target marketing and branding are included as separate categories as these are relevant to social media.

**Explanation of the different components of market orientation**

**Information generation**
This is about gaining intelligence of the world outside the company. In this research three factors are distinguished:

1. **Customer**
   Because these are the people that will buy the product. It is important to know what their needs are, because their needs determine how they value a product.

2. **Competitor**
   Because the value of a product will also be determined by comparison. It is important to know how your company performs compared to others.

3. **Macro**
   Because the environment in which a product is sold, determines its success. Macro includes for example economic conditions, government regulations, suppliers, NGO’s and other factors.

**Information dissemination**
This is about how the generated information disseminates in an organization. Does the information reach the appropriate departments? Two factors are distinguished:

1. **Availability**
   Are all departments/employees accommodated with the necessary tools to receive, send and interact with the information?

2. **Interpretation**
   Is it clear who should get which information, and how it can be used? Relevance and ability to act on the information are important.

**Responsiveness**
This is about how the information is used after it has been generated and has disseminated. “Based on the understanding of the customers, a company responds with its marketing mix” (Jobber, 2007, pp.18) So marketing mix is included in this stage, but also target marketing and branding are included. These are included because they are relevant to social media.

1. **Marketing mix**
   - **Product**
     Is about what goods and services should be offered to customers. Product development is an important part, other decisions for example are: brand names, guarantees and product benefits (Jobber, 2007, pp. 18-19). It is important to provide customers with a product that they value. This can be done in many different ways and is subject to change, as technology and taste change.
(Jobber, 2007, pp.18).

- Price

The price of a product is important as it determines what the company receives for its product. A company should price its product in such a way that it can turn a profit. The price that is set by a company influences how customers perceive the value of a product (Jobber, 2007, pp.20). So the price of a product should be in line with the attributes of the product that were mentioned and that customers value.

- Promotion

Promotion is the way to make customers aware of the existence of a product and the benefits it has (Jobber, 2007, pp. 21). There are many ways to do this. A promotional mix can include: advertising, personal selling, sales promotions, public relations, direct marketing and Internet marketing (Jobber, 2007, pp. 20.). How to do this depends on the other three factors of the marketing mix.

- Place

This concerns the availability and convenience for consumers to buy a product. It is about making sure that the product is available at the right time and place (Jobber, 2007). It concerns the distribution channels, locations of outlets, methods of transportation and inventory levels (Jobber, 2007, pp. 21).

2. Target marketing

Most products are not for everyone. A good marketing strategy identifies a potential audience and targets this audience. In this way the product is more relevant to the needs of the customers (Kotler et al., 2009). Markets can be segmented on many different criteria. With a good segmentation, markets can be targeted more effectively.

3. Branding

The process of creating a unique position for your product (Jobber, 2007). It is the name that is attached to a product and that which distinguishes it from other products (Kotler et al., 2009). “It is the embodiment of customer goodwill accumulated during the lifetime of a service or product” (Kotler et al., 2009, pp. 425). How powerful a brand is, is therefore determined by the customer. A brand is as strong as customers perceive them to be.

Findings of chapter 1

Marketing is about delivering value to customers, based on their needs and wants, profitably. This is done by generating and disseminating information and responding with a product that customers value.
2. What are social media?

In this chapter the difference between Web 1.0 and Web 2.0, definitions of social media and types of social media will be presented.

There is a big buzz about social media, but what are they? Most people will think about Twitter and Facebook because they are highly visible. Facebook and Twitter are indeed social media, but why are they social media? To answer that question complete, it is useful to have a look at the start of the Internet and the difference between Web 1.0 and Web 2.0.

Web 1.0

At the start of the Internet, “Web sites (Web 1.0) allowed only one-way communication through static Web pages” (Thackeray et al., 2008, pp. 339). The web-site publisher acted as a lecturer where recipients only had the possibility to receive, or not receive. The web-site publisher had complete control over the content on the web-site.

Web 2.0

In 2004 “the concept of Web 2.0 began with a conference brainstorming session between O’Reilly¹ and MediaLive International²” (O’Reilly, 2005). In these initial sessions they needed to make clear what the difference was between Web 1.0 and Web 2.0. They came up with a list of examples to make clear what the difference is, see Figure 1. This list shows how the static Web 1.0 has been replaced by the interactive Web 2.0, much of the Web 1.0 applications are gone or barely used.

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¹ O’Reilly is a company that focuses on spreading the knowledge of innovators.
² MediaLive International is a company that produces, manages and promotes conferences in the Information.
An important concept of web 2.0 is the web as a platform according to O’reilly (2005). On this platform “content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a participatory and collaborative fashion” (Kaplan and Haenlein, 2010, pp.61). Web 2.0 does not refer to a specific increase in technology, it is a term used to refer to the technologies that allow the Internet to be interactive instead of static.

Social media

Definitions of social media

“a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content” (Kaplan and Haenlein, 2010, pp.61)
This definition shows the relation between Web 2.0 technology and social media. The notion of user-generated content however is rather vague.

“Social media is the deployment of web 2.0 technologies to empower people to participate in communities on the Internet” (De sociale media, 2011)

This definition also relates social media to Web 2.0 technologies. It however does not focus on user generated content, but includes all participation in communities on the Internet. The term communities is used frequently in social media articles, but is not defined.

Social media is “an umbrella term that defines the various activities that integrate technology, social interaction, and the construction of words and pictures. This interaction, and the manner in which information is presented, depends on the varied perspectives and “building” of shared meaning, as people share their stories, and understandings” (Anvil, 2012).

This definition shows that social media is about social interaction. The kind of interaction is dependent on the platform. There are many more definitions of social media, but the common element is that it is about social interaction. Some mention conversations, others participation or user-generated content. When a news site lets users post comments, they say the site has gone social, but it is not called a social medium. It is however a use of Web 2.0 technologies which empowers people to participate. The content is provided by the employees of the news site. Blogs are considered social media, but the content of blogs is also provided by a select group of individuals or employees. The border between social media and the use of Web 2.0 technologies is therefore not always clear. In the next section several types of social media will be distinguished. This will be done to make the different types of use of Web 2.0 technologies clearer.

Types of social media
There are six different types of social media, according to Kaplan and Haenlein (2010):

1. collaborative projects (e.g., Wikipedia)
2. blogs and microblogs (e.g., Twitter)
3. content communities (e.g., YouTube)
4. social networking sites (e.g., Facebook)
5. virtual game worlds (e.g., World of Warcraft)
6. virtual social worlds (e.g., Second Life)

Kaplan and Haenlein do not include location based services in their definition of social media types. Location based services are services that provide users the ability to share their location, or provide users information based on their location. In Figure 2 location based services are included. Figure 2 illustrates the fact that web 2.0 does not refer to a specific increase in technology, but that it is about using technologies in a way to allow users to share, link, rate, discuss, publish and collaborate with each other. Figure 2 also illustrates that the social media landscape is extensive.
Many people use social media and Web 2.0 in the same sentence or as substitutes for each other. But there is a difference. To put it simple: Web 2.0 can be regarded as the framework in which the social media operate. The Web 2.0 technologies are the real revolution. Social media like Twitter and Facebook make good use of this technology.

**Findings of chapter 2**

The social media that have become famous like Facebook and Twitter are the best in fulfilling the information and connection needs of people. They have given all people the resources to connect to others from anywhere. The technological revolution of Internet and Web 2.0 congregates in social media. Facebook and Twitter are the billboards of this evolution of the Internet. This is why they receive so much attention. They are billboards because they embody the essence of social media: connecting
and interacting with others and building the information intake around referrals and recommendations of a network full of people that a user chooses. Social media are about social interaction.
3. Why are social media deemed so important for marketing?

In this chapter statistics about social media, the change in communication and the change in the way people interact and handle information will be presented.

The essence of marketing is to create value for customers at a profit through exchange. In order to do this, customers must know a business and it must be relevant to their needs. With the rise of the Internet, the habits of people have changed. This change in behavior effects marketing. Therefore it is important to look at how many people use social media and how much time they spend on it.

Statistics about Internet and Social media

The most dominant social media are Facebook and Twitter. Most big companies have a presence on these media as they have the most users worldwide.

Facebook statistics first quarter 2012 (Facebook, 2012):
901 million monthly active users.
More than 500 million mobile monthly active users.
On average more than 300 million photos uploaded to Facebook per day.
An average of 3.2 billion Likes and Comments per day.
An average of 190 friends per user.

Twitter (Venturebeat, 2012)
140 million active users.
340 million tweets per day.

These two social media are the most prominent. The numbers are meant to represent the impact of these social media. In the case of Facebook it is likely that many customers are active on this medium. It is the prominent social networking tool and has a high adoption rate in many countries. For twitter the numbers are much lower, whether customer’s use this medium is more dependent on the sector in which a company is active and the country in which a company operates.

In America 80% of all adults use the Internet in 2012, as can be seen in Appendix 1. Young, rich and high educated people use the Internet more than others. With this high level of Internet connection, especially among young people, time spent on other activities is bound to change. Time spent on the Internet is now the second biggest time consumption of the major media in the US, as can be seen in Appendix 2. Television and video are still dominant with about 40% time of all media which represent 4 hours and 34 minutes per day. Internet has surpassed other traditional media and accounts for more than 24% of time on all media, which represents two hours and 47 minutes per day. These two hours and 47 minutes are increasingly spent on social networking, as can be seen in Appendix 3. Time spent on social networking accounted for 22.7% of time spent online, which means that people on average spend about 38 minutes per day on social networks. For young people this will be more, as they are more
connected to the Internet and make more use of social media, as can be seen in table 1.

Table 1: Social media penetration American adults (Ernst & Young, 2012)

<table>
<thead>
<tr>
<th>Age</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-29</td>
<td>67%</td>
<td>76%</td>
<td>86%</td>
</tr>
<tr>
<td>30-49</td>
<td>25%</td>
<td>48%</td>
<td>61%</td>
</tr>
<tr>
<td>50-64</td>
<td>11%</td>
<td>25%</td>
<td>46%</td>
</tr>
<tr>
<td>65+</td>
<td>7%</td>
<td>13%</td>
<td>26%</td>
</tr>
</tbody>
</table>

This time spent on the Internet and social networking has changed the Internet environment. The change in data traffic exemplifies this change. In 2005 there was 30 Exabyte of Internet traffic per year, in 2010 it was 242 Exabyte and in 2015 it is predicted that this will be 966 Exabyte (Cisco, 2008). This increase in data can be explained by the increase in Internet users, especially in the emerging markets, and the increase in technology, which means faster Internet and more digitalization of for instance photos and videos and the rise of mobile devices.

**Two important conclusions of above facts are:**

1. Social media penetration is rising.
2. The time spent online is on average lower than on television.

**What has changed in communication?**

As was mentioned in chapter 2, social media are about interacting and connecting. This has led to a change in the habits of people, but also in the expectations. People are now interacting about everything with each other and expect companies to do the same. The traditional communication model of one-to-many which has favored business has now changed to many-to-many due to the massive adoption of these social media, see Figure 3.
Many-to-many communications is not a new concept, but it is maturing now. Just sending a message is getting harder because of this interaction aspect of social media. This change is made clear by the distinction of three kinds of media by Corcoran (2009):
- owned media (controlled by the marketer; e.g., company website, Twitter account, Facebook page)
- paid media (bought by the marketer; e.g., sponsorships, advertising, paid search)
- earned media (not controlled or bought by the marketer; e.g., word-of-mouth, viral, buzz)

How have social media changed the way people interact and handle information?

There are several important changes that social media have brought; the most important one is that everybody with Internet now has the ability to interact with everyone else. There are six changes that can be distinguished:

1. More interaction and connection:
The technology has made it easier to interact with people you do not see every day and even with people you do see every day. So there is more interaction online and people are more connected to others, especially the people that they do not see every day, the so called weak ties. As a result people have more and better access to information (Jeong and Lee, 2010; Boyd and Ellison, 2008). This results for example in people that are more successful in finding a new job, as they can get recruited by friends at the right time and it results in social systems that are more coherent and less fragmented (Granovetter, 1983).

2. Equal voice:
In social media everybody has an equal voice. Every profile can interact with other profiles, whether a profile is connected to many others depends on a mix of quality of content and amount of friends/followers. People can reach millions at the cost of an internet connection. This has resulted in a hybrid form of push and pull. People decide who they want to follow (pull), and from there on information is pushed at them (Christodoulides, 2009; Hatch and Schultz, 2010). This has resulted in a shift of the information control needle, which influences the way consumers receive and react to market information (Ramsey, 2006). Companies have less control over the information market. Companies are closely monitored by their stakeholders. The power of big companies to suppress negative information about themselves is shrinking.

3. Refer/Recommend/Rate:
Because all people now have an equal voice and interact more, they refer each other to content online. The amount of visibility and interaction on social media greatly depends on this aspect. This is what is meant by ‘earned’ media. As people are more in control of their information intake, they do not rely on
the traditional information gatekeepers (TV stations, Newspapers, Radio, Magazines) anymore. They can go online and see what their network is talking about, but can also look at what others outside their network think is a good product (Bruyn and Lilien, 2008; Cooke and Buckley, 2008). Social media are perceived by consumers as a more trustworthy source of information regarding products and services than corporate-sponsored communications (Foux, 2006). This aspect has transformed the Internet from not just a platform for information, but also for influence (Hanna et al., 2011) and has increased the importance of the reputation of a company (Christodoulides, 2009).

4. Profiles/ Personalized:
To join a social medium, it is almost always necessary to create a profile. This usually contains information about your age, gender, location, but can be, and often is more elaborate. These profiles are full of information, which marketers can use to segment and target consumers. These profiles can also be segmented on social behavior. There are (Bernoff and Li, 2008b):
- Creators (e.g., publish, maintain, upload)
- Critics (e.g., comment, rate)
- Collectors (e.g., save, share)
- Joiners (e.g., connect, unite)
- Spectators (e.g., read)

5. Always connected:
People are now able to go online anywhere. The mobile devices that have the ability go online are increasing in numbers, from virtually no mobile devices in 2005 to an expected 2 billion in 2015, outnumbering fixed access about four to one (appendix 4).

6. Speed of information circulation:
This is a result of more interaction and always connected. When something happens, the news spreads instantaneously. It is a matter of minutes until an earthquake in Japan is communicated to people all over the world that are connected. The first stories about this earthquake came from social media and spread with an enormous speed. Before social media, the first stories about this event would have come from traditional media and it could take hours before footage of the tragedy was available. This is the result of the many-to-many communication model (Figure 3) that has come with social media and was handled in the previous section.

The effects of social media on information handling

The level of connectedness has resulted in an immense increase in data. There is not just more chatter about things, but the Web is also becoming the main source for all data. Data is increasingly becoming publicly available. Social media are a way of filtering through these data based on the profile that one creates. On Facebook for example the data about friends and family are filtered through algorithms that determine the importance. On Facebook the algorithm is called EdgeRank (every piece of content or interaction on Facebook is called an edge) which is developed by Facebook to rank the most important
news. This algorithm determines what users see based on three factors: affinity (how friendly someone is with the source), weight (how important the information is) and recency (how old the information is) (Newman, 2012). These algorithms are developed to show people the information that they want to see. People define the affinity; this is done in two ways. People can categorize other people actively themselves based on importance, good friends and family for instance are showed more often, but affinity is also determined by the amount of interaction people have with each other (so based on behavior on Facebook). Facebook seems to do this better than any other social networking site, as they are far more popular than any other site. The basic premise of social media can be translated to other areas. In companies people can have profiles on the basis of their function within a company. So a salesman gets the information that is most relevant to his position. He also has the opportunity to share information with his sales colleagues, but not just them. The whole organization could be connected and the most important ideas can flow to the top. In this way social media are the billboards of a tremendous opportunity and Web 2.0 technologies could be the key to getting your company more connected. It has the ability to integrate a company with all its important stakeholders. This increase in possibilities to handle information can help a company generate and disseminate information more effectively; which helps a company become more market oriented.

**Findings of chapter 3**

Social media are used frequently, and not only by young people. The technologies have brought the many-to-many communications model and have changed the way people interact and handle information. The algorithms that decide what users get to see, have the ability to personalize the news. People are therefore more in control of what they want to see, as their actions determine the affinity.
4. How do social media influence market orientation?

In this chapter the effect of social media will be discussed on the basis of the market orientation framework of Kohli and Jaworski (1990).

The influence of social media on market orientation can be considered quite extensive. In table 2 a lot of boxes are checked. This is because social media is a communication tool and communication is involved in a lot of market orientation processes. It does not mean that social media influence each category heavily. There is also room for debate about other boxes that should be checked. Below there is an elaboration on each of the six changes of social media and how these affect the market orientation.

Table 2: The effect of social media on marketing functions

<table>
<thead>
<tr>
<th></th>
<th>More interaction and connection</th>
<th>Equal voice</th>
<th>Refer/Recommend/Rate</th>
<th>Profiles/Personalization</th>
<th>Speed of information circulation</th>
<th>Always connected</th>
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<td><strong>Information generation</strong></td>
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<td>Interpretation</td>
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<td>Branding</td>
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<td><strong>Marketing mix</strong></td>
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</table>
More interaction and connection

People talk about their interests and congregate with others in environments of similar interests, for instance a community about cats, cars, sports and much more. These environments can be owned by a company, but may already exist. They help companies in generating information about customers.

The information that is generated can be disseminated more easily. This increase in interaction and connectedness within an organization makes collaboration and knowledge management easier. It breaks down the silos and gets a company more connected. There are several ways in which companies can make use of this aspect. By setting up an online community for employees where they can share ideas, or a Microblog where employees can help each other and keep each other informed in a quick manner. Information can be interpreted better because there are multiple people who can discuss a problem, which can result in a better solution. Multiple lenses give a more complete view. This increase in interaction possibilities also has an effect on the responsiveness of a company. The increase in interaction and connection online has resulted in a refinement of target markets. The increase in interaction online results in a change in segments. Especially smaller segments can be distinguished and more global targets can be reached.

Social media have given people the opportunity to react to a brand. A brand is eventually as strong as consumers perceive it to be and every consumer is now a potential communication channel for a brand. It has also given companies the opportunity to communicate their brand in more detail. Videos on YouTube, micro-tweets and a Facebook page can be used to give a brand a podium and to position it clearly. The biggest gatekeeper of information is gone: money. This does not mean that money does not buy attention, or is not important anymore, it just means that it is not a prerequisite anymore to share a message.

Social media are extra channels through which a company can promote its message, it does not mean that this message is heard by a lot of people. The people that follow/like a brand can see the message, but most of the time it will not be pushed to others. When the message hits the right spot, it can give wings to a promotion. Targeted promotion is important, as the success of online promotion is more dependent on how well it is received by the target audience. People are in control of the advertising element and the way to get them clicking more is by showing more relevant advertising. Social media provide a huge opportunity in this regard. The question is whether the data of for instance Facebook can be gathered in the same way as retailers do with their client cards. Facebook can retarget profiles which have visited certain websites, so a visitor of amazon.com might get retargeted on Facebook, this is part of Facebook exchange (Constine, 2012). But will Facebook be allowed to filter through what people are saying, combine this with where people are browsing on the Internet and create with this information a richer user profile for advertisers? How rich a profile Facebook can offer advertisers is not clear, this is why the valuation of Facebook shares is uncertain.

Social media promotion is not one-way communication. So a narcissistic message that claims how good a product is, is not sufficient on social media. It is more important to generate word-of-mouth and to
attract people to an online environment. The attention getting aspect of promotion is still dominated by traditional media, as time spent on TV outnumbers time spent on the Internet and therefore also on social media. A nice example of the relation between TV and social media is the Super Bowl. The Super Bowl is a good example because there is a certain amount of ambivalence there. This is one of the best viewed sporting events in the world, thus it has an enormous reach. Traditional marketing is all about reach, the 2010 Super Bowl reached an average of 106.5 million viewers (Steinberg, 2010). This is why the Super Bowl ads are so expensive. But the Super Bowl has also found a way to make the ads more relevant. The ads that are shown at the Super Bowl are discussed by a lot of people, because it has come to represent something else. It is in a way a talent hunt for creativity. The most funny, impressive, creative ads are made to premiere at the Super Bowl. Due to this characteristic the Super Bowl will remain a good platform to promote your business and social media provide an opportunity to interact with the ads of the Super Bowl. This is a good example because it is a mixture of paid, earned and owned media. The ads at the Super Bowl are paid of course, if they are creative, people are hooked and in this way a company earns a visit of these people to its owned social media channels. People already talked about the Super Bowl ads when social media did not exist, with social media there is a chance to encourage and develop this word of mouth even further.

**Equal voice**

The quality of information grows when people are capable of expressing thoughts and needs. When a company creates an online environment it is important to treat the users as equals. Companies act as a host on their social media channels. There can be platform guidelines, but they should be objective and clear to all, for instance no racism or blasphemy. Users are free to comment which way they like and can disagree with a company on their social media channels without being censored. This is also true for employees. An interesting consequence can be that people who normally do not dominate conversations due to shyness or because they are introverts, now have another platform in which they might be more tempted to speak up.

For dominant people it will be harder to dominate a conversation on social media, because the people that dominate a conversation on social media are the ones that have many followers or likes. This is more dependent on the content than on other social factors, as on social media it is not awkward to walk away from a conversation or to avoid certain people. This reason also does not allow brands to be too dominant on social media. There is a sense of equality and companies that advertise too aggressively are not appreciated.

For promoting a brand it is therefore important to adapt to the platform. For instance people do not appreciate it when a company posts too much on a Facebook page or on a Twitter account. There are rules per platform and these are determined by how people use it. There is room for advertising, but this often has a designated place within a platform.
Refer/recommend/rate
This gives marketer’s insight in what attributes are important to consumers. What they like about a product and why they recommend this to others. This could be feedback on a product, for instance a plasma television or a movie. In the online platform of a company it can also be a way of sourcing the best ideas of users.
This sourcing can also happen with employees. Departments can rate the best ideas or recommend certain information.
These referrals make the information more personalized. People can be segmented on the basis of these referrals. What they recommend, rate and like shows what their interest are. This makes it easier to target them.
When a message is highly targeted, it is more likely that a person might find it valuable. A product that is highly relevant to a person’s needs, will not be regarded as spam. Some messages might even be so good, that the target audience refers others with similar wants and needs to the message. The message would then go viral. People are considered more trustworthy on social media than brands. Therefore it is best to let others spread the news as they are more influential in promoting a product.

Profiles/personalization
Profiles give information about a user and are similar to a cookie in Internet marketing, but reveal more information, these are segments based on consumer behavior. There are also demographic, geographic and other segments that can be distinguished. The combination of this information gives a more detailed understanding of the customer. As was mentioned in referrals, a profile can show people’s interest by the way they behave.
This is also important in the dissemination of information. In a community it can give people access to certain information. It can also help in the search of information. Profile information can help in filtering through the data. When someone is looking for specific information in a company, it can make the search easier if the information is coupled to a function or a location. If someone is looking for customer information in London, they can search for marketing researchers in London.
For target marketing it is important to recognize someone. In combination with an Internet cookie, people can be retargeted. In this way an organization can retarget all women in the age of 20-25 who visited its website and have a profile on Facebook for example.

Always connected
Employees are able to connect from anywhere. Employees can sign in from home, or anywhere else with Internet.
This provides the opportunity to use location targeted messages. Research is needed to find out how this can be used, but people can get advertisement or offers if they are near a company.

Speed of information circulation
Speeds up the feedback process. It can for example help to get a fast answer to a customer’s problem from a colleague.
For branding it has implication for crises. When something goes wrong, the news can spread instantaneously. This happened for instance with the earthquake in Japan, but can also happen with a defect in a product. The speed in which a message circulates can provide information about the success of a promotional message. Each platform has its own characteristics in this regard. A promotional message that is not picked up by the customers can be withdrawn quickly.

**Findings of chapter 4**

Social media influence the market orientation following Kohli and Jaworski. Information generation about customers, target marketing, branding and promotion are the functions that are most influenced. The six changes that social media bring and that are described in chapter three change the marketing landscape. They bring new threats and opportunities. These will be discussed in the next chapter.
5. Threats and opportunities of social media
In this chapter the most important threats and opportunities of social media will be presented. These threats and opportunities will be illustrated by practical examples.

Threats and opportunities of social media
An overview of threats and opportunities was made by Jonscher (2011). The more important ones are available below.

Opportunities/ benefits:

1. **Increased visibility.**
   Companies have extra channels to show themselves. This allows them to be more visible to their consumers. Each channel can highlight some aspect of a company.

2. **Increased brand awareness and loyalty.**
   Due to the fact that companies can show more of themselves, they are able to increase brand awareness. When social media are used well this can lead to increased loyalty.

3. **Improved customer service and relations through interactions.**
   The tools of social media have given companies the ability to improve their customer service. The technological advantages have made it easier to serve a customer.

4. **Understanding of customer satisfaction and behavior, as well as corrective actions by monitoring and analyzing customer opinions, experiences, critiques and ideas.**
   By analyzing what customers are saying about a product, a company can learn about what is important to customers. This helps companies understand what customers want.

5. **Low cost and high accessibility of information.**
   The technology of Web 2.0 has made it possible for everyone with an Internet connection to share. This information is accessible and only costs money when companies want to target a profile.

6. **Improved segmentation, targeting and positioning strategies.**
   Due to the increase of information. People can be segmented on different characteristics. This allows for a better mix of segmenting, targeting and positioning of products.
Threats/ challenges:

1. **Increased visibility.**
   There are much more channels that can communicate about a company. This means that there are more spotlights shining on a company.

2. **Every stakeholder is a potential communication risk. This puts a company under increased scrutiny and forces a company to communicate more openly.**
   The increase in spotlights on a company forces a company to communicate more openly. It is harder to keep negative information in the dark.

3. **There are no established metrics yet for measuring results and no history to validate the value of social media.**
   The traditional media are used for many years. This has resulted in a clear valuation of commercial time on television stations and radio, as well as valuations for ads in magazines and newspapers. The value of social media is less clear.

4. **Requires comprehensive knowledge, skills and time for implementation and maintenance.**
   There is not one way for using social media. Each social medium is different and needs a different approach. Social media channels also need to be maintained as it is about interaction, responses should be given within minutes or hours. Not in days/weeks.

5. **Provision and continuous generation of sufficiently interesting content.**
   Once a social media channel is opened. People expect a certain pattern of content. So for example a few tweets per day, or a certain amount of updates per week. This content has to be interesting, otherwise people will tune out.

6. **Has to be tied into comprehensive strategic marketing planning to be effective.**
   Social media are not a simple medium. When a company decides to use social media it should be incorporated in a long term view.
Practical examples of threats and opportunities in social media

Unilever and Nestlé

Opportunities:
1 Increased visibility.
2 Increased brand awareness and loyalty.

Threats:
1 Increased visibility.
2 Every stakeholder is a potential communication risk. This puts a company under increased scrutiny and forces a company to communicate more.

An effect of social media is that a company is more visible. Due to the various social media channels, companies have more opportunities to show themselves. Unilever for instance is using social media to promote its sustainable agenda. Unilever has adopted sustainability as one of its core values and is spreading this message via social media like Twitter and Facebook. Unilever probably recognizes that a sustainable image allows a company to charge a brand premium. In its newest social media campaign, Waterworks, Unilever tries to connect first world countries with less developed countries in order to provide clean drinking water to the latter. Through Facebook people can connect directly with a local ‘waterworker’, a woman representative for a community in need. People can fund her directly and this waterworker will keep a contributor up to date of the impact the contribution makes (Waterworks, 2012). This increases the visibility for Unilever in both the first world as well as the developing countries, which are targeted growth countries for Unilever. Because this project is in line with the vision of Unilever, “to help people everywhere increase the quality of life without increasing environmental footprint” (Unilever, 2012), the project, if successful, also raises brand awareness and loyalty. Unilever is clear in its attempts to act more sustainable. There are clear goals and projects like Waterworks underscore its desire to have a social impact. Whether this will be successful is hard to tell as it started in June 2012.

Unilever is an example of how to use social media pro-actively to increase positive visibility. Companies can also get attacked by its stakeholders with the use of social media. For instance Nestlé has been attacked by Greenpeace because of its use of unsustainable palm oil. Greenpeace held Nestlé accountable for deforestation of the rainforest, which prompted them to make an attack ad on Youtube. In this ad Greenpeace hijacked the motto of one of Nestlé’s brands, Kitkat (have a break, have a Kitkat), and linked this directly to the murder of orangutans in the Rainforest and told Nestlé to give the orangutans a break. Nestlé removed this video from Youtube, which prompted Greenpeace to attack its Facebook page with negative comments and images of an altered logo of Nestlé. Nestlé removed negative comments and pictures of the altered logo, which angered Greenpeace even more and caused even more negative comments. In the end Nestlé suffered mostly in form of negative publicity (1 good reason, 2010). The altered Kitkat ad of Greenpeace has about a half million views in June 2012 on Youtube.
The visibility of companies will continue to increase. In chapter 4 it was mentioned that the emerging markets are expected to connect to the Internet in the next few years. This means that they will be active on social media too and will have the chance to communicate. The whole supply chain of a company will become more visible. The Arabic spring was a preview of this connectivity. The ability for people in these countries to upload photos, videos, and comments to the Internet resulted in a better coverage of the events. Not every story will feature prominently of course, but the information will be available.

Unilever has made use of the fact that people are more connected and interact online. Its Waterworks project makes use of the fact that people all over the world can connect. The use of Facebook and Twitter to communicate their sustainable message is an example of how companies can interact more with their customers.

In the case of Nestlé, Greenpeace has made use of these increased possibilities for interaction and connection and of the equal voice. Nestlé was pressured to respond publicly to Greenpeace, as their social media channels were hijacked. The speed of information characteristic ensured that this coordinated attack of Greenpeace was done in a fast manner, which made it harder to control.

**BestBuy**

Opportunities:
2 Increased brand awareness and loyalty.
3 Improved customer service and relations.

Threat:
3 There are no established metrics yet for measuring results and no history to validate the value of social media marketing.

An example of an opportunity for building/maintaining a relationship is BestBuy (Newell, 2010). This is an American electronics concern that has a focus on customer service. Due to the rise of the Internet people are buying electronic goods online, so Bestbuy employees were no longer able to assist customers with knowledge as there was no interaction anymore in the stores. To change this, BestBuy created a twitter helpforce, which they called twelpforce. The name exemplifies that they adapted to the platform as all sorts of words get altered by users to start with tw, for instance peeps (people) is changed to tweeps, which is short for twitter people. Customers were able to tweet questions about technology and all employees were able to answer these questions on the @twelpforce account. In this way BestBuy is still able to provide people with its technical knowledge. All people can ask questions, not just customers. So there is a risk of free riders, but twelpforce has helped BestBuy reduce its complaints by more than 20 percent. Other advantages are that employees are able to share their knowledge, employees even do this from their home, and it will attract customers based on reciprocity, a basic human principle. Every company needs to sort out what is suitable for them. For Bestbuy the twelpforce was rather easy to implement. The employees already had the knowledge to help customers, they were
in the stores and due to the decrease in store visitors, employees had time to spare. In this way Bestbuy is able to build its reputation, increase its visibility and to attract customers indirectly through reciprocity. 

A threat in this regard could be the return on investment. How many resources are committed to building relationships with your customers and how can monetary value be measured? In this regard clear targets can help, but building a relationship takes time and targets should be adjusted accordingly. 

In the case of BestBuy the employees were there already so it did not cost them much extra and it does not require a huge return. For other companies this can work out differently, but these technologies are often a replacement of existing practices. In this case employees of Bestbuy devote some of their time in stores on Twitter, in another company a Twitter helpdesk may partly replace a telephone helpdesk. Or a helpdesk is formed in the form of a community, so the questions are permanently available and people can help each other. In this way a company does not need to respond and saves valuable time. 

BestBuy made use of the profiles/personalization possibilities by setting up a Twitter profile. By doing so they enabled people to ask questions and get personalized responses on their Twitter profile. 

**Dell**

Opportunities:

4 Understanding of customer satisfaction and behavior, as well as corrective actions by monitoring and analyzing customer opinions, experiences, critiques and ideas.

5 Low cost and high accessibility of information.

Threats:

3 There are no established metrics yet for measuring results and no history to validate the value of social media

4 Requires comprehensive knowledge, skills and time for implementation and maintenance

Dell recognized the influence of social media in 2005. In this year Dell received a lot of negative publicity on blogs, which started with a blog of Jeff Jarvis (Chaturvedi, 2010). In this blog he complained about the lack of customer service of Dell, which was quickly multiplied by other bloggers, which experienced similar problems (Mashable, 2010). It resonated because there was a common feeling that Dell did not care about its customers. According to a survey of consumeraffairs.com, Dell represented 58% of all complaints in the world pc market and had a market share of 17.9% in 2004/2005 (Consumeraffairs, 2005). Since this incident Dell seemed to recognize a need for change. They started two projects to make sure the customers would know that Dell did care about them. The first project was called Ideastorm (February 2007). This is an open platform where Dell customers can post ideas, give feedback and start brainstorming sessions to come up with new ideas. In June 2012 there were 17,375 ideas submitted, 737,530 votes, 96,133 comments and 501 ideas implemented by Dell. The popular ideas flow to the top because they are talked about. 

Another project is the Dell command center (December 2010). This command center will track over 22,000 daily posts related to Dell (Mashable, 2010). Dell set this up to “internalize feedback, good and bad” and use it to track the long tail, to “hear those smaller matters that might not bubble to the surface today” and to avoid just “greasing the squeaky wheels”(Mashable, 2010). The Ideastorm was about
people coming to the site and giving feedback, the command center will pick up all other comments. With the command center Dell has used the low cost and high accessibility of information to understand the customer. Whether this is valuable enough to invest 150 million dollar, is uncertain. However this uncertainty is normal for a first-mover.

Dell suffered like Nestlé from the equal voice characteristic. All these bloggers that criticized Dell were not good for their reputation. This showed Dell that customers do not only want low prices. Dell is now using this equal voice characteristic to sort out good ideas and to filter through the critique.

**Grammy's** (Hanna et al., 2011)

**Opportunities:**
1. Increased brand awareness and loyalty.
2. Improved segmentation, targeting and positioning strategies.

**Threats:**
1. Provision and continuous generation of sufficiently interesting content.
2. Has to be tied into comprehensive strategic marketing planning to be effective.

The annual Grammy awards faced two problems: a declining share of viewers and an older female demographic which offered less value in advertising compared to the coveted 18-49 old demographic. It was jokingly referred to as the granny’s. To address these issues an integrated marketing communications campaign was developed with the website at its center. Traditional advertising, for example a 30 second television spot, referred to the site where content was delivered in the form of YouTube videos. The website also contained user generated contents in the form of tweets and Flickr photos. Popularity of participating artist was assessed via an online billboard/television rating format which used social media websites as a popularity poll. So the fans of the Grammys were being monitored about their preferences. In Figure 4 the promotion mix can be seen, with an important part for social media. The interaction aspect is especially important; fans were not merely used to promote the Grammys via word of mouth, but were also the essential ingredients of the curation aspect in the digital environment. Fans decided online who their favorite Grammy artist was, a professional judge eventually decided who would win the Grammys.

In this case there has been made use of the amplifying possibilities of social media. Leveraging people to increase reach of your product. The website was used as a showcase for the eventual Grammys and reached and engaged about two million fans. It also helped in reaching a younger audience. It was an example of how to earn media attention by providing content and creating a system in which the fans are part of the outcome.

The Grammy’s segmented the audience it wanted to target with promotion, the 18-49 year olds. They recognized that social media was the best way to target them, as they are relatively active on social media. By providing content and letting people interact with this content they adapted to the social media environment and let the participants create the brand awareness by sharing this content. This sharing was monitored and determined what people got to see on the website. The challenges were for the Grammy’s to set up this system, to tie it into the strategic marketing planning and to provide the
users with interesting content. The Grammy’s idea was quite ingenious by letting the artist provide the content and the users determine how this content was visualized, the Grammy’s acted as a host to ensure the best outcome for these two factors. In the end this worked quite well. Social media were in this case used to promote the Grammy’s, traditional media were also used, but to reach a younger audience the social media were more effective. There were 32% more viewers in the 18-34 year old segment.

The Grammy’s is an example of how to use the refer/recommend/rate characteristic, to a company’s advantage. The site was a product of what people recommended to others. The idea of the Grammy’s on television remained the same (with professional judges). The Grammy’s on the Internet was a different case, the Grammy’s recognized that on social media the equal voice was important. Content was not presented with the help of a directory (Web 1.0), but with the help of tagging (Web 2.0) by users (this was shown in Figure 1).

Figure 4: Promotion mix Grammys (Hanna et al., 2011)
Conclusion

This research was set-up to answer the main question: What is the influence of social media on marketing? This was done with the help of five research questions, which were handled in five chapters.

In the first chapter, the definition of marketing was given and market orientation following Kohli and Jaworski was presented to determine the influence of social media on marketing. In the next chapter social media were defined as media that allow people to have social interactions online. The third chapter showed the penetration of social media and the time spent on them and showed that social media has brought six changes: More interaction and connection, Equal voice, Refer/Recommend/Rate, Profiles/Personalization, Speed of information circulation and Always connected. Chapter 4 evaluated these changes with the help of the market orientation concept that was presented in chapter 1. In the last chapter the threats and opportunities that result from the six changes were presented.

The research shows that social media are about interaction and connectivity. They have changed the way people communicate, interact and handle information. Equal voice, more interaction and connection, Refer/recommend/rate and the speed of information circulation have given the consumer influence. There is no way back. People will talk about an organization; an organization is pressured to respond. With social media consumers are empowered to interact and to talk about what they want or not want. Companies can suffer from this consumer power, but they can also use the information the consumer gives, learn from it and use it to generate satisfaction. This satisfied customer will not only come back to a company, but will also tell others about it.

Social media can be used by companies to improve their processes. The availability of these tools puts pressure on marketers to use it, because otherwise the competitor will. Social media allow companies to reach, understand, involve and serve their customers better. They can be a real asset in connecting with the customer. This connection is a prerequisite for offering customers a product or service that they value, as was showed in the market orientation concept by Kohli and Jaworski (1990).

In conclusion one can say that the influence of social media on marketing is quite extensive: marketers have to learn to communicate with a different tone of voice, they have to learn how to use the extensive information treasure that social media offer and they have to learn how to use the different social media to respond to the customers. Marketing is about creating value for customers at a profit through exchange. Social media fit in this essence of marketing.
Discussion

Limitations

Influence:
The research has focused on where marketing is influenced by social media. It has not focused on where marketing is not influenced by social media. It has highlighted the most important changes of social media on marketing, with practical examples. It has not given a step-by-step walkthrough of how separate marketing theories are influenced by social media. For instance, Supply chain management, resource management and network analysis were not discussed. This was not the intention of this research, the basic premise of social media can be translated to other fields.

Privacy:
There are concerns for privacy in society. Internet plays an important role in the discussion. New cookie laws are implemented, Facebook is criticized for its privacy policy and Twitter is implementing more privacy measures. It can be expected that the Internet will become more regulated in the future, these regulations will change the way social media can be used. The privacy issue is not considered in this research, as it is not yet clear how this will develop.

Suggestions for further research

Target marketing:
This research showed that social media play an important role in target marketing. A lot of it is not discussed in this research. A big question mark regarding target marketing is privacy. Another question mark is ethics. Is it allowed and ethical to gather information about consumers’ actions, attitudes and preferences and use this to sell a product? There is this theory that the Internet is changing from an open platform, to personalized bubbles where people only interact with their chosen peers. Whether this will happen or not is uncertain. It does not seem likely as people are in control of their media intake, and will not be happy with this limited view.

Branding:
How do the six changes in social media influence brands exactly? A big concern for companies will be how to brand their products in this new media environment. Young people are growing up with these technologies and will expect companies to be transparent and reliable.

Managerial implications

This research should help managers in grasping the changes that social media have brought. It gives an insight on how these changes have affected marketing and shows how social media can be used to the
advantage of a company. The threats and opportunities and practical implications in chapter five will help marketing managers in establishing the possible effects of social media.

**Academic relevance**

This research will help people understand the influence of social media on marketing. This will help in developing a more clear understanding on how to look at social media from a marketing perspective. The six changes that were introduced in chapter 3 are helpful in establishing the effect of social media.
References


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Appendix 1: Demographics of Internet users.
(Pew Internet, 2012)

## Demographics of internet users
Below is the % of each group of American adults who use the Internet, according to our February 2012 survey. For instance, 79% of women use the internet.

<table>
<thead>
<tr>
<th>Demographic</th>
<th>% who use the internet</th>
</tr>
</thead>
<tbody>
<tr>
<td>All adults</td>
<td>80</td>
</tr>
<tr>
<td>Men</td>
<td>81</td>
</tr>
<tr>
<td>Women</td>
<td>79</td>
</tr>
<tr>
<td><strong>Race/ethnicity</strong></td>
<td></td>
</tr>
<tr>
<td>White, Non-Hispanic</td>
<td>83</td>
</tr>
<tr>
<td>Black, Non-Hispanic</td>
<td>71</td>
</tr>
<tr>
<td>Hispanic (English- and Spanish-speaking)</td>
<td>71</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
</tr>
<tr>
<td>18-29</td>
<td>94</td>
</tr>
<tr>
<td>30-49</td>
<td>88</td>
</tr>
<tr>
<td>50-64</td>
<td>79</td>
</tr>
<tr>
<td>65+</td>
<td>48</td>
</tr>
<tr>
<td><strong>Household income</strong></td>
<td></td>
</tr>
<tr>
<td>Less than $30,000/yr</td>
<td>65</td>
</tr>
<tr>
<td>$30,000-$49,999</td>
<td>85</td>
</tr>
<tr>
<td>$50,000-$74,999</td>
<td>94</td>
</tr>
<tr>
<td>$75,000+</td>
<td>98</td>
</tr>
<tr>
<td><strong>Educational attainment</strong></td>
<td></td>
</tr>
<tr>
<td>No high school diploma</td>
<td>45</td>
</tr>
<tr>
<td>High school grad</td>
<td>73</td>
</tr>
<tr>
<td>Some College</td>
<td>91</td>
</tr>
<tr>
<td>College +</td>
<td>97</td>
</tr>
</tbody>
</table>

N=2,023 adults age 18 and older, including 901 interviews conducted by cell phones. Interviews were conducted in both English and Spanish.
Appendix 2: Media time US adults in minutes per day
(Emarketer, 2011)

Average time spent per day with major media by US adults, 2011

- TV + Video: 274 minutes
- Internet: 167 minutes
- Radio: 94 minutes
- Mobile: 65 minutes
- Newspapers: 48 minutes
- Magazines: 26 minutes
- Other: 18 minutes

Total: 274 minutes
## Appendix 3: Top 10 sectors by share of U.S. Internet time

*(Nielsen, 2010)*

<table>
<thead>
<tr>
<th>Rank</th>
<th>Category</th>
<th>Share of time June 2010</th>
<th>Share of time June 2009</th>
<th>% Change in share of time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Social networks</td>
<td>22.7%</td>
<td>15.8%</td>
<td>43%</td>
</tr>
<tr>
<td>2</td>
<td>Online games</td>
<td>10.2%</td>
<td>9.3%</td>
<td>10%</td>
</tr>
<tr>
<td>3</td>
<td>E-mail</td>
<td>8.3%</td>
<td>11.5%</td>
<td>-28%</td>
</tr>
<tr>
<td>4</td>
<td>Portals</td>
<td>4.4%</td>
<td>5.5%</td>
<td>-19%</td>
</tr>
<tr>
<td>5</td>
<td>Instant messaging</td>
<td>4.0%</td>
<td>4.7%</td>
<td>-15%</td>
</tr>
<tr>
<td>6</td>
<td>Videos/Movies</td>
<td>3.9%</td>
<td>3.5%</td>
<td>12%</td>
</tr>
<tr>
<td>7</td>
<td>Search</td>
<td>3.5%</td>
<td>3.4%</td>
<td>1%</td>
</tr>
<tr>
<td>8</td>
<td>Software manufactures</td>
<td>3.3%</td>
<td>3.3%</td>
<td>0%</td>
</tr>
<tr>
<td>9</td>
<td>Multi-category entertainment</td>
<td>2.8%</td>
<td>3.0%</td>
<td>-7%</td>
</tr>
<tr>
<td>10</td>
<td>Classifieds/Auctions</td>
<td>2.7%</td>
<td>2.7%</td>
<td>-2%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>34.3%</td>
<td>37.3%</td>
<td>-8%</td>
</tr>
</tbody>
</table>
Appendix 4: The “new” Internet is different in many ways from the old Internet
(Boston Consulting Group perspectives, 2012)