Social media marketing
- How does your company interact with customers?

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“When confronted by change our first instinct as business people (and humans) is to hunker down. But if we take a deep breath, size up the new reality and start seeing this new challenge as an opportunity, we can find a way to get the keel evened up, set a new course and prosper. The advent of new media presents just this sort of challenge – and opportunity.”

Jackson, E., S. (2010, p. 58)
Acknowledgements

This thesis was written during the spring of 2011. Social media marketing seemed to be a new and widely discussed subject and therefore we decided to take a closer look at the subject. We realized that if social media marketing is managed properly, it can result in great benefits for companies.

First of all, we would like to express our gratitude to Navid Ghannad who has worked as our mentor and given us great support through this worthwhile process. With constant rational feedback and motivating words he pushed us in the right direction. The opponents giving us valuable feedback have also been much appreciated. We are very thankful for this help.

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Halmstad, 8th of June, 2011

__________________________________________  __________________________________________
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Abstract

Title: Social media marketing – How does your company interact with customers?

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Level: Bachelor’s thesis in Marketing, 15 Swedish credits, Spring 2011

Keywords: Relationship marketing, Push and Pull marketing, Social media marketing, Social media interactions, Social media challenges and issues.

Problem formulation: How can companies manage social media interactions to gain or maintain customer relationships?

Purpose: The purpose of this thesis was to gain an understanding of how the use of social media can build customer relationships and how interactions in these communication channels can be managed and optimized.

Methodology: A qualitative and deductive method was chosen for a deeper, more detailed and descriptive explanation of the considered topic. Three case studies have been implemented since this method was optimal to the purpose.

Theoretical frame of references: Theories regarding previous research of social media were brought forward. The chapters were divided into relationship marketing, social media behavior and benefits and challenges/issues regarding social media.

Empirical findings: Primarily data was collected and presented from three carefully chosen companies.

Conclusion: Creating customer relationships through social media demands an understanding from a company perspective regarding how to treat customers well, encourage interactions and offer valued information. There are challenges working with social media and it is essential to consider the risks because the word-of-web can spread quickly.
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1. INTRODUCTION

In this chapter we will introduce the subject by describing the background of why this subject is relevant to discuss. This will take us to the discussion of the problem which will bring us to our problem formulation. The problem formulation will be further explained in our purpose and the limitations that we have chosen. Technical terms are explained in 1.6 Conceptual explanations.

1.1 Background

“Each time technology advances, the world’s behavior changes accordingly. Just as the printing press and the copy machine revolutionized the publishing world, the World Wide Web in a very short time has dramatically altered how people communicate, shop, work, learn and stay connected” (Blackshaw & Nazzoro, 2006, p. 3).

The emerge of Internet-based social media has made it possible for one person to communicate with hundreds or even thousands of other people about products and the companies providing them (Faulds & Mangold, 2009). Meadows-Klue (2008) reports that marketing to the Facebook generation and understanding the new relationship rules will change every way a company communicates. According to Carlsson (2009) people spend more time by their computers than outside with their friends but the social need is still there and is discovered in the interactions on social media such as Facebook, Twitter and YouTube (ibid.).

The 21st century is witnessing an explosion of Internet-based messages transmitted through social media. Cooke and Buckley (2008) claim that the number of online social networks is growing rapidly and they are changing the media landscape. Observing social interactions is an opportunity which people working with marketing can greatly benefit from (ibid.). Treadaway and Smith (2010) claim that from a marketers perspective there has never been an opportunity like this where this amount of information is accessible about consumers. Information that used to be stored in data-bases is now available on Facebook and other social networks (ibid.). Facebook has now over 500 million active users across the world (Facebook Statistics, 2011) which means that there is a possibility to reach nearly 8 percent of the world’s population.

So why is this change of social behavior interesting for marketers? The idea of social media is that it is supposed to be a two way communication, not a one way communication (Ström, 2010). Social media communities are a place where people both talk and listen, for a person working with marketing this may seem a little bit unusual (ibid.). Word-of-mouth has through decades been a great tool for communicating and evaluate products, companies and brands among customers (Kotler, 2008). The Internet has transformed the before intimate word-of-mouth behavior to a communication ability to reach whether it be a group of friends or hundreds and thousands of online-connected people (Blackshaw & Nazzoro, 2006). Treadaway and Smith (2010) point out that skilled people working with marketing have recognized this fact and use it to their advantage. Petersson (2010) points out the fact that four out of ten Swedish companies have obtained customers from social media. Word-of-mouth is a great tool due to the strength in credibility (Gummesson, 2008). All individuals have a need

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1 Social media is web-based technologies with the purpose to make communication into an interactive dialogue (Aula, 2010). For a further explanation, see 2.3 Social media.
for social interactions and the need for this is the strength of word-of-mouth. Since parts of those social interactions moved to the Internet, a new concept has been developed called word-of-web. It has the same strengths as word-of-mouth but it happens on the Internet through social media (ibid.). Solomon, Bamossy, Askegaard and Hogg (2006) explain the term Word-of-mouth as when consumers speak of a product, a company or a brand. The word spreads like fire, often from customer to customer and cannot be controlled by the company. The word-of-mouth is considered to be trustworthy by potential customers since the company is rarely seen as the sender of the message (ibid.). According to Hubspot (2010) a large number of today’s companies have realized the power of this channel and are using it as much as possible. Carlsson (2009) believes that no company can control what is actually said but the company can stimulate the market and influence the image of the company. By keeping the negative opinions to its minimum and creating delighted and interested customers the word-of-mouth is more likely to be positive (ibid.).

Today’s marketers cannot ignore the use of social media since it has rapidly become the method consumers use to spread information about products and services (Faulds & Mangold, 2009). The online community is much faster and cheaper than the traditional focus groups and surveys used in the past to provide ideas and customer feedback for product development (Gunian, Parise & Weinberg, 2008). These social media channels have become a major factor in influencing various aspects of consumer behavior including awareness, information acquisition, opinions, attitudes, purchase behavior, and post-purchase evaluation and communication (Faulds & Mangold, 2009). Consumer participation occurring through social networks is essential to manage and a positive response that is expressed by a real person independent from a company confers credibility to the company (Chaffey, Ellis-Chadwick, Johnston & Mayer, 2009). Gunian et al., (2008) believe that some of the most interesting insights are conducted from conversations customers have with each other. Instead of trusting the message from the company, consumers tend to trust other consumers opinions more (ibid.).

According to Emarketer (2011) the usage of social media continues to increase. In the United States of America and around the world marketers are putting more and more effort into this area. Gunian et al., (2008) claims that in 2011 four in five US businesses will take part in social media marketing and the numbers of marketers using these channels will continue to rise 2012 (ibid.). To engage customers, Web 2.0 offers a great opportunity for marketers if only they know how to use it. To collaborate with customers, a growing numbers of marketers are using the tools of Web 2.0 even though they do not appear to know that much about it (ibid.).

1.2 Problem area

The customers are in charge and they are influencing others when it comes to their buying decisions (Read, 2011). The greatest change in marketing has been the shift from push marketing to having more conversations with customers (Treadaway & Smith, 2010). Some time ago marketing was more limited, including print advertising, billboards, radio and television commercials and other ways of traditional marketing. Along the way something happened that made people turn away from the traditional marketing. It became easier to turn

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2 A set of web services allowing people facilitate different online behavior, for example participation and communication through user-generated content, ratings and tagging.
to a friend instead of a company for honest advice about products and services (ibid.).
Gummesson (2008) mean that a friend’s advice is generally more trustworthy than an advice
from a company. As traditional advertising decreased in popularity, social networks became
the new kind of advertising (Treadaway & Smith, 2010).

According to Treadaway and Smith (2010) people raising their voices to complain about
customer service and/or bad experiences is becoming more common these days. When Boeing
- the aircraft manufacture, launched their first corporate blog, they chose to not allow users to
comment on the published content (Kaplan & Haenlein, 2010). This decision made many
readers perceive it as fake and they got the impression that the content posted was only
disguised advertising. Interactions and feedback are critical elements of all social media,
blogs included and not realizing this could lead to failure (ibid.). Zackrisson (2009) points out
another danger when negative critics become a discussed topic on the Internet. When a
discussion is being heavily commented on and linked to, it may end up high in the Google
ranking when searching on the discussed company. This happened to UPS when a blogger
started a big debate with other bloggers regarding a complaint. In this example the complaint
ended up as second ranking when using the search engines searching to find information
about the company (ibid.). It is not possible to stop people from speaking their minds but
there is a way to aggressively work to turn it around and make an unsatisfied customer to a
satisfied customer (Treadaway & Smith, 2010).

Another challenge when it comes to social media is according to Cohen (2008) the fact that it
is common for many users to spread false information. A citizen-journalism website published
an incorrect report about Steve Jobs claiming that Apple´s legendary CEO had in a rush been
taken to the hospital. The story spread rapidly when being promoted by the news bookmark
website Digg. This made Apple´s stock drop down by 5 percent (ibid.). There have also been
concerns about another issue of social media taking up much of the users’ time. According to
Stone (2009) families around the United States of America have changed their morning
routines and the first things many children and teenagers are doing in the morning is logging
in to their social websites. Spending time on the social networks takes time from other things
that need to be done in the mornings (Stone, 2009). Hoover (2007) claims that by spending
time on social websites while at work, many users lose their productivity. Many businesses in
the United States of America, for example JP Morgan, Goldman Sachs and Citigroup restrict
Facebook access during the office hours (ibid.).

There are very few academic research papers published and available regarding social media
(Kim, Jeong & Lee, 2010). Unfortunately the academic literature and the popular business
press do not offer enough guidance when it comes to integrate the social media into their
integrated marketing communicating strategy (Faulds & Mangold, 2009). That is why many
managers have a hard time understanding the role of social media and the consumer to
consumer-conversations in the marketplace (ibid.). According to Kaplan and Haenlein (2010)
not many companies seem to be comfortable in a place where consumers can express their
opinions since this can lead to less control over the information about the company in an
online environment.

Weinberg and Pehlivan (2011) points out that it is possible to create relations between
customers and companies by empowering the customers through social media. Consumers are
invited to participate in the online conversations and marketers are expected to listen and
consider their ideas (Gunian et al., 2008). If they get the feeling that they are just a captive
audience, the consumer might leave the online community (ibid.). Weinberg and Pehlivan
(2011) points out that building relationships through social media requires a different approach with a great focus on the social behavior and engaging customers. Skills are required when it comes to building customer relationships in an online environment (Meadows-Klue, 2008). Figure out where and when people are talking about your company or product is of high importance (Eley & Tilley, 2009). If they happen to write a comment about your company, what is the best way to thank them? If it is a negative comment, what is the best way to respond (ibid.)? According to Faulds and Mangold (2009) methods for shaping these conversations has not yet been created. To be consistent with the company’s performance goal and missions it is of importance that managers understand and learn how to form the discussions that are taking place in the social media environment.

1.3 Problem Formulation
How can companies manage social media interactions to gain or maintain customer relationships?

1.4 Purpose
The main purpose of this thesis is to develop a greater understanding of how companies can manage social media communication to gain or maintain customer relations. The purpose of gaining an objective view by investigating issues and challenges that can occur for companies by using social media to reach their customers has also been considered through the process.

1.5 Limitations
We have chosen to investigate this matter through a company perspective. The reason for this is that it seems to be a lack of understanding within companies on today’s market of how to manage and respond to the interactions occurring in social media.

A decision was made to not focus on the technical aspects of social media since we find it irrelevant for the chosen problem formulation.

The social media channels available on the Internet are countless and we have chosen to look at the ones that are the most common and discussed on today’s market. The social media platforms that were decided to focus on are Facebook, Twitter, YouTube, Flick’r and blogging.
1.6 Disposition

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**Figure 1.6 – Disposition**

1.7 Conceptual explanations

**Blog**
A blog is a personal online diary or news source created by one person or a group of people. Comments can be added to each blog posting to increase interactivity and feedback (Chaffey et al., 2006).

**Facebook**
Facebook is a social network service and a website. The user can for example create a personal profile, add other users as friends and exchange messages. Facebook also offers the possibility for companies to join with a company page where the user can communicate news and other messages (Treadaway & Smith, 2010).

**Flick’r**
Flick’r is a website that enables users to share photos and videos with social functions. It is possible to upload the photos to public or private albums (Carlsson, 2009).

**Interactivity**
When a medium enables a dialogue between company and customer it creates interactivity (Chaffey et al., 2006).

**Search engine optimization**
Search engine optimization is a structured approach to increase the position of a company or its products in the organic rank listings for selected keywords or phrases (Chaffey et al., 2006).

**Social network**
A social network enables social interactions that are carried out over Internet media (Kotler, 2008).

**Social media**
Social media is described as web-based technologies with the purpose to make communication into an interactive dialogue (Aula, 2010).
**Twitter**  
Twitter is a micro-blog with a maximum amount of 140 characters per post (Carlsson, 2009).

**Web 2.0**  
Web 2.0 is a set of web services allowing people facilitate different online behavior, for example participation and communication through user-generated content, ratings and tagging. This can be enabled on for example blogs and social-networking sites (Chaffey et al., 2006).

**YouTube**  
YouTube is a website for sharing videos. Users can upload personal video sequences, view other users’ videos and compile playlists for subscribers (Carlsson, 2009).
2. THEORETICAL FRAME OF REFERENCES

In this chapter we will describe and account for current and relevant theories explaining the relevance of the chosen subject. Starting by discussing the differences of Push and Pull strategies we chose to further describe the meaning of relationship marketing. This will then bring the reader to the discussions of where social media derives from and how companies are recommended to use it as a marketing tool for best result. We will further map out the possibilities and challenges of using social media.

2.1 Push and pull marketing

The media landscape is transforming and customers are increasingly searching for information that they find relevant instead of waiting for companies to present the information to them (Hagel & Brown, 2008). Younger generations are increasingly customizing the media that they are exposed to for a better match of their individual needs. The past decade has shown early signs for a new model of how resources are mobilized. The new approaches are more focused on the Pull method instead of the Push method (ibid.).

Kotler (2008, p. 995) defined the Push strategy as “A promotion strategy that calls for using the sales force and trade promotion to push the product through channels. The producer promotes the product to channel members to induce them to carry the product and to promote it to final consumers.” The Pull strategy is defined by Kotler (2008, p. 995) as “A promotion strategy that calls for spending a lot on advertising and consumer promotion to induce final consumers to buy the product. If the strategy is effective, consumers will then demand the product from channel members, who will in turn demand it from producers.”

Hagel and Brown (2008) discuss how Pull strategies have become the most common method but the authors also discuss that the Pull strategy has evolved hybrids that involve elements of Push methods. The Pull method is meant to be more open for influences from the customers while the Push method is thought to be closed for customer’s innovated ideas. Customers are thereby seen as passive receivers of Push methods whose needs can be shaped, formed and understood by the company’s marketing strategies (ibid.).

Chaffey et al., (2006) claim that traditional marketing are primarily Push media while Internet marketing is primarily Pull media. According to Hagel and Brown (2008) Push models are best used when there is a limited amount of input and when resources grow the complexity of the strategy rise. It is the strategy that relies on central planners to plan the resources needed after the anticipated demand is estimated. This is a complexity that easily becomes too great (ibid.). Chaffey et al. (2006) describes that Push media consists of messages that are broadcasted from the company to the customer and there is a limited or no interaction with the customer. Interaction can be encouraged in some cases such as mail-order campaigns or in adverts that require a direct response (ibid.).

The shift in social behavior and the growing use of Internet has reduced the barriers of entry to the market and there is now an abundance of resources which makes it difficult to use Push strategies (Hagel & Brown, 2008). The Push strategy is believed to have lost some of its strength due to the overwhelming amount of messages that are exposed. Instead customers have become more demanding of their resource providers (ibid.). They now require resources on their terms at the precise moment they ask for them. The customer might also demand the
ability to configure the product or service; a flexibility that the Pull strategies offer (ibid.). Pull media is thought to encourage interaction and a two-way feedback process and the Internet is a good example of a Pull media. Customers can seek information on the Internet and therefore the customer initiates the contact with the company and to enable this it is vital to visibility on the Internet (ibid.). However, outbound e-mail marketing and online advertising is more considered a Push mechanism since the company is reaching out to the customer. Hagel and Brown (2008) further believes that the strength of Pull media is that customers only visit web sites when they have a defined need to do so; they are therefore often already positive to the company and self-selecting. This is also to be considered as a weakness since marketers has very little control over online Pull strategies (ibid.). Chaffey et al., (2006) argue that marketers have more control using traditional communications and the Push strategies to a pre-defined audience.

2.2 Relationship marketing

According to Grönroos (1996) marketing faced a new paradigm during the 1990’s, highlighting the relationship marketing. Kotler (2008) recognizes the customer relationships as one of the most important parts of marketing. Kumar (2006) claims that building customer relationships is a process and not an isolated event. These relationships require follow-ups and controls (ibid.).

To build long-term relationships requires a deeper understanding for the customer as an individual. By understanding and better serving the customer it is possible to create a loyal customer (Kumar, 2006). One of the most popular strategies that is used to create customer relationships is Customer Relationship Management, also called CRM (Kotler, 2008). At first this was simply a system to gather and utilize customer information. Today it is more than that; CRM is the process that enables companies to build and maintain customer relationships and it can be done through customer services, technical support and other marketing efforts. CRM is supposed to offer customers a greater value, also known as the augmented value. The augmented value is thought to create satisfied customers that buy more from the company (ibid.).

Grönroos (1996) argues for the importance of customer value when creating a relationship. A company needs to be able to offer a superior value to its customers; this is thought to be one of the 1990’s most successful competitive strategies (ibid.). Loyal customers can turn into long-term relationships that are profitable for customers and companies. Loyal customers are thought to be one of the goals of relationship marketing. It is said that improving customer satisfaction will strengthen the bond between customers and companies which will create customer loyalty (ibid.). According to Blomqvist et al., (2004) and Kumar (2006) a loyal customer is a profitable customer. Finding new customers is often an expensive project as well as a necessary project and it can cost five to ten times more to attract a new customer compared to retaining former customers (Gummesson, 2008). It can therefore be claimed that it is more important for a company to retain their customers then finding new, since satisfied customers are often the source of profit. The longer a customer stays loyal, the greater the profit will be (ibid.). Doyle and Stern (2006) argue that satisfied customers often return while dissatisfied customers can affect other customers in a negative way.

Customer satisfaction can be measured through the perceived expectations; measuring the customers’ expectations and comparing this to the actual performance (Doyle & Stern, 2006). The higher the performance is in comparison to the expectations, the higher the customer satisfaction will be (Grönroos, 1996). The goal of the customer relationship is according to
Kotler (2008) to create not only satisfied customers but delighted customers. For a customer to remain loyal he or she should be delighted. A truly delighted customer is more likely to advocate for the company, its products and therefore a positive side effect is created (Kotler, 2008). A giving customer relationship can help in convincing a customer to advocate the brand. Doing this requires trust and trust is earned by investing time and energy to listening and building relationships (Meadow-Klue, 2008). Blomqvist et al., (2004) believe that relationship marketing is when an organization is built on the belief that the customer relationship is the foundation. By achieving this it is possible to create very satisfied customers and this will most likely create loyal customers, repurchases and positive word-of-mouth. Blomqvist et al. (2004) continues by referring relationship marketing as a strategy as well as a state of mind. The goal with customer relationships is to acquire a high customer capital according to Kotler (2008). Customer capital is the value of all customer relationships that the company has. The more loyal customers a company can create, the higher their customer capital will be. This is especially important because sales and size of market share only shows past results. Customer capital shows future potential (ibid.).

Gummesson (2008) believes that today’s traditional marketing is better than it used to be but it is still not good enough. It may be possible to create a need using the marketing mix as stimuli and companies using this method are trying to push their message on to the customers. The new solution is more long lasting and creates a solid relationship between company and customer. The focus is on the customers’ needs rather than the sellers and the goal is customer loyalty (ibid.). Grönroos (1996) discusses two ways of heighten customer satisfaction; increasing the benefits or reducing the customer’s sacrifices. Increasing the benefits it the traditional way of continuously offer better deals to the customer, however this might be difficult in the long-run, Grönroos (1996) therefore believes stronger in reducing the sacrifices. This simply mean that the company reduce the perceived risk of choosing the company’s product or service, for an example it can be that the delivering service is more reliable and less time consuming or the perceived quality is higher and more reliable (ibid.). By reducing the customer’s perceived sacrifice a company needs to fulfill a central aspect of relationship marketing, the company need to look at things through the customer’s perspective. It results in a closer relationship and the needs and preferences of the customers get more visible for the company (ibid.).

2.3 Social media

Jackson (2010) reports that when a person is confronted by change the first instinct is to flee. By staying and taking the challenge of the change it can be a possibility to prosper. New media is a great challenge that can prosper to a great opportunity (ibid.). Statistics indicate a rapid growth of Internet users all over the world (World Internet, 2010). Jackson (2010) continues by arguing that since Internet cannot be beaten traditional companies should join in and embrace it. Internet companies are emerging quick and for traditional companies to grow effectively they need to look at what the Internet companies are doing (ibid.). “You need to become as immediate, authentic, real-time, simple as Internet 2.0 companies. You need to accept and welcome customer-commentary and content” (Jackson, 2010, p. 58).

Users are able to communicate with each other and share text, pictures and videos through the social media (Nationalencyklopedin, 2011). The communication channels allow communication to multiple users at the same time using the same channels and on the same conditions (Nationalencyklopedin, 2011). Carlsson (2009) also expressed this when comparing the traditional two-way communication model and the new evolved communication model.
Carlsson (2009) reports that while the traditional two-way communication model is between one sender and one receiver the new evolved model explains how one sender can communicate with thousands of receivers at the same time without losing the possibility for the receivers to give feedback. This can be done with the help of social media (Carlsson, 2009). According to Nationalencyklopedin (2011) examples of social media can be in the form of blogs, websites playing video-clips, chat-programs and other communities where users can communicate with other users. Social media is often provided by companies that have servers run the service function and store the information that is shared on the website. YouTube, MySpace, Facebook and Twitter are examples of social media (Nationalencyklopedin, 2011).

2.3.1 Power shifting from company to customer

Bernoff and Li (2008) describe how companies used to be in control. Companies designed the products, offered the services and developed the marketing campaigns after what the companies believed the customer wanted. The term customer-centric was mostly used by companies as a buzzword. Due to the costs of being the market leader, the bigger companies are more focused on their manufacturing process, their advertisement, distribution and other operations. According to Bernoff and Li (2008) this was what made the term customer-centric a buzzword, the meaning of the word meant more than the actions it contributed to. A revolt to this has appeared and customers today are not merely the end of the station. Customers have become empowered by social media that is available today (ibid.). They are no longer just recipients of what the companies choose to communicate to the customers. The customer is defining their own perspective on companies, products and brands. Because of social media channels they can share their thoughts and feelings to thousands in a matter of seconds (ibid.). Weinberg and Pehlivan (2011) highlight the importance that a key element when using social media is to listen at the right moment and to actually be able to hear what is being said. Bernoff and Li (2008) describe further that customers are using this technology to gather information from other consumers rather than the information that the companies provide. The balance is shifting from the companies to the customers (ibid.). The impact that social media can have is evident when Meadows-Klue (2008) lists examples of when customers had such impact that companies have changed decisions based on protests held on social media communities. A Facebook groups had Cadbury’s bring back a chocolate bar that was cancelled in production just by showing their dislike in social media (ibid.).

Kotler (2008) lays the grounds for any marketing strategies asking who the customers are, what their needs are and where they can be reached. Marketing needs to be conducted where the possible buyers are or its effort and money spent on marketing will go down the drain. Carlsson (2009) also reports that marketers need to be where the customers are. According to the statistics, customers are using the Internet more frequently as a substitute for social behavior. Kim et al. (2010) report that with only five to six years of social web history, the growth has been remarkable considering the great amount of users, the daily traffic level and the amount of user generated content. Not even the founders of some of the social websites could visualize this growth (ibid.). More and more customers spend time on the Internet and in the last ten years, 2000-2010, the world has seen a growth of up to 450 percent in Internet users (World Internet, 2010). Facebook has now over 500 million active users across the world (Facebook Statistics, 2011). Twitter has more than 200 million registered users (What is Twitter, 2011) and YouTube has 18 million unique visitors every day and 2 billion video clips are viewed every day (YouTube – Broadcast yourself, 2011).
According to Kim et al. (2010) many people use social media websites as a new source of entertainment. Having accounts on several social media websites is becoming common and people are visiting the sites frequently (ibid.). It can also be used as a venue for expressing yourself, also referred to as self-presentation and self-disclosure; two key elements in social media according to Kaplan and Haenlein (2010). A surprisingly large number of people seem to be expressing themselves like this in social media (Kim et al., 2010).

2.3.2 Relationships in social media

Chaffey et al. (2006) describes how social media can be a way to gather information about the customers. Digital dialogues have the benefit of being intelligent in the sense that they can record the customer’s behavior on a specific website by using web analytic tools (ibid.). By recording and analyzing web analytics over the customer’s Internet behavior on the social media site, it is possible to create a map of the customer’s preferences (ibid.). According to Weinberg and Pehlivan (2011) social media offers a variety of low-cost and free technical solutions. These solutions have the possibility to support relationship management activities by recording and listening to conversations held on social media communities. They also provide the opportunity to research individuals and organizations (ibid.).

Understanding customer relationships and the strategies and solutions that lies within it is a key factor to succeed with social media according to Meadows-Klue (2008). “Only by earning the trust of their friends will brands get recommended by those friends, and only in investing time and energy in listening and building that relationship will there be a loving relationship to enjoy” (Meadows-Klue, 2008, p. 248). Social media can enable companies to communicate to their customers but it can also enable a communication between customers and therefore create word-of-web (Mangold & Faulds, 2009). The beauty of this communication model is that word-of-web through social media communities enables the ability to communicate to hundreds or thousands potential customer within seconds. By a keystroke or two, the message can be sent from the company or from other customers. Another positive aspect is that when customers are able to respond with feedback on different campaigns and activities, they are more likely to have a higher commitment level towards the company (ibid.).

Weinberg and Pehlivan (2011) see a correlation between relationship marketing and social media. With the help of social media platforms, they can make their customer engagement visible and thereby generate positive word-of-mouth (ibid.). Read (2011) found that customer relationships are changing through the use of social media channels, for example Facebook, Twitter and social collaboration websites. Buying decisions are influenced and the customers are in charge (ibid.). Weinberg and Pehlivan (2011) believe that online communities such as Facebook have the ability to connect customers and companies with each other and with other customers and companies. The communities also have the opportunity to be the arena for conversations with much diversity and therefore it is possible to create meaningful and rich discussions that go on for long periods of time (ibid.). This type of social media is a good arena for customer relationship management; it can also be used to facilitate the relation between customers. Hewlett-Packard uses online communities to focus on a variety of topics such as customer support, information management, printing, IT resources, small business and gaming forums to help with support and brand-related questions. They are all facilitated by employees of Hewlett-Packard and this enables rich conversations, using communities in these ways also strengthen existing relationships and creates new relationships with potential customers according (ibid.).
Weinberg and Pehlivan (2011. p. 282) came to the conclusion that “Social media is not a perfect substitute for traditional marketing, nor is it one-size-fits-all.” Social media can be used in many different ways; one way is by publicizing the message directly to the consumer using the same objectives as when using traditional media. The sender can then recognize the differences between various social media and act accordingly with the marketing objectives in mind (ibid.). When working with social media it is possible to empower the customers and create a relationship between company and customer. This requires a different approach since it needs to be more focused on the social behavior and engage customers (ibid.).

2.4 Social media behavior

According to Meadows-Klue (2008) looking back at the history of marketing, the ability to listen to the customers was weaker and the customer engagement got lost since very little effort was put into creating a true dialogue with the customers. Loud one-way messages were communicated and these techniques worked for decades even though they created skepticism for marketing. The shift to consumer conversation promoting the brands of the companies created a breakthrough success (ibid.). Hanna, Rohm and Crittenden (2011) report that marketing can no longer be only about capturing the customers, instead the company must focus on both capturing and engaging them through both traditional and social media. Gunian et al. (2008) claim that instead of trusting a company, consumers tend to trust each other’s opinions more. Linask (2010) reports that being able to take the interactions and applying this information to something meaningful is a key element when it comes to social media. The opportunity to observe the social interactions is according to Cooke and Buckley (2008) a great benefit that enables the understanding of advertising and marketing. A company wants to achieve customer satisfaction and this kind of information can be used to deliver value to the customers (Linask, 2010). According to Eley and Tilley (2009) people like their work to receive attention and feedback. Asking for feedback is one way to make the customer feel like someone is listening which is sometimes what people want to achieve (ibid.).

When Web 2.0 emerged it changed the view of marketing and according to Meadows-Klue (2008) many marketers are still struggling with the techniques of the first generation of Web 2.0. The first generation of Web 2.0 allowed more complex connections with the customers online and the new generation of relationship marketing that is emerging now is a direct response to the challenges that the first generation provided. Relationship marketing for the Facebook generation requires both actions and thoughts (ibid.). The rules of marketing have changed. Traditional marketing, such as television advertisement will still create sales but social media will become more evident to create purchasing decisions as well as building brand awareness online (ibid.).

Linask (2010) reports that the growing use of social media makes it easy for customers to submit their feedback to the company with the possibility of an instant reply. According to Meadows-Klue (2008) one of many consequences considering the rise of the web is that conversations in marketing replace the control. This is something that marketers have to understand to make it possible to build relationships with their customers (ibid.). If customers are able to submit feedback they feel more engaged with the products and/or organizations. Mangold and Faulds (2009) claim that to engage customers’, contests can be used. Gillette sponsored contest where the company asked people to create a short video section showing their ball sport-skills. The videos were selected by a panel judges and the top 25 were then voted on to determine the winner (ibid.).
Interactivity is what characterizes the social media with users freely sending, receiving and processing content for the use of others (Aula, 2010). All questions from customers should be answered quickly (Blackshaw & Nazzaro, 2006). Businesses must be prepared for this kind of instantaneous nature of social media so they can respond to the customer feedback as soon as they receive it (Linask, 2010). The popularity of the social media makes it a forum that cannot be overlooked. For the strategic corporate corporation, social media has several implications. Aula (2010) reports that in terms of corporate community strategy, social media and similar Internet services are characterized by easy searching, open participation, the fact that it is easy to publish content, dialogue, community, networking and the fast and wide spread of information through a feedback and linking systems (ibid.).

Aula (2010) further reports that the social media is not just a channel for communicating corporate messages. It is an arena for participation giving the organizations a chance to interact with the community. These interactions create impressions that are important for each organization. Social media venues are therefore places were the users are active participants in the continuing process of influencing corporation´s assessments (ibid.).

2.4.1 Interactions and optimizing feedback responses

According to Blomqvist et al. (2004) customers are getting more sophisticated and therefore they require more unique solutions where the individuals are in focus. Letting the customers choose their own topic can be one way to make sure they use the online community (Gunian et al., 2008) and this way the website is also about its´ customers. For example, a toy company started a community which includes hundreds of mothers communicating their thoughts and ideas about toys (ibid.).

Kaplan and Haenlein (2010) report that it is always advisable to be active and take the lead developing a relationship with someone. A big part of social media is about sharing and interacting (ibid.). Meadows-Klue (2008) exemplifies how Sun Microsystems board member’s share and interact by blogging, this way the company withholds the preferred standards for transparency and authenticity. An organization cannot just look good in social media, it has to be good (Aula, 2010). Eley and Tilley (2009) agree that it is important to be an active participant when it comes to social media. Social media is about making customers engage in open and active discussions and that should be the goal to strive for (Kaplan & Haenlein, 2010). For example, Starbucks has a platform they call My Starbucks Idea, which makes it possible for customers to share their Starbucks ideas. Other people can then vote on the ideas and the top management considers the winner ideas for implementation within the company (ibid.).

According to Weinberg and Pehlivan (2011) there are benefits to gain when using social media with a personal touch because it makes the communication more relationship oriented. To accomplish this personal touch there are several qualities that need to be fulfilled such as authenticity, holding a conversation with the customers and being humane. It is also important to have a mutual exchange of understanding and trying to keep some control over the conversations. Weinberg and Pehlivan (2011, p. 276) also emphasis the importance of “fighting the urge to explicitly and constantly close a sale.”

On most social websites, businesses can create profiles free of charge (Kim et al., 2010). To succeed, they need to allow an appropriate investment and at the same time have the content professionally prepared for publishing. The businesses also need to use qualified workers managing the social web presence (ibid.). To use blogs, communities and video on user-
generated websites in the marketing department can generate in better market awareness, online buzz, time spent on sites and increased sales (Bernoff & Li, 2008). Linask (2010) believes that it is necessary to integrate the social media with other tools in effort of taking care of the customers so that the most qualified employees can react to the feedback. Meadows-Klue (2008) discuss how marketers that have the ability of understanding how to create strong customer relationships are suitable to come up with these solutions and strategies. To build strong relationships in the online environment, some skills are more required than others. The marketer has to have the ability to listen, observe the measurements and work on the constant modification and optimization (ibid.). An employee working with this should not be afraid to make mistakes and try to blend in with other users (Kaplan & Haenlein, 2010). Users are only ordinary people who probably would understand if things not always work out the way they are planned to. Writing in a pleasant way could lead to support from other users (ibid.). Linask (2010) believes that due to the fact that customers instantly can submit feedback they quickly develop expectations of immediate replies. Eley and Tilley (2009) find that blogs and online communities make it possible to instantly respond to a favorable comment. From a company perspective it is recommended to reply with a short comment and thank the commenter for mentioning them and be sincere about it (ibid.).

It is of importance to always be professional and sincere when submitting feedback (Eley & Tilley, 2009). According to Kaplan and Haenlein (2010) a company has to respect the rules of social media and be honest communicating through it. Usually in the end, it is the users that find out who stands behind the published content so there is no need to pretend to be someone else (ibid.). Aula (2010) reports that in social media there has to be a clear line of how to behave while living up to the expectations and at the same time communicate the goal of the organization. For example, using anonymous people to influence discussions or recommend a company’s products is ethically questionable and creates a reputation. As Aula (2010) refer to as a risk that should be avoided.

Kaplan and Haenlein (2010) report that a good idea would be to first spend some time on the chosen social community to learn about the history and basic rules. To act like you know more than other people that spent a great amount of time on that specific topic of social media is probably not a good idea, a humble approach is instead recommended. It is important to understand and listen to what people are talking about for a better understanding of what people enjoy to read and discuss (ibid.). That makes it possible to develop and post about happenings that people find interesting. After gaining a better understanding of how it works it is time to participate (ibid.).

Published content should always be spanking new (Kaplan & Haenlein, 2010) and to make people interact with the published content it is also important to keep it interesting. People are more likely to talk about things they find a bit shocking (Mangold & Faulds, 2009). Kaplan and Haenlein (2011) report that only messages that are memorable and interesting will be passed on to other users to spark a viral marketing phenomenon, which is another kind of social media. Adjusting a message to relate it to the real world is often a matter of small changes, for example by relying on real people to spread the rumor or message. Effective messages often include an element of surprise combined with other feelings. These can be either positive or negative, for example joy or disgust (ibid.).

2.5 Issues and challenges in social media

According to Aula (2010); Bernoff and Li (2008); Hoover (2007); Kaplan and Haenlain (2010); Kim et al. (2010); and Read (2011) there are some issues with social media.
Marketing efforts can sometimes go wrong and backfire if they are not done right and backfire (Kim et al., 2010). For example Wal-Mart Stores Inc. created a social application to be used for Facebook college students (Bernoff & Li, 2008). This application became very popular for many anti Wal-Mart people and there were many negative comments and discussions occurring (ibid.). Another example is when Chevy created a website where it was possible for customers to edit clips to be able to create their own commercials for Chevy (ibid.). Environmentalists used this application to create adds saying how Chevy contributed to global warming. Managers must be aware of risks using these applications but maybe the greatest danger lies in companies have too many restrictions on the social applications which would make them lose their point/purpose (ibid.).

According to Kim et al., (2010); Kaplan and Haenlein (2010) there are issues regarding the spread of copyrighted content without authorization. For an example it is difficult to avoid the popular videos that are being uploaded and shared on YouTube after they have been shown on television (ibid.). According to Read (2011), in an interview with IBM’s Director of Strategy - Doug Heintzman, issues regarding social media can for example be unauthorized data leakage, copyright issues, privacy security issues and inappropriate and/or offensive content being posted.

2.5.1 Harmful interactions

User comments and requests can be a good indicator of customer reactions (Bernoff & Li, 2008). This is crucial to keep under control since harmful reactions can spread fast and widely through social websites (Kim et al., 2010). The important thing to realize in terms of strategic reputation management is that social media content cannot be controlled in advance and managed in the same way as for example, content in newspapers. This means that it is almost impossible for companies to control conversations about themselves (Aula, 2010). Social media might increase the risk of bad reputations being spread about the company. Users mostly generate information that is not verified which can be both true and false. In many ways, the possibility or danger of losing the organization’s reputation is a threat (ibid.).

A damaged reputation may have many consequences. It can be beneficial for competitors and local positioning can become damaged (Aula, 2010). It can also create a negative impact threatening the trust and loyalty of stakeholders, affecting media relations, the legitimacy of operations and even the license to exist (ibid.). Perceptions and ideas about the organization can steer far away from what the organization share with the public. Social media can also stimulate new beliefs or expectations about organizations which should be responded to. The social media users can also spread opinions what they think an organization should focus on in the future. Many social websites are questioning the responsibilities, transparency and revealing corporate irresponsibility of organizations (ibid.).

Presenting a collective truth can be an effect of the social media (Aula, 2010). The users generate and search for information, gain knowledge and make interpretations which are based on interactions about an organization (ibid.). When a user has built an image of the organization it is easy to share it with other users and the subjective truth turns to a collective truth about the organization and what it should be about. If unwanted opinions about a company are unnoticed or unanswered, the situation can become difficult to correct. If an organization chooses to only communicate one-way messages in the social media, it loses many opportunities to act and communicate (ibid.).
It is necessary to expect some negative feedback (Eley & Tilley, 2009). At some point there will be bad reviews, people disagreeing with the company policies and other negative comments posted (ibid.). It can be easy to track where the customers are providing feedback and turn the feedback into interactions if the company understand were this is happening (Linask, 2010). According to Eley and Tilley (2009) it is recommended to think twice before responding if someone makes a personal or a company attack. Sometimes this action can make an already bad situation worse (ibid.). It is recommended to wait and see how the comments are received. Often a customer or employee will come to defend the company (ibid.). Linask (2010) reports that letting a customer wait for a reply from a company can make the situation worse. Resolving the situation quickly will more likely result in a more satisfied customer (ibid.). Blackshaw and Nazzaro (2006) claim it is important to be honest and up front talking about difficult subjects. Being honest and truthful about the company is often positive and will build credibility with people reading the published content (Eley & Tilley, 2009).
3. METHODOLOGY

This chapter will describe the chosen methods of how we have conducted our study and organized our research. Criticism regarding our choices has been brought forward to show that we are aware of the consequences possibly occurring which can influence results of this study.

3.1 Methodological approach

After deciding on the topic, we put thought into the decision of which approach to choose, inductive or deductive. Jacobsen (2002) describes the inductive approach as a process starting with gathering the empirics with little or no knowledge of the subject and the second step is to gather the theories regarding the subject. Preferably the researcher should keep an open mind when gathering the empirics (ibid.). The goal is that the researcher will not be limited in the research and the gathered information will be an exact replica of the reality. Jacobsen (2002) believes that this method is seen as the ideal but there is a catch to it being that it is difficult to gather empirics with no knowledge in the chosen field.

The deductive approach is the opposite of the inductive since the empiric gathering occurs after the theoretical gathering. It starts with some knowledge and assumptions regarding the subject that is put into comparison with the reality of the empirics (Jacobsen, 2002). The main criticism to the deductive approach is that it is seen as almost impossible to stay completely objective; it is easy to subconsciously search for information that the researcher find relevant for the study (ibid.). The danger of not being objective and critical can affect the result of the study and the study may therefore not be as reliable as the researcher would hope for (Thomas, 2006).

After discussing our choice of subject and the two approaches, we decided to follow the deductive approach. Starting with deciding on the topic of social media, we began to observe and gather theoretical data on how social media can be used and what the leading experts suggest and recommend. This information was merely collected for the purpose of understanding the greater context and to confirm the relevance in the subject. We also needed to gain a basic understanding of the technical terms that are used without being influenced by theoretical perspectives.

3.2 Research design

According to Jacobsen (2002) the researcher can choose between two main approaches when gathering data; the intensive approach or the extensive approach. The intensive approach makes it possible to go deeper into the subject matter in effort of gaining as many nuances and details as possible (ibid.). That is why we chose to use an intensive approach since we wanted to describe the subject well from case to case.

3.2.1 Qualitative research

There are two main methods that can be used when gathering the empirical data, the qualitative research method and the quantitative research method (Mattsson & Örtenblad, 2008).

The qualitative method is ideal when searching for the reasons why something is as it is. When using this method it is common to conduct open interviews to enable the possibility to
take in new information that the scientist would have otherwise missed (Mattsson & Örtenblad, 2008). Thomas (2006) points out the difficulties when evaluating qualitative analysis and he believes that it requires a deep understanding for the subject. The scientist need to understand that it is important to learn the underlying philosophy and technical terms that are associated with many of the qualitative analysis approaches (ibid.).

We have chosen to conduct our research using the qualitative method believing that trying to quantify a subject that is focused on social behavior that changes rapidly would lead us to less accurate results. A qualitative method is more receptive to the changes we might miss otherwise. Open interviews are more flexible and welcoming to new information that derives daily. It allows for the possibility to adjust the data sampling to the reality that the subject represents. Due to the size and different interpretations of social media, we have tried to be as open as possible for new information and interpretations when interviewing our respondents. We have created an interest of staying up to date in the field and are using our internships to become even more knowledgeable within the field of social media. This way we have created closeness to the subject to better understand our respondents. We will also triangulate some information by cross-referencing measurable quantitative data. This way we can achieve a greater strength than we would if we were to only using one method as Jacobsen (2002) described.

3.3 Case study

According to Zainal (2007) case studies allows the investigation and understanding of complex matters. The case study method makes it possible for the researcher to closely examine the information within a specific context (ibid.). Using this method it is common to select a small geographical area or a very limited number of individuals as the subjects of study. According to Tellis (1997) a frequent criticism of the case study methodology is that it is impossible to generalize conclusions because of the small number of cases.

Yin (2006) reports that multiple case studies are used when there are a number of sources available to conduct evidence from. Yin (2006) is pointing out that generalization from either single or multiple case studies is based on the theory and not the examined population. To increase the robustness and the assurance of the theory it is possible to use the multiple cases. Since social media is a relatively new subject the decision was made to investigate the matter with the help of multiple case studies. We also found that case studies would be the best way to gather the needed data since our ambitions were to get deep into the subject. We decided to make multiple case studies because we wanted our findings to be more reliable and investigate different perspectives of the subject. A limited number of individuals were chosen at three different companies which were involved with social media marketing.

There are three different kinds of case study categories; exploratory, descriptive and explanatory (Yin, 2006). The descriptive case study is supposed to describe the natural phenomena within the data being considered (ibid.). The goal using this method is to describe the data as it occurs. The difficultly using a descriptive case study is that the researcher has to begin with a descriptive theory to support the description of the observable fact or story. If this fails, a problem will occur during the project (ibid.).

We have chosen to use a descriptive case study because we found this method to be the most fitting to our problem formulation and purpose of the thesis. To generalize this matter is not our purpose. Instead we want to compare the conducted theories with the empirical findings describing the different cases individually and made conclusions from there.
3.3.1 Chosen companies

According to Jacobsen (2002) we should make our selection of companies according to what sorts of information we want to gather. If collecting information is the main objective then the respondents should be someone that has great knowledge in the field and someone that is good at expressing themselves and willing to give us the information. Meeting the criteria to select credible respondents can be difficult since it requires that the scientist knows that the respondents are a good source of information before the actual interview. (ibid.)

We made our selection accordingly after Jacobsen’s (2002) recommendations for gathering good information. This was possible since we were able to discuss the subject with the respondents before the actual selection. We therefore knew that they had good knowledge within the field and possessed the information that our research would benefit from.

We chose to investigate three small to midsized companies that are involved and actively working with social media. When researching the subject we noticed that due to the cost efficiency of social media, smaller companies are the winners of this market. The chosen companies have worked with social media for a varied time periods. Two of the companies are active in Niseko, Japan and the third company is located in Vermont, USA. Despite the geographic differences the companies are influenced by a western culture which we believe this is an element that enables conclusions to be made. Social media is operating on a global market and interviewing people from companies in different parts of the world can give the thesis an interesting angle. Trying to define our case study to a geographic area would seem difficult since we believe there are no geographical boundaries using the Internet. We believe that it is culture and state of mind that determines what will attract certain visitors to certain web sites and this can be achieved through the chosen companies. There are also a few more similarities within the chosen companies. Two of them are targeting international customers interested in winter sports while the third company is managing a website targeted to people enjoying the Niseko Ski Resort.

3.4 Secondary data

Jacobsen (2002) describes secondary data as information that is gathered by other than the researcher. It is important to be critical to the data and consider the method behind it as well as considering how believable the sources are (ibid.). According to Backman (2008) it is valuable if the references have relevance and a high authority-status in the subject, the information is also valued after how trustworthy and general the information is.

By using a mix of academic articles, Internet sources and books, we managed to stay updated yet achieve a theoretic knowledge and understanding of the subject. We were faced with the fact that there is a limited amount of academic work within the field of social media. With much effort we gathered as many academic articles we could but we were also forced to use non academic material in our theoretical framework as a complement. The material we used as a complement has been reviewed and considered with efforts of adding value to our research.

3.4.1 Web search

We started researching the subject mainly using the Internet to get an overview of the subject. To get the first and most basic knowledge we first studied the definition of social media through Wikipedia. We then researched the sources that had been used there to find scientific articles about the subject. By using Google’s search engine we managed to find international
and Swedish experts that have published material in the subject. The material we found mostly covered recommendations of how to work with the phenomenon called social media. There was also plenty of material available about different work-methods that was discussed and criticized among several experts.

Aware of the risk with using Internet sources we used this information mainly for leading us in the right direction and to stay updated. We held a critical approach through our work and only used Internet sources when we found the material trustworthy. Further, we joined a few social media networking websites to gain a higher understanding which taught us how the social media works in a practical way. Three months of interning was mainly focused on Internet marketing and made us gain knowledge about social media from a company perspective.

3.4.2 Literature search

After achieving a basic understanding of the subject we began to search the literature discussing social media. Searching the libraries of Halmstad and the literature being used during our three years of marketing studies resulted in a great amount of sources to choose from regarding the basic concepts of marketing. We spent much of our time searching for academic articles using databases such as Google scholar, Emerald, Academic Search Elite, Science Direct, ABI Inform Global and ACM Digital Library provided by the University Library of Halmstad. As mentioned in the problem discussion, we were challenged by the fact that there were few academic articles available regarding social media marketing. Spending much of our time and effort searching for quality articles, we were forced to use some non-academic sources in the theoretical frame of references. We are aware of the fact that this is not recommended but we always held a critical approach when using these sources and tried to use as many academic sources as possible. By using keywords as social media, relationship marketing, Internet marketing, benefits of social media and criticism to social media, we found relevant articles adding value to the thesis. We held a critical approach to the sources and tried to mainly focus on the articles that had been quoted enough times to appear trustworthy with relevant theories.

3.5 Primary data

Primary data is according to Jacobsen (2002) when the scientist gathers the information directly from the source. The scientist can gather the data by using methods like interviews, observations or surveys. The scientist has the possibility to customize the data gathering which can optimize the understanding of the subject and eventually lead to answering the scientist’s problem. (ibid.)

3.5.1 Chosen respondents

Finding respondents that together would make a good mix of thoughts, ideas, perspectives and criticism regarding the social media was our purpose choosing the respondents.

The respondent Peter Harviuex is a sale represent for Rome SDS and was first contacted through e-mail in December 2010. Harviuex was chosen because he is responsible for a region of Rome SDS’s social media marketing and is dedicated to the company he is working for. We got a positive answer expressing that he accepted to be interviewed in effort of getting insight information about Rome SDS’s use of social media marketing. To strengthen and validate the interview with Harvvieux we also conducted information from Justin Cafiero.
Cafiero’s role at Rome SDS is Rider Communications/General Marketing and Office assistant at Rome SDS.

Holiday Niseko’s respondent Perrin Chalke was personally asked if he would like to be interviewed. We found Chalke to be suitable as a respondent since he is the operations manager at Holiday Niseko with knowledge about the subject and made the decision for Holiday Niseko to join the social media. To strengthen and validate the interview with Chalke we also conducted information regarding the subject from Ashley Nicholls. Nicholls is General Manager at Holiday Niseko.

The respondent Simon Ramsay is the manager and operator for Design Kojo who was personally contacted in Niseko, Japan. Since Ramsay has 10 years of experience within the web field and is knowledgeable within social media. We believed that he would add value to the research from a different perspective.

Table 3.1

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<tr>
<th>Company</th>
<th>Respondent</th>
<th>Company role</th>
<th>Interview approach</th>
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<tr>
<td>Rome SDS</td>
<td>Peter Harvieux</td>
<td>Sale represent</td>
<td>Personal interview (2011-03-24)</td>
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<td>Justin Cafiero</td>
<td>Rider Communications</td>
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<td>Holiday Niseko</td>
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3.6 Interviews

We prepared a semi-structured interview guide that would make room for the respondents to speak freely regarding the subject while we were able to point them in the direction that would be of use when answering our problem formulation. The questions were developed after gathering the theoretical findings that were found when researching the subject. We also made room for questions and possible discussions that might bring forward new information that was not discussed in the scientific material that we had previously found.

3.6.1 Open and personal interviews

By visiting and conducting an open and personal interview with the respondents the interview can be more flexible and the scientist can gather more than the verbal information (Wärneryd, 1993). An open and personal interview is also criticized since it is very difficult for the scientist to fully grasp both the verbal and non-verbal communication. This can be helped by recording the interview so the scientist can put more effort on the discussion instead of focusing on taking notes (ibid.).

An interview guide was developed and followed to enable the analyze-process later on. We conducted our primary data gathering through open and personal interviews on location which enabled us to discuss social media freely. The interviews were recorded so we could keep a
more open interview with the respondents and therefore build relationships. We believe that this resulted in a less forced conversation and could result in more accurate information. With the help of the recordings we were able to go through them after the interviews to make sure we conducted all the material that was said without missing anything.

3.6.2 E-mail communication

To complement the personal interviews and reach a greater reliability a decision was made to contact two of the companies again through e-mail to strengthen the empirical findings. We are aware of the fact that this method has its disadvantages but because of the global distance we were not able to perform additional personal interviews. The additional findings we conducted from the e-mail interviews were compared and added to the rest of the empirics.

3.7 Analyzing method

After the conducted interviews we organized the content of our notes and recordings immediately which was in favor of our memories and expressions. We also chose to categorize the answers we gained in three main categories; relationship marketing, social media and interactions, and challenges and issues. This is thought to improve the understanding and better review the findings in a more structured way (Jacobsen, 2002). This helped us to better compare our theories to the empirical findings.

When analyzing we compared our theoretical findings with the empirical findings that we had gathered from our interviews. We started by comparing category by category within every case study to decide what was in line with the theories and what was not (Miles & Huberman, 1994). Then we cross referenced the case studies with each other to see similarities and differences as Jacobsen (2002); Miles and Huberman (1994) recommend.

3.8 Credibility of research findings

According to Jacobsen (2002) there is no perfect scientific process since every process will have its faults and weaknesses. It is not possible to escape them to the fullest and therefore it is important to evaluate when such dilemmas might have occurred and why they might have occurred. As Jacobsen (2002) continues to explain, different risks occur when making any empirical study. It might be the study itself that influences the respondents. The so-called observer-expectancy effect refers to situations where a certain result is merely the result of how the study has been conducted (ibid.). All empirical studies need to fulfill two things; it has to be valid and reliable. Meanwhile there are researchers that support the belief that reliability and validity cannot be discussed within the qualitative approach according to Jacobsen (2002). They believe that the measurement required is developed for the quantitative approach and should therefore not be used on qualitative approaches (ibid.).

3.8.1 Reliability

A reliable study is explained by Jacobsen (2002) as a study that would give the same result if practiced again by others. Is it possible that the study has been affected by chosen decisions made in the study? Backman (2008) describes that the purpose of a detailed evaluation is to make it possible to replicate and evaluate.

Jacobsen (2002) highlights the importance of understanding that we as researchers can affect the respondent when interviewing. It might be the study itself that influences the respondents or the so-called observer-expectancy effect that refers to situations where a certain result is
merely the result of how the study has been conducted (ibid.). It can be the state of mind of the researcher but it can also be how we as researchers ask the questions. The context of the interview can also affect the result (ibid.). By conducting the interviews in environments that are as natural as possible for the respondent we heighten the possibility for greater confidence and a more relaxed interview. We therefore conducted most interviews at the respondent’s offices adjacent from their hotels in Niseko, Japan.

There is also a possibility to lower the quality by registering the empirics in an unsatisfied way according to Jacobsen (2002). We did our best to avoid this by audio recording the interviews and taking notes of context and answers when we found appropriate. The notes also helped us by presenting the order of the recording.

We chose to write our theses in English to maintain the reliability of conducted interviews. By not translating the interviews we kept them as they were, not influencing the results as it is easy to do when translating from one language to another. We are aware that this could result in us misunderstanding some language nuances since English is not our native language. To keep it as reliable as possible we chose to trust our English knowledge and verify the interviews by validating the information.

We find our study reliable with the meaning that our research has given us as correct data as possible given the circumstances. We believe that other researchers would find the same answers as we have by using our methods again. Nevertheless, we cannot rule out that we have misunderstood or simply missed to cover some areas.

3.8.2 Validity

We believe that we have kept the study valid by measuring what we have set out to measure and that the information has been relevant to the study as Jacobsen (2002) describes is essential to achieve a valid study. Keeping a valid study was of importance for us and we have therefore been as critical as possible to theories and statistics that we have come across. Jacobsen (2002) recommend a validation of gathered information by triangulating the information. We did this with both the empirical and the theoretical findings gathered.

The empirical findings were validated by interviewing two persons when it was possible at each chosen company. We also returned the finished material of relevant case study to the respondents by e-mail to validate that we have understood the respondents to its fullest and asking if they would like to add anything.

The theoretical findings were continuously validated by cross referencing them to what experts in the field were reporting. The credibility of the secondary research findings was at first a concern. Experts claimed that the true knowledge is on the web published in blogs, newsletters, keynotes, etc. We therefore cross-referenced the scientific articles with what the experts on the web had to say about the subject to make sure that the articles were up to date. This became important to us since we wanted to keep a realistic perspective and use thoughts and theories that are actually used on the web, used in social media and used by experts in the field. Since social media is a new phenomenon that is changing rapidly we have been forced to be creative and critical to all information we have found.
4. EMPIRICAL FINDINGS

In this chapter we will discuss the reviewed case study companies’ thoughts of social media and how they work with it. Three companies have been investigated; Rome SDS, Holiday Niseko and Design Kojo. We will bring forward the findings of the implemented interviews.

4.1 Rome SDS

Rome Snowboard Design Syndicate (SDS) is an international company that was founded 2001 and is located in Vermont, United States of America. The company mainly sells snowboards but also other gear related to snowboarding for example boots, bindings, headwear, outerwear, t-shirts, hooded shirts and backpacks. Their main target group is snowboarding enthusiasts between 10-30 years old worldwide. Rome SDS has 18 employees at the moment.

Rome SDS has worked actively with social media for a long period of time with multiple blogs, Facebook pages, Twitter, YouTube and Vimeo accounts. Their main Facebook page has 35790 people liking it and 6140 followers on Twitter (2011-05-18). People interacting with Rome SDS social media posts are approximately between 10-30 years old.

4.1.1 Relationship marketing

Rome SDS works actively with building relationships with their customers. “Working with relationships is probably one of the most important things a company can do” (Cafiero, e-mail communication, 2011-05-21). Cafiero claims that relationships can be maintained through genuine communication with the customers. This can happen through social media outlets, phone calls, e-mails or face to face conversations. Rome SDS tries to build relationships through the channels just mentioned. The company responds to every e-mail, phone call, question, comment or complaint. By doing this, Rome SDS lets the customers know that they are important and that their opinions not only matters but actually shape the company and brand as a whole. This is the idea behind the syndicate (Cafiero). The syndicate between the company and the customers has always been something the company has actively worked on from the beginning (Harviuex). Rome SDS has a broader communication position within the company. The person holding this position is communicating with customers through email, telephone and letters. The broader communication position has been a developing position within the company (Harviuex). Rome SDS puts much effort into their communication with their customers to make it easy for them to submit their feedback. There are many ways for customers to interact with the company. Through the interactions Rome SDS gains valuable information and uses it to improve their products and customer relationships. Snowboarders helped create products and communicating back and forth is the true intention of what SDS is all about. Their website shows the many ways to communicate with Rome SDS (Harviuex).

Through an observation on the company website (Rome SDS, 2011) it was noticed that Rome SDS offers their customers different services there. There is a special page called Interact with Rome which is divided into three sections:

- **Ask the SDS** - customers can ask technical questions, get support on snowboard gear, request a sticker, or learn more about the Rome SDS.
Inside the design house - This is the place to have direct conversations with the employees at Rome SDS considering product designs, graphic artists, owners, etc.

Test center – Customers can leave feedback on the gear to help Rome SDS to improve their products thus makes it more fun to snowboard.

The goal for Rome SDS when building relationships with their customers is making the customers feel invested in the brand (Harviuex). The frequent communication back and forth enables the customers to help the company and the people doing this usually get acknowledged. Customers contributing and getting instant feedback contributes to a stronger relationship. This will in the long run lead to increased sales with the customer buying the products more consistently. It also helps to keep the customers loyal since they feel included in the brand (Harviuex). Cafiero believes that the overall goal for Rome SDS building customer relationships is to build loyalty to the brand and create life-long customers. Social media can be used to create loyal customers. This channel is something that Rome SDS uses every day (Cafiero).

Harviuex believes that it is an equal blend of both the companies and customers that have the most power on the market today; no one has more power than the other. Consumers that are leading and forward on the market have more influence on other consumers in their purchase. Those leading consumers often make their buying decision influenced by company marketing. Then the leading customers influence other consumers to buy the products. Brands react on consumers but consumers are reacting on brands through marketing. Each given situation is individual and it is quite hard to generalize this matter. According to Cafiero, the customers and companies have an equal impact but he claims that this is a hard question to answer. For example one bad review from a customer can be a disaster for the company. If the company handles the situation well it might turn out to be a good thing. It depends on both parties and how they interact (Cafiero).

According to Harviuex the equal blend of both companies and customers having power on today’s market shows in the way different brands put money in specific ideas. These specific ideas are taken to the next level with efforts and money trying to lead the middle pack or the leaders, engaging the middle customers in specific things. It is important to engage the leaders and make them feel part of the brand, especially when it comes to small niche markets. Bringing up those characters/customers locally has more power than the companies (Harviuex). Cafiero believes that both companies and customers occupy an equal power which makes a positive impact on companies because it makes them provide the best service for their customers. The social media is just another channel for communication. If it is used correctly, it is defiantly a great tool to connect with people (Cafiero).

4.1.2 Social media and interactions

According to Harviuex, the marketing director at Rome SDS sends out a list of links to the sale representatives including the upcoming happenings every week. This is a way to make sure that people in charge of social media have content to put out on their pages. It can be links to other websites, blogs and posts within the business. It saves time for the employees running the social media since there is always content ready to use.

Harviuex points out the importance for a company to be seen in social media. Companies’ cannot really go far without it in today’s market and many brands have been doing this for a long time. Rome SDS uses social media in general as a powerful marketing tool leading to sales. “If the companies are not interacting with their customers through the social media in
2011, they are probably about a decade behind, possibly more” (Harviuex, personal communication, 24th of March, 2011). Social media is free, engaging and probably the most powerful kind of marketing on a broad level. It has a low cost of value since it can reach so many people for such a low cost. For example it is interesting comparing the use of social media against expensive television advertising that might not even reach their specific target market. With social media marketing it is possible to reach the specific niche market which is beneficial for Rome SDS (Harviuex).

Harviuex believes that there are benefits for Rome SDS using social media. He is pointing out that there is an obvious connection between the use of social media and building customer relationships. Cafiero claims that building relationships through social media is of high importance. A face to face conversation is preferred but social media comes close to that.

Reaching specific groups interested in specific product categories with a low cost is a great reason why the company is involved with social media. There is a possibility to instantly reach the market and spread the word which is considered as one of the benefits of using social media. At this point in time, if you do not have at least a Facebook page, something is defiantly wrong. It is incredibly important to have a presence on social media websites. “There are absolutely benefits using social media. It can be a great way to display content, build a fan base, collect analytics of users and have an open dialogue with all users who have questions, comments or concerns” (Cafiero, e-mail communication, 21st of May, 2011).

Employees within Rome SDS have some recommendations using social media according to Harviuex. The recommendations are dictated by the marketing department and they discuss what not to do in social media. For example, this could imply to not market against competitors and other brands, not offend people or post any offensive content. Through social media employees are supposed to promote a list of content/links/blogs that are given to them every week. Cafiero believes that there are no directions that are officially established but there are a great number of unwritten rules. Some of these are for example the fact that it is most of the time not allowed to express negative things about other companies, not to offend too many people even if it sometimes is impossible and never be defensive when interacting with people in social media. It is of importance to always accept blame for problems or issues and work with the customer to solve the issue instead of trying to pretend that it does not exist (Cafiero).

The most important things to have in mind working with social media are the frequency of updates, posting unique content and posting movies for people to enjoy (Harviuex). Responding to social media posts is usually done relatively quickly. It depends on when the post is noticed. Responding instantly is preferred according to Harviuex. Cafiero believes that there are a few important things to keep in mind using the social media. Not posting content too often and flooding users with updates from the company is one thing to consider. “The content should be meaningful, interesting or useful in some ways. It is of importance that the company knows their target audience to be able to aim their messages to the right people” (Cafiero, e-mail communication, 21st of May, 2011). Correct spelling, grammar and punctuation are always crucial when it comes to posting in social media. It is also important to consider the timing when a post is released. For example Sundays are typically a slow day for Facebook users and maybe not the most optimal day to post through the social media (Cafiero). The ultimate timing is posting when many users are online.
It is important to stay positive when posting in the social media and keep your messages clear (Harviuex). Cafiero usually responds to social media posts within an hour or two but if the question is asked over the weekend it might take a bit longer. Harviuex claims that if a person posts something positive about the company there would probably not be a respond to that but it depends on the given situation. Cafiero claims that he would thank them for the support and hype it up a bit; possible spread the positive feedback on Twitter as well. Harviuex believes that if a person posts anything negative about the company it would probably get responded to. This also depends on the nature of the comment and the given situation which makes the matter hard to generalize (Harviuex). According to Cafiero, he would try to accept the blame and take responsibility for the problem. He would also offer options to rectify the situation. It is advised to lead the conversation away from a public place, for example a Facebook page, into a more private e-mail correspondence, phone call and etcetera.

Cafiero points out a few things that should be avoided in social media. “Posting offensive material, using too much bad language, openly disrespecting other brands and people and posting content that is not in line with the company’s vision or purpose should be avoided in social media” (Cafiero, e-mail communication, 21st of May, 2011).

4.1.3 Challenges and issues

Harviuex has noticed some challenges working with social media. Frequency is demanded which makes it important to stay updated. Making high quality posts is time-consuming and time costs money. The social media is supposed to be free of charge but it is a lot of work which costs money for the company (Harviuex). According to Cafiero everything a company communicates through social media is public information. All users can see if mistakes are made which can make the company look bad. However, if something is done right all the users can see that as well which makes the company looks good. Trying to figure out what people will respond to the best, for example what kind of content to post, can be challenging. Increasing the social media followers and user base can also be difficult at times.

Harviuex believes there are some negative aspects regarding social media. There is the possibility for people to speak negatively and unfiltered about the company at any given moment which rarely can be avoided. There is a chance that people can mimic by representing themselves as the brand and create false content. There is also the possibility of people to create fake Facebook pages for companies. Another issue is the possibility for people to steal content from other writer’s published content. This can lead to copyright issues (Harviuex). Cafiero has also noticed some challenges with social media marketing campaigns. Rome SDS runs contests frequently and they have noticed that the more effort it takes for their users to enter the contest, the less people will enter it. For example, Rome SDS held a contest where they asked their Facebook fans to post and upload photos to their company Facebook page, awarding product to the highest liked user’s photo. Out of their 35000 Facebook followers they only had four photos posted which was not exactly the turnout they were hoping for. Keeping it simple is defiantly important to keep in mind.

Rome SDS’s employees are not allowed to spend unlimited time on the social media but they are allowed to spend as much time needed to conduct their daily work tasks that involve social media (Harviuex). Rome SDS has a couple of blogs and employees are encouraged to spend time writing on these. Rome SDS is not a strict corporate company resulting in the fact that the environment is a little bit more casual.
4.2 Holiday Niseko

Holiday Niseko was founded in 2006 and offers accommodation and ski/snowboard packages in Niseko, Japan. They offer accommodation that suits most of budgets. Holiday Niseko has up to 1400 international guests and 450 Japanese guests per year. The company has three fulltime employees and during winter season they have three additional employees. Holiday Niseko’s vision is to become a leading in bound tour operator in Niseko Japan.

Holiday Niseko decided to start up company accounts for Facebook, Twitter, Flick´r and YouTube in the fall of 2009 and is an active social media user today. The company can still be considered as a beginner using social media but they are in the process of learning how to develop this, as of now they offer frequent updates about weather conditions, local events and much more. People interacting with Holiday Niseko´s social media posts are in the ages of 18-35. Holiday Niseko’s Facebook page has 342 people liking the page and 108 followers on Twitter (2011-05-18).

4.2.1 Relationship marketing

Holiday Niseko builds customer relationships to certain extent. Chalke believes that customer relationships can be maintained by sending electronic newsletters to their guests and managing Facebook and Twitter accounts. The newsletters are sent to customers twice a year. Once in the spring, thanking their customers for staying with them and once in the summer to remind them of the winter coming up. Included in these newsletters are the upcoming season accommodation deals and an encouragement to book with Holiday Niseko again. Since Chalke does not want their guest to feel like the newsletters are equal to spam email they limit these to sending them out twice a year. Meanwhile they try to make the guests feel special when staying with Holiday Niseko. This is done by addressing the customers by their names when seeing them in the village and around the ski-resort.

The goal for building relationships with customers is to get them to return and re-book with Holiday Niseko. Today the company has a great number of returning guests every winter. Other goals from building customer relationships can be to spread the word-of-mouth and continuing their growth as a company. “Customers that have been in Niseko before require less help and can manage themselves in and around Niseko on their own. This means that resources can be spent on other things rather than guiding guests around the ski-resort” (Chalke, personal communication, 15th of April, 2011). Holiday Niseko offers their guests customer service and if a guest needs anything they are happy to help. Their strategy is to keep the customer expectations quite low before arriving to Niseko and then exceeding the customer expectations during the stay.

Holiday Niseko operates all year but have clear peak and off seasons. In the peak season the demand outstrips the supply which gives the company more power on the market. Comparing this to the early and late season when the demand is lower, the customers have a lot of flexibility and can negotiate prices and discounts. There is a shift of power to the customers at that point. It is the time of season that decides who has the most power; the customers or Holiday Niseko. Nicholls believes that due to the information age the customer has the most power on today’s market overall.

Depending on what part of the season it is regarding, Holiday Niseko adjusts their marketing efforts. During the peak season Holiday Niseko is quite passive about their marketing because they believe that the customers will come to them. During the off season Holiday Niseko
looks more at their competitors as to what they are doing to make sure that they are on the same competitive level. For example they target the Singapore market in September with them arriving in December. Holiday Niseko creates specific web-pages to let the Singaporeans know that these prices are only for people from Singapore. This makes them feel special. Holiday Niseko also use a fear tactic to encourage bookings from Singapore residents, for example “If you don’t book now you will miss the chance/opportunity to stay with us” (Chalke, personal communication, 15th of April, 2011). Chalke believes this is a cultural thing and using this method seems to work for Holiday Niseko.

4.2.2 Social media and interactions

Social media marketing was originally for boosting search engine optimization and to follow other companies. Then it started to generate traffic to Holiday Niseko’s website which was a positive side-effect. Social media is providing Holiday Niseko with opportunities to offer benefits for social media users, such as creating campaigns only available for Facebook-fans.

Chalke believes that people joining Holiday Niseko on the social networks are typically already customers of them. Nicholls believes that social media can be used to build customer relationships with the demographic population that uses social media often. Holiday Niseko uses five different social media channels to reach their customers. Primarily using Facebook, they also have a Twitter-account, company blog, a Flick´r-account and a YouTube channel.

Chalke claims that there definitely are benefits in using social media for Holiday Niseko. Nicholls further believes that social media can be used to develop relationships but also be used as a marketing platform collecting information about the users. Chalke has noticed that the social media channels are generating more traffic to the website and it is also providing the guests information about the resort. Since Japan is still considered an unknown destination to many people, providing information through Facebook works as an inviting to ol to encourage people to visit by informing and answering questions they may have.

Employees within Holiday Niseko have some guidelines in mind when using social media for posting and interacting with people. They find that it is important to keep it interesting and relevant. Chalke points out that they are careful with customer’s expectations to not create to high expectations before arriving in Niseko. In December Holiday Niseko got called out a bit posting about great snow-conditions when in reality this winter had a late start which resulted in some disappointed guests. This was quickly dealt with. Chalke believes that Holiday Niseko should work on having a strategy in case they get negative feedback. So far it has not happened but Chalke had previously worked for a company that had problems with unsatisfied guests spreading the word in social media. Employees that are responsible for social media updates where chosen after the criteria “That they enjoy the job and understand the message and image we want to portray” (Nicholls, e-mail communication, 19th of May, 2011).

Employees are allowed to spend time on social media during working hours. If it is work related they can spend unlimited time on social media, within reason. Non work related time is allowed as long as it doesn’t exceed 10-15 minutes a couple times a day.

There are a few things to keep in mind working with social media marketing. Chalke believes that first of all it is important to understand that time costs money so the question is how much time does Holiday Niseko need to put in working with this to gain benefits. The second thing to have in mind is the importance of staying on top of it. For example a website that has
not updated their blog for over a year appears lazy. It is important to do frequent updates. The third thing is the importance of relevant and interesting content. Nicholls fills in the list by adding that it is important to be patient and avoid spamming the followers. When writing the material to post it is also important to keep keywords for search engine optimization in mind.

Responding to social media post should ideally be done as fast as possible. Depending on what kind of post it is, can vary a bit. If it is related to potential sales, Chalke would answer as fast as possible, that is as soon as he notices it. Nicholls tries to respond within 24 hours but never later than 48 hours. If a person posts anything positive about the company, they would thank the person for commenting. How to respond on a negative post is depending on the rationality of the comment. Chalke would leave the criticism open if it is relevant and respond to it if it is justified. If the criticism is unreasonable he would probably ban the person and delete the post. Nicholls (e-mail communication, 19th of May, 2011) adds: “If valid, apologize and tell them our corrective measures will be taken to avoid the same problem in the future”.

“People use social media to be entertained and read funny and interesting content. If Holiday Niseko would push properties and prices it can lead to negative reactions” (Chalke, personal communication, 15th of April, 2011). Therefore Holiday Niseko avoids hard selling.

Depending on the demographic, it varies how important it is to be seen in the social media. Chalke believes that Holiday Niseko could probably get away with not being present in social media. At the same time, it does give the company an image appealing to certain customers and it would be silly to not use it. It helps Holiday Niseko to differentiate themselves from competitors. Depending on the market you are operating in, there are some things that are not supposed to be done in social media. Holiday Niseko’s followers are quite young and they can be quite casual. If the market is for an example old people and families, it is more important to avoid offensive words and making sure that the spelling and grammar is correct.

4.2.3 Challenges and issues

There are some challenges working with social media. It is something Holiday Niseko has to stay on top of. For example they started a blog in May 2009 with good intentions and when the busy winter season hit, they stopped posting because time and ideas were running out. Not keeping up with the company blog after it was operating looks bad to the customers following it. It really requires time. Chalke has seen examples of social media work against a competing company in the area. A Facebook-group started against the company and some ugly comments were posted about their business.

There are a few negative aspects to consider regarding social media. Chalke finds it time and energy consuming and adds that it is still hard to gauge the conversion rates. There is also the fear of a potential negative attack – being aware of how quick rumors can spread in the online environment and the fact that most people can be anonymous online is a threat. “Not being able to clearly gauge actual sales derived from the social media, though we can check traffic coming from our website via Facebook for example. Also I still think social media is not used widely with the 50’s and older demographic which is a large part of our market.” (Nicholls, e-mail communication, 19th of May, 2011).
4.3 Design Kojo

Design Kojo is a creative web studio specializing in handcrafting customized web presence for small to medium-sized businesses and was founded in 2006. Design Kojo offers services including creating websites, writing content for blogs, creating and running Facebook pages, building landing pages and e-mail campaigns for clients. To keep up with the latest products in the industry, much time is spent on researching and using social media. Design Kojo is successfully involved in social media and was therefore chosen as a specialist with knowledge within the field. Design Kojo is using other websites to investigate benefits for its clients which are promoted to the client later on.

Simon Ramsay is the founder/owner/operator of Design Kojo and is one of our chosen respondents. He has been working within the web design/web development industry for over ten years. Ramsay has also been working with social media for four years starting with blogging and e-mail marketing. Today he is actively running a few different websites together with the social media for himself and his clients. To optimize solutions for his clients he has created a test website called Niseko Snow. Niseko Snow’s Facebook page has 376 people liking it and it also has 542 followers on Twitter (2011-05-18).

4.3.1 Relationship marketing

Design Kojo works actively with building relationships with their customers. This is done through a Facebook page, Twitter, Flick’r account and a company blog. Ramsay created a long term project website called Niseko Snow that serves as a test website. This website includes a Facebook page, Twitter, blog and Flick’r account. Through the high traffic generated by the Niseko Snow website and it’s social media, it is possible to experiment with website usability, analyzing information about the users with different analytic tools. Design Kojo is trying to keep its clients happy by visiting them in person and frequently stopping by at customers offices, consulting and keeping the clients up to date as much as possible.

“The goal with building customer relationships is to get the clients to come back to buy more services so Design Kojo can market clients to their customers better” (Ramsay, personal communication, 4th of April, 2011). Design Kojo keeps their clients informed with how quickly the industry is evolving so the companies can utilize the different mediums to market to their customers.

Ramsay believes that most of the customer services Design Kojo provides to their clients are beneficial for the end consumer. Making the Design Kojo website better for new clients to visit is something that is in progress at the moment. Keeping the clients up to date on web technology is also something that Design Kojo offers. If the clients have problems they can contact Design Kojo if they need any help, Monday to Friday during the office hours are preferably. If it is really important and there is a big problem, for example if a website goes down, it is possible to contact Design Kojo anytime, the company’s services are almost always available (Ramsay).

Ramsay believes that it could be an even balance of customers and companies regarding the question if it is the customer or the consumer that has the most power on today’s market. Both the customers and the companies have power. There are two types of consumers; the consumer that is blinded to it all, which can be called an impulse customer. If this kind of consumer sees something they want they will probably buy it. These people can be marketed to very well and it is a quite easy marketing effort. Then there are the smarter consumers. The
smarter consumers have more control and realize that they are being marketed to. Design Kojo believes that in the future it is leaning more towards that the customer will have more power compared to the company. Obviously Facebook is the biggest social media platform and the bigger companies are jumping on the social media recently. For example the big jeans company Levi’s is successfully running their social media on Facebook. People noticed that their friends liked a pair of jeans which makes it more likely for other friends to click on the Like-button. It is all about marketing through friends and this is something that bigger companies are doing; marketing through friends. Usually smaller sized companies do not have the big budgets the large companies have. Some of Design Kojo’s clients are not quite willing to invest in the social media marketing because of this reason. For example one client understands the social media concept but is not willing to invest fully in it. Another client of Design Kojo trusts the advice and is investing in social media marketing and letting Design Kojo handle all their online marketing. Some clients are willing to give Design Kojo the control over the online marketing but not all the clients are willing to do this.

4.3.2 Social media and interactions

Design Kojo can see many benefits and potential with the use of social media marketing. “Recently Design Kojo has been putting much effort into making the clients realize that the social media needs to be taken more seriously” (Ramsay, personal communication, 4th of April, 2011). Using Design Kojo’s services enables clients to stay up to speed with what’s going on in the social media marketing world since small businesses are usually busy with other tasks. For example, a client of Design Kojo may be really good at what they are doing but they don’t have time to run their marketing by themselves. That is why they need another person to do their marketing. The client relies on someone like Design Kojo to consult and take on the marketing for the future. Ramsay believes that companies that do not take this seriously will be left behind. Outsourcing the web services is more important to make it professional, especially for small businesses since it is hard for them to do it in house. Ramsay adds that the Internet has become like the Wild West with its own rules but it is maturing quickly.

Ramsay believes that the main reason why Design Kojo uses social media is to experiment and to let other friends and fans know what is happening in the business. The reasons for why clients would use social media are because it is a good tool for building their brands. It is a way for a company to give something back to the customers without having any expectations. If a company is using social media to hard-sell then they are using it for wrong reasons. Communicating through Facebook and blogs can work excellent in building the brand. Twitter is more like a direct marketing channel but good for getting the company name out there and could maybe also be used as a brand building tool. Design Kojo uses Facebook, Flick´r, Twitter, blogs and YouTube to reach its customers.

Ramsay points out that there are some benefits using social media. For example the use of Design Kojo’s Facebook page gives the company the possibility to letting the close circle of friends and fans know what the company is up to. It is all about sharing interesting content to friends and fans. People might not comment but in the future there are hopes that people in the circle may need web related services in the future will contact Design Kojo.

The main benefits for the company’s clients using social media would be to build the brand. For example, one of Design Kojo’s clients uses social media to let the past and present customers know what is happening in the area. This keeps them up to date and also keeps the brand relevant. A beneficial aspect of using blogs can be the achievement of higher rankings
in the search engines and this is something that Design Kojo has always promoted. It is possible to put the blog link on the company’s Facebook page and get people to visit the website through the link. There can also be other benefits from blogging depending on how the companies use it. Different companies have different purposes using their blogs.

Ramsay believes that is important to keep the updates in social media relevant and never try to hard sell. To act like a real person is also recommended and if someone is giving the company positive feedback, it is a nice gesture to thank them. Asking the users questions is a way to encourage interactions in social media. It is important to keep the promise the company gave to their customers/fans when they decided to join the social media. That is what it is all about.

Ramsay would wait a day when it comes to responding to feedback in social media. Having users reacting and interacting on the posts is more beneficial than letting the company respond. This could depend on the situation though. If a question is posted directly to the company it is better for the company to answer it. Dialogue between fans is encouraged which can steer it into a sort of community forum allowing users to interact with each other to build friendships.

When people ask the company a question and there is an opportunity to sell, it is advised not to. In a situation like that it is recommended to redirect the person to other high quality and relevant information instead and focus on brand building. People using social media do not appreciate to get targeted for hard selling.

4.3.3 Challenges and issues

Design Kojo has only noticed a few challenges working with social media. The hard part is to convince small businesses that there are many benefits to gain using social media. Design Kojo believes that in the United States of America it works a little bit different. Ramsay claims that according to many articles regarding the subject, many companies in the country are making large profits on social media. In Niseko companies are not willing to spend money on social media, which from the Design Kojo’s perspective can be seen as a challenge.

Using social media is for the most part positive for a company and can only strengthen the brand. One thing that could possibly be a negative side of it is that it costs money for the clients. Another risk would be negative comments posted on the website. It would take a certain type of person to post negative things about the company. If someone would post anything negative and the content is justified, Design Kojo would apologize and promise to fix the problem. If a person would post false accusations and the comment was not removed, Ramsay would try to defend his opinions. Negative comments from false accusations would be removed from the website so other people visiting the website would not see this.
5. ANALYSIS

In this chapter we will compare gathered theories with the empiric findings to gain a higher understanding for the subject. First we will compare the individual company with theories in the within case analysis. Then we will compare the companies with each other in a cross-case-analysis to make it possible to discover correlations and draw conclusions.

5.1 Within case analysis – Rome SDS

The purpose of the within case analysis is to investigate the differences and similarities between Rome SDS and discussed theories. Differences and similarities are analyzed and used as a foundation to our conclusions.

5.1.1 Relationship marketing

Cafiero believes that one of the most important things a company can do is to work with customer relationships. According to Kotler (2008) is customer relationship one of the most important pieces in marketing. Cafiero believes that through genuine communication with the customers it is possible to build relationships. Customers can interact with Rome SDS in many ways. The result of this is that the company gains valuable information that is used to improve their products and the relationships with customers (Harviuex). Chaffey et al., (2006) finds that Pull media is thought to encourage interaction and a two-way feedback process. Hagel and Brown (2008) believe that when actors of a Pull platform connect with other users through their shared interest it will create trust and build relationships. Rome SDS seems to prioritize their customers and this is shown through constant interactions. It appears to be a clear correlation between the Pull strategy and how the company adjusts their offers to the customers. Reasons for using the Pull strategy from Rome SDS’s perspective can be that it is less expensive compared to other kinds of marketing efforts. It is also possible for the company to improve upcoming products with the help of customer feedback. Nursing customer relationships gives Rome SDS an opportunity to collect feedback and use this to develop products that are in demand by customers. This can lead to a higher grade of customer satisfaction.

Harviuex points out that Rome SDS has a broader communication position to communicate with customers through email, telephone and letters. Relationships can be built through customer services, technical support and other marketing efforts (Kotler, 2008). According Cafiero, Rome SDS responds to every phone call, question, comment, e-mail and complaint. By doing this, Rome SDS communicates to their customers that they are important to the company and that their opinions shapes the brand and company. This is called the syndicate and that is what Rome SDS is all about (Cafiero). There is a clear correlation between relationship marketing theories and how Rome SDS uses the concept fully to their benefit. The reason for this could be that the customers feel like they are a part of the brand which can increase customer involvement with the company. By a deeper understanding of the individual customer and better serving the person it is possible for a company to build long-term relationships and create loyal customers (Kumar, 2006). Gummesson (2008) finds that the focus is now on the customer’s needs instead of the sellers and the goal is to create customer loyalty. Cafiero mentioned that the goal for Rome SDS building customer relationships is to build customer loyalty to the brand and create life-long customers. Harviuex believes that the goal for Rome SDS building relationships with customers is to make them feel more like a part of the brand. Rome SDS’s broader communication position
has been essential for the company since Rome SDS has always been a part of a syndicate. Snowboarders help to create products and the communication back and forth is the true intention of what Rome SDS is all about (Harviuex).

Rome SDS offers several services through their website and they are highly involved in social media (Harviuex). According to Chaffey (2006) the strength of Pull media is that customers will only visit the website when they have a need to do so. Relationship Marketing is suppose to offer customers a greater value in effort of creating satisfied customers so they will purchase more from the company (Gumnessson, 2008). Harviuex believes that interactivity will make customers buy their products more consistently which leads to increased sales. Grönroos (1996) believes that loyal customers can create a long-term relationship that is profitable for customers and companies. The bond between customer and company will improve through customer satisfaction and create loyal customers (ibid.). Rome SDS seems to have understood the importance of listening to its customers and building long lasting relationship. The concept has been taken to the next level within the company. This is shown through the syndicate concept that Rome SDS has developed.

According to Harviuex there is an equal blend of customers and companies entailing the most power on today’s market. Brands react to consumers but consumers react to brands through marketing (Harviuex). According to Bernoff and Li (2008) companies are used to being in control but the balance is shifting from the companies to the customers. In a few seconds, the consumer can share their thoughts and feelings to thousands (ibid.). Harviuex finds that every given situation is different and it is quite hard to generalize this matter. Cafiero believes that both customers and companies have an equal amount of power on the market but feels like the matter is quite hard to generalize. It depends on both parties and how they interact (Cafiero). Bernoff and Li (2008) believe that customers have been empowered by today’s accessible social media and Cafiero gives the example of how one bad review from a customer can be a disaster for the company. The question of who has the most impact on today’s market was challenging to answer for our respondents. It is possible that the theories and the opinions of Cafiero and Harviuex differ due to a difference in perspective. Rome SDS has developed to put the customer in focus most of the time through the daily work and therefore it can be argued that they take the customers impact for granted. Noticing that Rome SDS put sincere effort in managing the customer relationships is an indication of the shift of power from the company to the consumer. Cafiero’s indication of how one bad customer review could hurt the company further indicates how customers are occupying more power.

5.1.2 Social media and interactions

According to Carlsson (2009) it is of importance for marketers to be where the customers are and statistics show that the numbers of online users are increasing. To instantly reach the target market, create customer relationships and spread a message quickly, the use of social media is considered beneficial (Harviuex). Supporting and listening to the occurring conversations in social media helps to maintain relationships with customers (Weinberg & Pehlivan, 2011). Harviuex is pointing out that there is a noticeable connection between the use of social media and building customer relationships. Cafiero claims that building relationships through social media is of high importance. A face to face conversation preferred if it possible but social media comes close to that (Cafiero).

Weinberg and Pehlivan (2011) believe that social media offers a variety of low cost and free technical solutions. Harviuex explains how Rome SDS uses social media as a powerful marketing tool leading to increased sales. Social media makes it possible for a low cost of
value to reach specific groups that are interested in specific product categories. Bernoff and Li (2008) believes that using blogs, communities and videos on user generated websites can generate in better marketing awareness, online buzz, time spent on the website and increased sales. It seems that Rome SDS’s respondents see the benefits using social media from a company perspective just as the theory implies. Since Rome SDS has been successful in the social media with a great amount of fans and followers, this channel of communication can be used as a tool to connect with many people quickly. Rome SDS seems to be aware of the impact the use of social media has and an assumption has been made that information is gathered about customers to reach them in a more efficient way. Cafiero and Chaffey (2006) appear to agree that social media can be used in purpose of gathering information about users; it can be beneficial since the information can be used to target specific customers. According to Cook and Buckley (2008) the opportunity to observe social interactions is a great benefit for marketers. Cafiero claims that some benefits using social media can be that it is a great way to display content, build a fan base, collect analytics and have an open dialogue with the users. Jackson (2010) believes that a company needs to become effective, be open to customer-commentary and content. By recording and analyzing web statistics about customer behavior it is possible to figure out the customers preferences online (Chaffey et al., 2006). Online communities like Facebook make it possible to connect companies and customers and create meaningful discussions which can be used for customer relationship management (Weinberg & Pehlivan, 2011).

Kaplan and Haenlein (2010) points out that a company has to respect the rules of social media and be honest communicating through it. According to Aula (2010) there has to be a clear line of how to behave and live up to the expectations while at the same time communicate the goals of the company. Cafiero believes that posting content that is not in line with the company’s visions should be avoided. There seem to be some recommendations within Rome SDS regarding how to use social media. The opinions split apart when it comes to how official the recommendations are. The main aspect to emphasize seems to be that some actions are more recommended than others regardless how official the recommendations are. It appears to be important to keep the correct tone of voice when communicating with customers. Messages need to be adjusted and thought through before they get communicated to the masses. Words can spread quickly and companies have to be careful of how they formulate the messages to their customers.

According to Meadows-Klue (2008) a marketer needs the ability to listen, observe the measurements and work on the constant modification and optimization in working with social media. According to Kaplan and Haenlein (2010) an employee that works with social media should not be afraid to make mistakes and try to blend in with other users in a humble way. It is also recommended to observe the interactions before participating. Posting unique and interesting content is also important (Kaplan & Haenlein, 2010). Weinberg and Pehlivan (2010) claim that social media should be used with a personal touch to make the communication more relationship oriented. Important things to keep in mind are to not post too often, post meaningful and interesting content, not express negative things about other companies, avoid offending people, and not being defensive when interacting with the users (Cafiero). Harviuex agrees and further explains that the frequency of updates, posting unique content and posting movies for people are some of the most important things to have in mind. Theories bring up basic recommendations of how to act in the social media and a few recommendations matched with the respondents’ answers. Other recommendations brought up in the theories could be considered as basic recommendations which might be obvious for employees working on daily basis with social media. This could be the reason why Harviuex
and Cafiero did not bring up some of these recommendations. Recommendations regarding how to act in social media could be different depending on which business the company is operating on. An assumption made is that in the snowboard business there might be a certain jargon which the updates and content is adjusted to. Neither of the respondents mentioned anything about acting in a humble way when using the social media. This could be considered as a basic recommendation or interpreted as a less important recommendation managing social media in the snowboard business. At the same time Cafiero discussed the importance of not being offensive, therefore it can be interpreted as being humble. It is possible that by mentioning the importance of not being offensive, Cafiero felt that he expressed the importance of being humble. It is also possible, as claimed earlier, that being humble is seen as so basic that it was overlooked by Cafiero and Harviuex during the interviews.

According to Kim et al., (2010) it is recommended that the company use qualified employees when managing the social web presence. It is also important to have the content professionally prepared for publishing. Harviuex describes how the marketing director sends out a list of happenings every week to the sale representatives in order for them to have content to post about. The impression is that Rome SDS has experience working with social media since they have been working with it for a longer period of time and plans this out well. The marketing director that sends out a list of things to post about confirms this assumption. The strategy seems to work for the company and having content professionally prepared is also something that the theories recommend.

Harviuex tries to respond as quickly as he can to social media posts. Eley and Tilley (2009) claim that responding to published content can result in more interactions in the future. Cafiero points out that he usually responds within one or two hours but if a question is posted during the weekend it might take longer. Receiving attention is something people appreciate and Eley and Tilley (2009) also claim that if someone posts something favorable about the company, it is good to respond with a short comment and thank for the mention. Cafiero would thank the person for the positive feedback and hype it up. Harviuex believes that if someone would post something positive about the company he would probably not make a comment back but it depends on each given situation. It appears as responding to interactions in social media can be handled in different ways but it seems to be important to always interact in a pleasant way with the users. Quick responses seem to be essential when communicating through social media. Harviuex expressed that thanking a person or not when something positive is posted about the company depends on the situation while Cafiero would value the positive feedback more and possibly spread it through Rome SDS’s Twitter account. According to Eley and Tilley (2009) people appreciate to get noticed and to acknowledge users through social media can create a beneficial word-of-mouth/web about the company.

### 5.1.3 Challenges and issues

Harviuex believes that frequent posts are demanded when using social media. High quality posts take time to create and the fact that time costs money could be considered as a challenge. The platform is free of charge to use but there is a cost of the time being used (Harviuex). Benoff and Li (2008) believe that companies have to invest in social media. There appears to be several discussions whether the use of social media is a free tool or not. These discussions can derive from the fact that social media platforms are free of charge but companies need to consider the cost of employees managing it. Compared to other marketing tools, for example television advertising, it seems like social media marketing can be less expensive but still useful, especially when reaching niche markets. Cafiero finds it challenging at times to figure out what people will respond most to. Companies need to be
committed to social media and ready to invest in it before they start using it as a communication tool to reach their customers. None of the theories brought up the challenge of companies trying to figure out what people will respond most to. Posting frequent, relevant and interesting content is mentioned in both theories and the empirical findings, it would only be logical if a challenge can occur when deciding on the content as Cafiero is pointing out. Is it possible that the theories lack this discussion due to a loss of practical perspective?

Kim et al., (2010) points out that there is a risk of marketing efforts going wrong if it is not done right and it might backfire. Cafiero believes that when creating a marketing campaign in social media it is essential to keep it simple. It is important to keep the customer interactions under control since negative reactions can spread fast and widely through social media (Kim et al., 2010). Harviuex believes that there is a possibility for users to speak unfiltered at any given moment about the company. There is also a risk of people pretending they are representatives for the company, users stealing content from published material leading to copy-right issues. Cohen (2008) affirms that users’ spreading false information is common. According to Kim et al., (2010); Kaplain and Haenlein (2010) and Read (2010) there are issues regarding copyright material being spread without authorization.

It is necessary to expect some negative feedback. In that situation it is recommended to state the point, leave it and avoiding being defensive (Eley & Tilley, 2009). Harviuex claims that he probably would respond if a person posted something negative about the company but again he believes that it is depending on each given situation. Eley and Tilley (2009) also claim that it is recommended to think twice before responding to an attack because a response could make the situation worse. Cafiero states that he would try to accept the blame, take responsibility and offer options to solution to the situation. It is advised to take the conversation to a more private place such as to an e-mail platform or phone call. The theories and empirics match well and it appears as each individual situation is different, the feedback should be optimized for the specific situation. Not encouraging a defensive conversation could derive from the belief that the customer is always right and therefore companies tend to accept the blame instead of turning to defense mode. By accepting the blame a discussion can be dealt with quicker which more likely will result in a more satisfied customer.

5.2 Within case analysis - Holiday Niseko

The purpose of the within case analysis is to investigate differences and similarities between Holiday Niseko and discussed theories. Differences and similarities are analyzed and used as a foundation to our conclusions.

5.2.1 Relationship marketing

Just as Hagel and Brown (2008) discuss that Pull strategies have evolved hybrids that contain some elements of Push strategies, Holiday Niseko is mainly working with Pull strategies when using social media marketing. Hagel and Brown (2008) believe that customers have become more demanding of their resource providers and Chaffey et al. (2006) claim that customers only visit websites when they know exactly what they are looking for. This is considered to be one of the strengths of Pull media. The customers are therefore already positive to the company when visiting the website (Chaffey et al., 2006). According to Chalke, Holiday Niseko is offering a number of different topics in social media. For example, up-to-date information about local happenings, mountain conditions and weather information
is covered in the updates. Applying the theory to Holiday Niseko’s case might mean that visitors browsing their website may find content on weather conditions or happenings for a potential trip and end up booking their accommodation with Holiday Niseko. Offering more than the core product can increase the customer value which can lead to more satisfied customers and more future bookings. Offering the potential customer information about the experience staying with Holiday Niseko is also a way to reduce the customer’s perceived sacrifice when choosing the company as their resource provider. According to Grönroos (1996) it might result in a closer relationship and the customers’ needs and preferences gets more visible to the company. By tapping in on the customers’ needs and preferences it is easier to know what the company needs to do to gain the competitive advantage. When Holiday Niseko posted about great snow-conditions that were not exactly accurate at the moment, the company took a step back from reducing the customers’ perceived sacrifice and gave the customer a reason to question how trustworthy Holiday Niseko is. The situation was resolved and by managing this in a correct way and adjusted to the specific situation. It was possible to catch the error and turn it around to build trust again.

Holiday Niseko works with building customer relationships to certain extent. They send out electronic newsletters twice a year, use social media marketing channels and try to create a personal connection using customers’ names when greeting them in Niseko. Kotler (2008) claims that building customer relationships is one of the most important parts when it comes to marketing. Holiday Niseko’s goals for building relationships with customers is returning customers, word-of-mouth, to keep growing as a company building trust. They believe that social media can be used as a channel for building relationships. The fact that Holiday Niseko does work with building customer relationship to certain extent differs from the theory that this is one of the most important things for companies to consider. A reason for this might be the fact that the services and work they provide is seasonal and very much based on the high and low season. In the popular Niseko Grand Hirafu resort village Holiday Niseko is located in, the supply outstrips the demand in the high season resulting in a high rate of bookings. This fact gives the company power and can result in that they are prioritizing other things before working actively with building customer relationships. Chalke is very aware of the benefits that good customer relationships can generate and shows motivation to keep up the work with this.

Kotler (2008) find that to create not only a satisfied customer but a delighted one should be the goal of customer relationship. Gummesson (2008) believes that a company should focus on customers’ needs instead of selling if the goal is customer loyalty. Loyal customers are thought to create long-term relationships which in return can create profit according to Grönroos (1996). Both Kumar (2006) and Blomqvist et al. (2004) confirm this; a loyal customer is thought to be profitable since it is among other arguments is more costly to acquire a new customer than to retain on. Chalke seem to be aware of this when explaining how loyal customers require less work for Holiday Niseko leading to the fact that resources can be spent on other things. In the industry of offering accommodations it appears to be favorable to retain customer loyalty since new customers takes more time to manage which result in costing more money for Holiday Niseko. Chalke’s earlier statement regarding the goal of building customer relationships resulting in returning and loyal customers is also indicating of the beneficial aspects for the company and saving money could be considered one of these.

Chalke states the importance of managing customers’ expectations by keeping them low before arrival in hopes that they can be exceeded in some way during their holiday. Grönroos
points out that customer satisfactions is measured by the perceived expectations and if the expectations are higher than what the actual performance can achieve it might result in a dissatisfied customer. If the actual performance exceeds the expectations the customer will be delighted as Kotler (2008) would put it. A delighted customer is also probably more prone to advocate and induce word-of-mouth (Kotler, 2008). When connecting Holiday Niseko’s many returning customers every year with their strategy of creating delighted customers, it is possible to claim that their strategy seems to work as well and go hand in hand with the theories of customer satisfaction and managing expectations.

Companies are used of being in control (Bernoff & Li, 2008) and they are now defining their own perspective on companies, products and brands. Because of social media they can share their feelings and thoughts to thousands of people quickly. The balance is shifting from the companies to the customers (Bernoff & Li, 2008). Chalke finds that the demand outstrips the supply in the peak season and this gives the company more power on the market. There is a power shift in the low season since the customers have more flexibility and can negotiate prices. Nicholls believes that the customer has the most power on today’s market due to the information age. His beliefs resemble what Hagel and Brown (2008) claim about how the media landscape is transforming. Hagel and Brown (2008) find that the younger generation, as Nicholls refers to the information-age is requiring more possibilities to customize the media landscape. Whether it is companies or customers that are in control could depend on if the demand is greater than the supply. Since this is often the case in a seasonal based industry, this explains the reason there is a power shift depending on the season. As Nicholls has mentioned the information-age customizing the media landscape, indications are shown that there are some social media platforms that are more popular than others and users get to choose where they want to spend their time. Facebook is for example the most used social media channel today and since the majority of social media users are spending their time there, companies are pushing to be seen there to be able to reach more potential customers. Therefore companies have to adjust their marketing efforts based on where the customers are spending their time.

5.2.2 Social media and interactions

Kotler (2008) believes that by offering an augmented value to the customer the company can create satisfied customers that buy more and advocate the company. Weinberg and Pehlivan (2011) believe that there is a correlation between relationship marketing and social media. Social media can generate in visibility and thereby create word-of-mouth just as Holiday Niseko hopes to create from building relationships. Chalke and Nicholls believe that there is a correlation between building customer relationships and using social media. Using social media as a communication tool to create dialogue with previous and future customers can result in higher satisfaction as well as a greater number of returning customers. If Holiday Niseko treats their customers well using social media channels, there is a possibility that their users will create positive word-of-web online and positive word-of-mouth offline since delighted customers often want to share their experiences with others.

Chalke believes that there are definite benefits for Holiday Niseko using social media. Improving the search engine rankings was originally the main reason why Holiday Niseko became involved in social media marketing. Today the used social media channels are generating traffic to the website and providing information to their guests about the resort. Managing the Facebook account gives the possibility to answer questions that the customers have. One of the many benefits of social media marketing is according to Nicholls the possibility to create and use it as a marketing platform. Search engine optimization is also
something Nicholls mentions; he finds it important to keep in mind when writing the posts to improve the company’s visibility on the Internet. Chalke has noticed that social media has started to generate traffic to their website. There are analytical possibilities making it possible to segment the market. Since search engine optimization can be tracked in analytical tools we believe that it is comparable to Meadows-Klue (2008) demand of being able to observe the measurements. As Kim et al., (2010) explain there seem to be a need to express oneself in social media communities. Through social media posts, involvement in companies and information provided when personal profiles are created is offering companies a lot of information about the users. Chaffey et al., (2006) also expresses that customer behavior is recorded and by using web analytic tools, the customers Internet behavior can be analyzed and it is possible to create a distinct plan to contact and attract customers. A map of potential customers and how to attract them can be created and optimized. As Nicholls mentions, Holiday Niseko can investigate where their visitors are deriving from but he is not able to clearly gauge the actual sales that derive from social media. Chalke is also expressing concerns regarding the fact of the challenge to gauge conversions today. As Kotler (2008) discuss the goal of customer relationships is to acquire a high customer capital and this can show future potential. Social media will keep growing and be used by many companies in the future. An assumption made is that gauging conversions is something that many companies need a tool for and will be developed in the near future. It is easy to wonder how companies can use the benefits of the segmentation tool that social media is contributing. Considering the young age of social media it can be believed that much will happen and companies may become able to measure the effect more easily. The question of how customer loyalty is measured is interesting and relevant in the subject that seems to confuse many.

Jackson (2010) claims that it is important for companies to join social media, accept and welcome customer-commentary and content. Weinberg and Pehlivan (2011) also highlight the importance of companies that are present in social media need the ability to listen and hear what is being said in social media. Kaplan and Haenlein (2010) also discuss the benefits of first spending time on the chosen social media to learn and understand the norms that are used. Keeping a humble approach and understanding what topics are spoken of at first can make it easier to develop and post interesting subject for the followers (Ibid). Chalke points out that staying on top of social media with frequent updates and relevant content is an important fact to consider. Chalke further mentions that it is important to stay on top of their activities and be consistent in their updates and presence on social media. Kaplan and Haenlein (2010) mention a few aspects to consider: be an active participant, make the content interesting, act in a humble way and be honest when using social media. Meadows-Klue (2008) finds it important to constantly modify and optimize the behavior in the online environment. The company or marketer needs the ability to listen and observe the measurements. Chalke mentions that they need to keep the information interesting and relevant. Nicholls further believes that it is evident that companies avoid spamming their followers. Chalke points out that if they would push properties and prices on their social media sites it could lead to negative responses from customers and therefore they avoid hard-selling. This belief goes hand in hand with most theories and Weinberg and Pehlivan (2011, p. 276) described it as “fighting the urge to explicitly and constantly close a sale.” Respecting the unwritten rules of social media is of importance and one of these is to avoid hard-selling. Pushing products and services on the social media users can result in them distancing themselves from the company. Considering that social media is dominated by Pull marketing and developed through pull marketing, it is not surprising that Push strategies are somewhat useless and unsuccessful. Traditional marketing is also referred to as Push marketing and is a strategy with none or very little focus on the individual customer or the relationship with him.
or her. It appears evident that if a customer relationship is desired, the Push strategy is not the strategy to pursue. Therefore social media does appear to be used as a medium for Pull strategies in favor for the customer relationship to prevail.

According to Chalke the market decides what is appropriate for social media. Offensive behavior and words should be avoided as well as spelling mistakes. Holiday Niseko´s followers on social media sites are quite young and therefore are the behavior and language quite casual. Chalke believes that users of social media want to be entertained and read fun and interesting content. Holiday Niseko avoids hard selling and therefore they do not push their properties and prices in social media. Trying to keep the content fun and interesting goes hand in hand with what Kim et al. (2010) believes. According to Kim et al. (2010) social media is used as entertainment and people have accounts on several social media websites. Due to these facts it is possible that there is a competition among social media sites. Users require a certain standard and if they are not satisfied with one social site, they might spend their time on a different social media site. It is also possible and very likely that users that are not satisfied with the content a certain company posts will dislike or stop following the company. This might lead to a lost customer. In Holiday Niseko’s case, it is very likely that they would lose the customer since they would no longer be able to reach the customer with their augmented products such as weather reports, upcoming happenings and the offers they might publish on their Facebook page.

5.2.3 Challenges and issues
Bernoff and Li (2008) amplify the importance that managers are aware of the risks when using social media applications. When managing social media, Chalke believes that there are some challenges to consider. Social media requires time and not keeping up with it looks bad. As Meadows-Klue (2008) discuss, it takes time to build trust and a relationship that can evolve to a satisfied advocating customer. The company has to allow an investment and have the content professionally prepared for publishing (ibid.). Chalke realizes the fact that managing social media cost money for the company. The process is time consuming and cost money considering the hours of work put in. Not being able to measure the return of this effort is a criticism that both Chalke and Nicholls discuss and seem well aware of. Difficulties regarding how to measure the return of investment make social media a marketing strategy that is difficult to evaluate. Despite of this, social media seems to be the trend in marketing today. It is possible to discuss why companies put money and effort in something they are not sure will result in a return of investment. It could appear to be cost efficient and a trend that no one dares to question. It is also possible that the tools for measuring return on investment are not optimal for this sort of marketing strategy. Social media is said to heighten customer loyalty and customer loyalty is discussed as a strategy that is difficult to measure.

Interactivity is what characterizes social media with users freely sending, receiving and processing content for the use of others (Aula, 2010). Chalke finds that responding to social media posts should ideally be done as fast as possible but depending on the nature of the post, this can vary. If it is related to sales, Chalke would respond as fast as he can. Businesses must be prepared for this kind of instantaneous nature of social media so they can respond to the customer feedback as soon as they receive it (Linask, 2010). Eley and Tilley (2009) find that people like their work to get noticed, so responding quickly could lead to more interactions in the future. Chalke believes that if a person posts anything favorable about the company he would probably thank the person for commenting. Eley and Tilley (2009) discuss that it is recommended to respond with a short comment, thanking the person for mentioning them and be sincere about it. When discussing how to respond to negative posts Chalke does not seem
to fully agree with the theories. According to Chalke, responding on a negative post depends on the rationality of the post. If the criticism is relevant and justified he would leave it open or respond to it. If the comment is unreasonable, Chalke would probably delete the post and ban the person. According to Eley and Tilley (2009), it is recommended to think twice before answering to an attack since an action to this could make the situation worse. It is also recommended to state the point and leave it there without being defensive. Aula (2010) believes that if the company does not respond or pay attention to the unwanted opinions the situation can become difficult to correct. If organizations focus on communicating one-way messages in social media, they miss the opportunity to interact with potential customers. Chalke’s discussion regarding deleting the post and possible ban the person is an interesting approach that both go hand in hand with the theory as well as the opposite. Deleting a post can be considered acceptable if the post is irrelevant and offensive but for the most part posts should be left as they are regardless if they are negative. The choice should be regarding how and if the company should answer it. Banning the person writing can hurt the company more than accepting that some followers have different opinions. By discussion the issue, it would be possible to turn the person around to a satisfied customer by solving the problem in front of other users.

Chalke mentions that Holiday Niseko should have a strategy ready in case they get negative feedback. The fear of a potential negative attack is evident since rumors can spread quickly through social media. A unsatisfied customer can affect other customers in a negative way (Doyle & Stern, 2006). Adding Bernoff and Li’s (2008) beliefs that social media enables customers to share thoughts and feelings with thousands within a few seconds might result in a terrifying situation with an upset or dissatisfied customer just as Chalke fears. According to Kim et al. (2010) marketing efforts can go wrong and backfire from time to time. User comments are important to keep under control since negative reactions can spread quickly and widely through social websites (ibid.). It is important as a company to understand that it is not possible to control social media content in advance (Aula, 2010). Social media might increase the risk of reputations being spread about the company (ibid.). It can be understood that there is a fear of what negative aspects social media might bring. This marketing channel seems to be difficult to control and a high understanding of its pros and cons are important when deciding on using social media.

5.3 Within case analysis - Design Kojo

The purpose of the within case analysis is to investigate differences and similarities between Design Kojo and discussed theories. The differences and similarities are analyzed and used as a foundation to our conclusions.

5.3.1 Relationship marketing

Ramsay states the fact that Design Kojo works actively with building customer relationships. Kotler (2008) affirm that one of the most important parts of marketing is relationship marketing. This happens according to Ramsay by frequent visits to clients and through the use of a variety social media channels. Hagel and Brown (2008) claim that when users of a Pull platform connect with other users through their shared interest it will create trust and build relationships. Getting clients to come back to Design Kojo and buy more services is the goal of building customer relationships (Ramsay). Loyal customers are considered to create long-term relationships which in return can create profit (Grönroos, 1996). Design Kojo is considered to be a small company which can mean that fewer resources are spent on marketing in effort of finding new customers. Therefore it can be of greater importance to
value the existing clients and create customer loyalty. This is shown through the goal of Design Kojo including building customer relationships which is done by personal visits and the use of different social media channels.

Ramsay provides services for Design Kojo’s clients that are beneficial for the end-consumers. The company is able to help out their clients most of the time during the week. Improving the company website is also constantly in progress if effort of making it better for new clients (Ramsay). Indications were noticed that Design Kojo spends time and effort maintaining the relationships with hopes to get loyal clients. According to Grönroos (1996) loyal customers can be beneficial for companies and customers. Strengthening the customer satisfaction could create loyal customers (ibid.). Blomqvist et al., (2004) points out that a loyal customer is a profitable customer. Since Design Kojo works actively with the relationship in order for the clients to come back, an assumption has been made that loyal customers are important and valued to the company.

Regarding who entails the most impact on today’s market, Ramsay believes that it is an equal balance between customers and companies. In the future it will probably be the customers that have the most impact on the market (Ramsay). According to Bernoff and Li (2008) companies are used of being in control. Nowadays customers are no longer just recipients of messages from the companies. Because of social media, customers are defining their own perspectives on brands, companies and products. Through the social media they can share their opinions with thousands of others (ibid.). A reason of why the theory and the empirics differ could be the fact that Design Kojo as a business to business company can have another perspective of the matter. Promoting web services to clients could mean a lack of an objective perspective since most benefits will promote the power of the companies using social media. Ramsay indicates that customers probably will be in control in the future. Since Ramsay frequently researches the subject and keeps up with the latest trends, it could shape his perspective and be the reason for believing that customers will have more power in the future.

5.3.2 Social media and interactions

Ramsay claims that there are many opportunities and benefits with the use of social media. A lot of people spend much of their time using it and that alone is a good reason for companies to be seen there. Blogs and Facebook pages can be used as great tools for building brands offering something to the customers without expectations. Social media can also be used as an efficient tool to reach and build relationships with customers (Ramsay). According to Weinberg and Pehlivan (2010) there is a correlation between social media and relationship marketing. Through the visible engagement it is possible to create a positive word-of-mouth (ibid.). Ramsay believes that through social media it is also possible to let users know what is happening in the business and gather information about the users through different analytic tools. Chaffey et al. (2006) explains how social media makes it possible to collect information about the users. By using a specific web analytic tool it is possible to record the customer’s behavior on the specific website (ibid.). Linask (2010) also discuss how it can be easy to figure out where the customers give feedback and turn the feedback to interactions. Because of Design Kojo’s high involvement in the web industry it is essential to know how to benefit from the possibilities. Pointing out the importance of using analytic tools is in line with the theories indicating how essential it is to work with this. If the information about the customers is used to develop more specific marketing efforts, it could be a benefit that Design Kojo could promote to its clients, making it possible for them to target their customers.
A great part of social media is about interacting and sharing (Kaplan & Haenlein, 2010). Ramsay points out the fact that sharing interesting content to friends and fans is what social media is all about. Even if people do not comment, it can lead to more future business. It is advised for companies to use a marketing professional to run their marketing and take it to the next level if companies lack the in house expertise (Ramsay). Kim et al., (2010) believe that it is necessary to use qualified employees managing the social media web presence. With a business to business perspective in mind this can have an effect on the given answer regarding the fact that a professional person is recommended to handle the use of social media. Since managing web services is what Design Kojo profits from there might be a lack of objectivity. Theories are pointing at the importance of using professionals managing the use of social media and this fact strengthens Ramsay’s belief.

Ramsay believes that hard-selling is something that is not recommended to practice in social media. According to Weinberg and Pehlivan (2011) companies need to control the urge of closing a sale. Ramsay claims that even if there is an opportunity for the company to sell, it is advised to redirect users to other high quality information and instead put focus on the brand-building side of it. Not hard-selling in social media might have to do with the fact that customers have power on the market and it is up to them to decide if they want to interact with the company or not. If they realize that they are getting exposed to hard-selling advertisement in social media, there is a risk that they will exclude the company from further dialogue.

Weinberg and Pehlivan (2011) report that there are a few things to keep in mind when writing posts for social media channels; authenticity, holding conversations with the users and using social media with a personal touch. Ramsay believes that it is important to keep the updates relevant. Kaplain and Haenlein (2010) believe it is important to keep published content fresh and interesting. Acting like a real person instead of a company is also advised and keeping the promise to the users that once was given when they decided to become a fan or a follower (Ramsay). A humble approach is recommended when using social media (Kaplan & Haenlein, 2010). According to Eley and Tilley (2009) it is important to act professional and sincere when responding to interactions. Kaplan and Haenlein (2010) point out that a company has to be honest and respect the rules of social media. Keeping the promise to social media fans and followers indicates that the theories were confirmed about honesty and acting professional which seems like something Design Kojo values. The statement as to act like a real person can be interpreted as using a humble approach which also was mentioned in the theory and is confirmed by this empirical finding.

According to Eley and Tilley (2009) people like their work to receive attention and feedback. When it comes to responding to feedback in social media, Ramsay would leave it for a day and then respond to the feedback but this could also depend on the nature of the dialogue. Kaplan and Haenlein (2010) believe that it is always recommended to be active and take the lead developing a relationship with someone. It is more beneficial to have other users reacting and interacting with the content and dialogues between users are encouraged (Ramsay). Social media is about engaging in open and active discussions which should according to Kaplan and Haenlein (2010) be the goal to strive after. Leaving the customer comment for a day is an interesting approach that Ramsay expressed and differs from the theory that states to take the lead when it comes to developing a relationship. Encouraging interactions should be prioritized and not responding immediately creates the possibility that other users can initiate dialogue which can result in them creating relationships. This could have both positive and negative implications. The positive and beneficial part is the level of engagement and the
opportunity for users to create new relationships. The less beneficial part could be to create a risk that the users are bonding with each other instead of the company. Assuming that companies strive to achieve long lasting relationships through the use of social media, it is important that they also bond with the company. Therefore it is of importance to encourage interactions and make sure the company is taking part in conversation without waiting too long in responding to the customer feedback.

5.3.3 Challenges and issues

According to Eley and Tilley (2009) companies need to expect some negative feedback using social media. In the situation of negative feedback it is recommended to state the point, leave it and avoid being defensive (ibid.). Ramsay points out that there is a possibility of people spreading a negative word through social media channels. Kim et al., (2010) state that it is important to keep interactions under control since it might harm the company. According to Blackshaw and Nazzaro (2006) it is important to be up front talking about difficult subjects. Ramsay claims that if a person would post anything negative and the opinion is justified, he would apologize to the person and if the criticism was unjustified he would try to defend his opinions. According to Eley and Tilley (2009) it is recommended to wait and see how the comment is received while Linask (2010) believes that letting the customer wait for a reply can make the situation even worse. If the situation gets responded to immediately it is according to the theories, both recommended and not recommended since the theories contradict each other. Ramsay would apologize in a situation like this which shows signs of being up front about it according to the theory. Defending the opinions is not recommended according to the theory and can make an already bad situation worse. To treat the customer with respect is recommended and since a company’s reputation can travel quickly in an online environment, being defensive could generate a negative word-of-web which should be avoided.

Ramsay has noticed very few challenges and negative aspects regarding the use of social media. One thing that possibly could be a negative side of it for the clients could be that it costs money for them to have Design Kojo managing their social media accounts. According to Aula (2010); Bernoff and Li (2008); Hoover (2007); Kaplan and Haenlein (2010); Kim et al., (2010) and Read (2011) there are some negative aspects regarding social media. An example of risks that need to be considered is the fact that many users spread false information (Cohen, 2008). Aula (2010) exemplifies the risk of a damaged reputation being spread in social media channels. Since Design Kojo’s purpose is to sell web services there is a possibility that less effort has been put in to investigate the negative aspects of using social media marketing. One challenge was brought up regarding the cost of managing social media. The opinion can be interpreted subjective since many theories points at the fact that there are more challenges to consider using social media from a company perspective.
5.4 Cross case analyses

The purpose of the cross case analysis is to investigate differences and similarities between the chosen companies Rome SDS, Holiday Niseko and Design Kojo. The differences and similarities are then analyzed and used as a foundation to our conclusions. The chosen variables are categorized and shown in the three tables beneath.

5.4.1 Relationship marketing

Table 5.1 aims to discuss the similarities and differences regarding which relationship marketing efforts and strategies are discussed and used.

Table 5.1 Relationship marketing – cross case analysis

<table>
<thead>
<tr>
<th></th>
<th>Design Kojo</th>
<th>Holiday Niseko</th>
<th>Rome SDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uses a Pull marketing strategy</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Build customer relationships actively</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Customer loyalty as a goal</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Increased sales as goal</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>The customer holds the majority of power</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Relationship marketing is an integrated communication strategy</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Uses web analytic tools</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

All three companies appear to mainly use the Pull strategy when communicating with their customers. Rome SDS puts their customers first and constantly considers what they might be interested in. They research their targeted groups by interacting with them; this is the opposite of what the Push strategy would recommend. Holiday Niseko and Design Kojo appear to use the Pull marketing mainly since using a Push strategy would not benefit them as it can benefit a larger company. Rome SDS is a slightly larger company and might benefit from some traditional marketing developed with the Push strategy but their business idea regarding keeping the customer in focus would not benefit from a Push strategy. The use of Pull marketing strategies could derive from the willingness of developing customer relationships.

Rome SDS, Holiday Niseko and Design Kojo all work with building customer relationships to a certain extent and this is shown through a few different ways: sending newsletters to customers, visiting clients, offering different kinds of customer services and using social media. These companies have the same long term goal in common, which is increasing the number of returning customers. This is commonly known to lead to increased sales. Rome SDS puts in the most effort when communicating back and forth with their customers, using this as a part of their core strategy and concept. This is communicated through Rome SDS’s website and the use of social media. Design Kojo also puts effort into maintaining relationships and uses techniques that are optimized for different markets. However, despite Holiday Niseko’s work with customer relationships, it can be argued that they do not do it actively since they do not appear to focus on it. Chalke and Nicholls discuss the importance of returning customers but they also lack the strategies for it. Their main strategies for it contains of remembering and using the customer’s names and trying to create satisfied customers by outperforming their expectations.
All three companies have set customer loyalty as a goal for their work with relationship marketing. Loyal customers can also be referred to as returning customers and returning customers are likely to lead to increased sales. It is easy to believe that companies work with relationship marketing for other purposes than earning money but it is important to know that no company would exist if their main objective would be anything else than making a profit. All three companies have therefore set increased sales as an objective for working with relationship marketing. Relationship marketing can be an efficient tool to communicate with customers and making sure that the messages are received well. This might result in satisfying and efficient marketing efforts that can lead to increased sales, the achievement that most companies strive for.

When discussing the potential shift in power and who holds it on today’s market – the customer or the company, the answers varied from company to company but also among the respondents. Indications and examples were given that it is quite equal and in some cases the customers had more power since they have the possibility to spread the world quickly in the online environment. Rome SDS states that there is no direct scale on who holds the most power and both Harvieux and Cafiero claimed that it is equally divided. Cafiero mentioned his concern and fear of negative rumors spreading quickly in the social media environment.

It was also described how Rome SDS values their customers’ opinions by letting their customers be a part of shaping the company products and brand. By letting the customers shape the company products and brand, it can be questioned if the power in fact is equally divided. Holiday Niseko discussed that the power shifts from customer to company depending on the seasons. During low season there is a lower demand and the power is held by the customers but during peak seasons they believe that they as a company have the power. Nicholls stated that he believes the customer has the most power overall on today’s market due to the information age. Design Kojo believes the power is evenly distributed but leans more towards the customer than the company as the leader, therefore is Design Kojo the only company that believes that the customers holds the most power on today’s market. If companies use strategies and communication tools that cater to their customers, then the customers have the power to choose the marketing messages they will be receivers of. It can be argued that as soon as a company acts according to what attracts their customers then the customer is the one with the most power. As Nicholls stated, it can be a possibility that the new information age is responsible for the power shift. Social media is thought to provide a platform were customers are in charge and companies need to act accordingly to be accepted.

Rome SDS has clear recommendations from the management regarding how to work with relationship marketing. Cafiero is the rider communications representative for the company and is responsible for integrating the company’s communication strategies. He is responsible for Rome SDS strategy for relationship management. Design Kojo and Holiday Niseko do not have these clear recommendations. There has been an assumption made that they are not as organized as Rome SDS regarding this matter. It can be further discussed if this is due the fact that they are smaller companies than Rome SDS and therefore the management themselves manage the marketing strategies. If that is the case it can be understood that Design Kojo and Holiday Niseko are not in the need of a communication plan as organized as Rome SDS for building customer relationships.

By using web analytic tools the companies are able to evaluate information about users and their online behavior. All three companies use these tools for measurements using this to learn more about their customers. Chalke expressed disappointment of the fact that the statistics
does not show direct conversion to their sales. Since Rome SDS and Design Kojo did not express anything challenging about this, it can indicate that they are measuring other aspects of the matter.

### 5.4.2 Social media and interactions

Table 5.2 aims to show differences and similarities regarding the use of social media. A focus has been put on social media behavior from a company perspective.

<table>
<thead>
<tr>
<th></th>
<th>Design Kojo</th>
<th>Holiday Niseko</th>
<th>Rome SDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realizing the importance of existing in social media environments</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Respond to customer feedback immediately</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Use social media to build customer relationships</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Use a personal touch when interacting</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Encourage dialogues</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Express gratitude for positive feedback</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Use social media to build brand</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Use social media for SEO purposes</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Using social media to display unique content</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Avoid hard-selling</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Actively avoid spamming customers</td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Professionally prepare content</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guidelines for employees using social media</td>
<td>---³</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

Design Kojo, Holiday Niseko and Rome SDS agree on the importance of being seen in social media. Since this communication channel can be seen as a new trend, many companies on today’s market have made the decision to join in. This is something this case study is indicating on describing about these three companies. Even if Chalke believes that Holiday Niseko probably could get away with not being present in social media, they show signs of valuing the benefits they have noticed from using social media to reach customers. Rome SDS is indicating that social media is a great part of the company syndicate, pointing at the importance of communicating back and forth using customer feedback to improve products and customer satisfaction. The level of activeness in social media seems to be high with a large number of customers communicating back and forth. Design Kojo believe that it is necessary to be seen in social media and has noticed many benefits for companies using it to reach their customers. These benefits are pushed to the company’s clients with efforts of making them realize the importance of using social media.

There are differences regarding if the respondents answer the customer feedback right away or if they make the decision to wait. Rome SDS’s two respondents handles this differently

---³ Since Design Kojo is operated by the founder/owner of the company, a decision was made to exclude this question during the interview.
with Harviuex claiming it depends on the situation while Cafiero believes that all customer feedback should be answered to immediately with possibilities to spread this further through other social media channels. The different answers could depend on the fact that Harviuex and Cafiero holds different positions within Rome SDS. Cafiero is managing Rome SDS’s overall social media channels and Harvieux manages the local social media channels. This could be an explanation of the different answers since their responsibilities differ. The way Cafiero manages social media could work as a good example of how other employees within Rome SDS should act communicating through social media channels. Chalke points out that if the feedback could lead to more bookings it would get responded to immediately, otherwise it can wait. This indicates a lack of interest in building customer relationships and aims more towards increasing the revenue. This confirms the earlier discussion regarding building customer relationships to certain extent and it seems like this is something that Holiday Niseko does not consider as a top priority. Ramsay would leave the feedback a day to encourage interactions and relationships between users but if the feedback or question is aimed direct to the company it would get responded to immediately. Design Kojo is the only company that is actively encouraging users to build relationships with each other. This can be interpreted as an effort of keeping the conversations going longer which could lead to getting more users involved with the company. Regarding the differences in the respondents answers, there are indications of that the fact that customer feedback will get responded to within at least a day or two which could be interpreted as relatively quickly. There needs to be some kind of strategy and goal behind the involvement in social media. This could determine how social media marketing should be managed in effort of achieving satisfying results. Cafiero confirms that it is important to have this goal in mind while interacting with users. Correlations were also noticed among Rome SDS and Design Kojo regarding of the importance of creating dialogues when managing social media marketing. This was not mentioned by Holiday Niseko directly and can indicate of a lack of will to create dialogue.

Design Kojo pointed out the importance of showing users that there is a real person behind the conversation. Writing in a pleasant and personal way was mentioned and recommended by Design Kojo. Making the conversation personal encourages users to be open and can lead to more interactions with the company. Treating users with respect can be essential since it is up to them to make the decision of getting involved with companies they find is of interest. Nurturing these relationships could pay off by gaining a greater amount of users frequently following and interacting with the company. In a long term perspective, it is therefore of importance for people managing social media interactions to offer value and communicate in a pleasant way.

There seems to be a few different reasons for the chosen companies using social media that were outspoken during the interviews. One aspect all the companies had in common was that there was a correlation regarding the possibilities of building customer relationships with the help of social media. Since social media enables a more personal and direct dialogue with companies, this can contribute with customers bonding more resulting in a longer lasting relationship. Design Kojo claims that the communication channels work well for brand-building purposes. This is another aspect that is pushed as an argument to the company’s clients. The reason for Design Kojo pushing the brand-building aspect could be in effort of making the clients interested in the offered services. Since a strong brand can entail multiple benefits for companies is a well known fact, this can work well as an argument for Design Kojo making his clients interested, resulting in increased sales. Holiday Niseko started using social media to improve search engine rankings which was also mentioned by Design Kojo. An assumption has been made that the accommodation industry consists of a large number of
competitors using search engine optimization in effort of increasing the number of guests. Since many people are using search engines to compare different options and prices, it is of importance for companies to achieve a high ranking in the listings. Holiday Niseko noticed that social media channels generated traffic to their website, which was a positive effect. Chalke also pointed out that using social media is a way to separate Holiday Niseko from competitors and build a unique image. This can be interpreted as building a brand and is in line with Design Kojo’s opinion regarding why companies should join. Both respondents for Rome SDS were convinced of the importance from a company perspective to be seen in social media, pointing out the fact that there is something wrong if companies choose to not be present there. Reasons mentioned were the opportunity for Rome SDS to display content in social media. A reason for why this is of importance for Rome SDS can be that they have content that is professionally prepared by the marketing director and this is something they would like to share with customers. Directly sharing interesting and unique content is something that Rome SDS strongly values and could contribute to a strong brand. Even if Harviux or Cafiero did not mention the brand building aspects in outspoken words, there are indications that the work put in to managing social media can be beneficial in that perspective.

Avoiding hard-selling in social media was mentioned by Design Kojo and Holiday Niseko but not by Rome SDS. Since people choose which companies to get genuinely involved with in social media, they expect some kind of offered value. If they discover that they are getting exposed to hidden advertising, this can result in a lack of interest and an exclusion of the company since the goal of the company is obviously to increase profit. Chalke believes that users like to be entertained in social media. To offer customers something they find is of value seems to be essential in effort of attracting them in the first place. If the customers find the content interesting there is a possibility of them returning to the platform which can be considered as beneficial and brand building. A reason for why Rome SDS did not mention anything about avoiding hard-selling can indicate of the matter’s lack of importance. It can also indicate of the fact that this recommendation is too basic and obvious considering the experience they entail regarding the use of social media and was therefore left out.

Holiday Niseko and Rome SDS brought up the importance to avoid spamming users with information which is an aspect not mentioned by Design Kojo. Chalke explains that they have restricted the newsletters to two letters per year to not be mistaken or equaled to spam e-mail. Nicholls also discuss the importance of avoid spamming the followers. Spamming can be annoying for the exposed users and this should be avoided. It can be seen as companies abusing social media with a following negative word-of-web. It can be seen as a privilege for companies to have users giving them attention and creating dialogues forming opinions. Therefore it is essential for companies to follow the rules of social media and treat the users well.

Whether a company should have their content professionally prepared was discussed resulting in different opinions. Design Kojo pointed at the importance of having a professional person manage the social media marketing. The reason for this can be that this work is something Design Kojo profits from and is pushed on the clients of the company. Rome SDS’s marketing director sends out a list of content to post every week to the employees. This is a way for Rome SDS to synchronize information and always offer customers current and relevant updates. For Rome SDS and Design Kojo it seems to be of high importance to have a plan for social media updates. Holiday Niseko does not mention anything about having content professionally prepared which is indicating that this is not something they prioritize
within the company. Rome SDS has worked with social media marketing for a longer period of time than Holiday Niseko and this can be an explanation of the different approaches regarding the matter.

According to Chalke and Nicholls there are guidelines for the employees to keep in mind when using social media. For example it was mentioned that they are careful with customers expectations so they do not expect too much before they arrive in Niseko. Keeping the updates frequent and relevant is also essential. Using social media can create an image of the company and that is why it is essential to emphasize the main qualities. This can be done through guidelines to follow for the people responsible of managing the social media communication. Rome SDS has some guidelines but it seems like most of these are unofficial. Guidelines such as using a correct language, posting relevant and unique content, not offending anyone, never expressing negativity to competitors and never being defensive were mentioned by Rome SDS. Since Rome SDS has more customers following the company in social media, this could be the reason for why they seem to have more of a planned out strategy.

### 5.4.3 Challenges and issues

Table 5.3 visualizes similarities and differences regarding the potential challenges and issues that were mentioned by the respondents.

<table>
<thead>
<tr>
<th>Challenges and issues</th>
<th>Design Kojo</th>
<th>Holiday Niseko</th>
<th>Rome SDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fear of negative Word-of-Mouth</td>
<td>X</td>
<td>X</td>
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<td>Fear of negative social media attack</td>
<td>X</td>
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<tr>
<td>Anonymous users taking advantage of it</td>
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<tr>
<td>Challenge activating users</td>
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<td>Challenge posting relevant and frequent content</td>
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<td>Energy and time consuming</td>
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<td>Cost money</td>
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<tr>
<td>Difficulties gauging conversions</td>
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<td>Copyright issues</td>
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<td>Structured plan for managing negative feedback</td>
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Challenges and issues were discussed among the respondents and it seemed like the concern about people speaking negative about the company was the greatest issue for Holiday Niseko and Rome SDS. The fact that there is a large number of social media users and channels makes it possible for negative content and rumors to travel fast and wide. Cafiero mentioned the fact that one bad review can be a disaster for the company while Harviuex pointed out that there is a possibility for users to speak unfiltered at any given time. This is a risk that companies have to take into consideration when giving the people the option to express their thoughts and opinions freely in an online environment. Frequently tracking dialogues and other postings about the company in effort of reducing this risk is essential to realizing when a conversation is heading in the wrong direction. This can make it possible to prevent a
potential attack in the future. If the company is genuine and offers customer value there is probably more positive than negative Word-of-mouth expressed through social media. This matter goes hand in hand and was mentioned by both Holiday Niseko and Rome SDS regarding anonymous users on the Internet easily spreading opinions through social channels. Design Kojo did not express any fear regarding the possibility a negative word-of-mouth being spread among users. The reason for this could be that his focus is mostly aimed at social media possibilities since these are promoted to the clients. Being aware of the negative aspects is an important part as well since a negative word-of-web can hurt a company’s reputation. Chalke expressed fear of a negative social media attack. Chalke mentioned earlier how one of the competitors in Niseko got exposed to a social media attack in the past. This event made him realize the potential risk joining social media and can be the reason for why Holiday Niseko is a little bit hesitant regarding the overall use of social media. Design Kojo expressed the fact that there is a possibility for people to post negative things about companies but the problem can be solved if it is managed correctly.

Cafiero pointed out the challenge of encouraging people and getting the users involved with the company. Since Rome SDS has a great number of people interacting with them, the expectations of feedback can be higher when forming a social media marketing campaign. Cafiero mentioned that only four of 35000 followers joined a social media competition they had which was not what they expected. It is advised is to keep it simple for people to engage in the content. Since there are great amounts of information available on the Internet today with many companies competing for attention, there is the possibility that information does not get noticed and interacted with the way it was planned. Engaging people without asking too much from them while offering a value can capture their attention and make them engage more leading to a higher number of interactions. Design Kojo and Holiday Niseko did not mention any concerns regarding this matter. Since Holiday Niseko is considered as a new player in the field of social media, there is a possibility that the company has not created any social media marketing campaigns yet. Therefore a challenge has not been discovered and was not expressed. Design Kojo uses a different approach to engage his customers by asking questions to make them interact with the content more, this approach seem to work well for Design Kojo. Is it possible that since Design Kojo is run by Ramsay himself as a one man company he is more motivated to encourage his customers to interact with each other?

All the respondents agreed upon the matter of keeping the updates frequent and relevant. Holiday Niseko and Rome SDS expressed the challenge of keeping up with this and create content with topics that is get well responded to. A large amount of content has to be created and communicated through social media to keep the users satisfied. There is a possibility that the users get used of this kind of entertainment and if this is not updated frequently it might result in disappointed customers. A reason for why Design Kojo did not express this as a challenge can be because of the day-to-day work probably consists of writing and working on ideas for their customers so they can publish relevant content. Since this work naturally is included in what Design Kojo offers to its clients, this is something that is frequently worked on and not considered it as a challenge. Another challenge brought up by Holiday Niseko and Rome SDS was the fact that creating and posting content is time consuming. This can take time from other things that need to get done. Holiday Niseko is a smaller company with fewer employees compared to Rome SDS notices this challenge more since they have less people sharing the job duties.

The aspect of social media costing money was discussed among the companies and Rome SDS, Holiday Niseko and Design Kojo all agreed that this can be considered a challenge.
The social media platform is free of charge but there is the cost having employees manage it frequently. Creating a strategy and incorporate this in the everyday routine of marketing can lead to an efficient way of spreading content and connect with users. The benefits of using social media can be considered to determine how much money a company should allocate to achieve an optimal balance of money spend and information spread.

Holiday Niseko was the only company expressing difficulties to gauge conversions from the use of social media. Since they are in the accommodation industry and have a distinguished high and low season, this can be part of the reason. The pressure can be greater on a seasonal based company to perform and convert the users to actual sales since they only have a limited amount of time to attract most visitors. Some kind of proof that using social media is beneficial for them leading to more bookings would be a way of showing that social media investments are paying off. This can be achieved through evaluating and analyzing the numbers. Holiday Niseko is putting effort into search engine optimization and by using analytical tools it is possible to find out the conversion rate. This is something they would like to see and do within their social media channels as well. Design Kojo did not mention anything about difficulties to gauge conversions or that it could be considered as a problem. There were indications of challenges in convincing customers of the importance of social media and hesitation of letting Design Kojo manage it for them. This can be interpreted that the company’s clients have noticed some challenges using it and gauging conversions can possibly be one of them. Rome SDS did not express this matter a challenge and a reason for this could be that they already have built up a fan base with a great number of people interacting with the company which makes them more confident in knowing that social media marketing is beneficial for them.

The issue of users spreading published copy-right materials on the Internet was a concern expressed by Harviuex. With the great number of social media channels this is something users can do easily. If the material is copyrighted, would it be wise to even publish it in an online format that makes it possible to spread or can this be avoided? Content spreading online can be beneficial for the company enabling them to get their message out there. If a company is managing large amounts of copyrighted material, it would be recommended to use some kind of technical solution to avoid these kinds of issues. Design Kojo and Holiday Niseko did not mention copyright issues. Reasons for this could be that they do not occupy material that necessarily needs to be classified as copyrighted or feel threatened by it.

Rome SDS has a structured plan for managing negative feedback while Holiday Niseko and Design Kojo have thoughts considering the subject but no structured plan. Cafiero stated that it is advised to accept blame and take responsibility for the criticism and then lead the conversation to a more private discussion using e-mail correspondence or phone calls. This differs from what Chalke stated in that they would respond to a justified criticism while they might delete an unjustified criticism and ban the user from their page. Chalke also discussed that they lack a structured plan for responding to negative feedback and he expressed a desire to develop and implement such a strategy. Ramsay claims that he would apologize and promise to fix the problem if the critic was justified, if the critic was not justified he would defend his opinions or remove the comment. Ramsay would not go as far as Chalke and ban the user that posted the comment but we question if deleting the comment or engaging in a defensive conversation might do just as much harm. It appears that a structured plan is advised and an assumption can be that a structured plan may result in a more efficient way to manage negative feedback. Managing feedback in a standardized way might result in quicker interactions with a more satisfying result, leading to a higher customer satisfaction.
6. CONCLUSIONS

Finally we will make our conclusions. These are based from the discussions of the previous chapter and will declare if the purpose of this paper has been served. We will also bring forward a few recommendations and new thoughts and ideas for future research.

6.1 Overall conclusions

In an attempt to summarize the thesis we would like to remind the reader about the problem formulation and purpose with this thesis:

How can companies manage social media interactions to gain or maintain customer relationships?

Our main purpose was to develop a greater understanding of how companies can manage social media communication to gain or maintain customer relations. The purpose of gaining an objective view by investigating issues and challenges that can occur for companies by using social media to reach their customers has also been considered through the process.

To develop an understanding we researched how customer relationships can be strengthened by active dialogues between companies and customers in social media channels. Theories pointed at the importance of communication through social media and if managed properly it can work as a tool involving customers with the company resulting in close relationships.

When starting the process we realized how important it was for companies to understand that marketing is changing. We found that Push marketing strategies were slowly being switched to Pull strategies with evidence from theories and case studies pointing in the direction of customers gaining more power on today’s market. Customers have a greater impact on today’s companies. In the case of Rome SDS, the syndicate results in customer involvement in both company and brand. The achieved closeness with their customers enables Rome SDS to know what their customers value and the gained information can be used to improve and develop new products. Closeness can be achieved through thorough communication which is essential when building customer relationships. To create strong communication it is important to realize that it needs to be tailored for the specific company. Differences such as company size, targeted audience and the purpose of using social media need to be taken in to consideration when building a communication approach strategy. Rome SDS can communicate to their followers in a free spoken way, using a more casual language since their targeted audience requires a more entertaining tone of voice for their younger followers. Design Kojo uses a more neutral language with his followers since he needs to appeal to a broader audience. Keeping the correct and optimal tone of voice depends on who the companies are communicating with and what the purpose of communication is. Achieving active customer conversations can result in many benefits.

When interacting in social media it appears that companies are constantly being evaluated by different variables from their users. For example, this includes the matter of how trustworthy the company is, if it fulfills the customers’ needs and if users seem satisfied with the company. In the end the most reliable variable is what users are saying about the company. Therefore creating delighted customers that advocate the company is important to promote a positive word-of-web which can be shared with thousands in an instant. Social media
marketing channels have enabled the masses to express their opinions and feelings about a variety of things they find relevant. Great opportunities can therefore be created when companies provide true customer value along with enabling customers and users to express themselves.

We have come across many theories and ideas of how interactions should be managed in social media and came to the conclusion that there are many suggestions and some are more discussed than others. When summing it up in a few words we would like to emphasize the importance of monitoring, listening, being actively engaged in conversation and being prepared for different situations to arise. The nature of social media show that everything is happening in real time and the communication needs to be adapted to this. Conversations need to be managed simultaneously as the situation requires.

It is possible to observe interactions, gather information, target and segment an audience using web analytic tools. By the ability to gather information of visitors and observing their interactions companies can create a great foundation for decision and also evaluate who is actually following them. Analytic tools enable companies to get more familiar with their users. It is possible to optimize upcoming marketing efforts to suit the set goal with this kind of user information. This could result in a more powerful and effective marketing strategy. Rome SDS, Holiday Niseko and Design Kojo all value and gather information about their users for targeting purposes. This accessible information can be considered as one of the greatest strengths of social media marketing. At the same time there are the difficulties in gauging conversions, a discussed topic among one of our respondents. Hopefully someday social media will be measured to its fullest as other marketing campaigns are. We believe that the analytic tools offered online today indicate the forward thought and progression in evaluating tools in the future. Today companies can address the correct audience as well as find relevant tools for evaluating the business itself and have the possibility to cross reference customer databases with social media followers.

How to act in social media as a company was described by some and less discussed by others. It was thought of as very basic knowledge, less important to some respondents while others understood the importance of correct behavior. A recommendation that most agreed on was the importance of posting meaningful and unique content to the followers with effort of creating dialogues. Having the company’s goal in mind when posting and adjusting messages to a targeted audience is essential. By engaging users with relevant content with an added personal touch encourages interactions. Letting the users know that there is a real person behind the company caring about what their customers have to say benefits the image of the company. It shows respect to the users and it builds the foundation to further expand customer relationships. We believe that this coexist with the understanding of how quick word-of-web can spread. The different ways to manage positive and negative feedback was also discussed. We came to the conclusion that a structured communication strategy for responding to all feedback is beneficial since it lowers the possibility of mistakes. A communication strategy should be developed for potential scenarios that might occur in the social media channels. Understanding that a correct response and proper behavior is crucial when a company decides to engage in customer relationships or continue an existing relationship is vital for the company’s long term survival. Since the customer decides who to follow and interact with, companies have no choice but to attract them if they wish to gain or maintain customer relationships. When deciding to join social media it is important to develop a clear goal and strategy for reaching it.
Social media marketing might be cheaper and more cost-efficient than traditional marketing but we have found several indications that it requires a high level of involvement and is not as cost-efficient as rumors might indicate. It is therefore important to calculate the total cost and include the time it requires from employees managing it. Companies need to balance projected costs with benefits gained before deciding if and how they should implement social media into their business.

Another conclusion made is regarding the importance of being aware of the challenges and risks. Opinions and thoughts are quickly spread in social media and it can result in negative consequences if not contained and dealt with as soon as possible. All our respondents are aware that there are risks and challenges that need to be considered. A damaged reputation can spread quickly and this is something that every company should try their best to avoid. It is important to manage negative feedback to avoid harmful publicity. Strategies for such risks should be prepared in case this occurs. Reactions on negative feedback should therefore be adjusted and optimized to each individual situation. Taking responsibility for the situation, offering a solution to the customer and avoiding being defensive is a more constructive way of managing negative feedback. Bringing the discussion away from a public place to a more private conversation can solve the issue without involving more users in the situation.

6.2 Recommendations to the case companies

We advise to have some kind of strategy behind the social media marketing efforts. Investing in this and knowing it takes time is the first step towards reaching a company’s target segments. This is something especially recommended to Holiday Niseko since they recently joined the social media environment. If a company decides to join the social media networks it is advised to take this seriously and commit to it. Many companies on today’s market are managing this well with great amounts of fans and followers. Benchmarking with companies within the same industry can spark inspiration for future social media campaigns and this is possible for all three companies to do. Be sure to know the unwritten rules of common sense and tact when interacting with people and make sure that the company values are communicated to the customers.

It is a privilege to have people joining a company’s Facebook page or Twitter account. Giving back to customers through social media is a way to keep these people interested in the company. It is advised to optimize and adjust the published content to the audience to encourage conversations. This information given from the customers should be taken under seriously consideration since it is signaling if the content is received well. It is necessary to lose some of the control from the company perspective to enable these interactions. People trust friends’ opinions first and companies’ opinions next. Positive conversations from customers are worth a lot from a company perspective and can lead to a stronger brand and increased sales.

6.3 Recommendations for further research

Questions about how social media could lead to conversions have been raised during this process. For example during the interview with Chalke, Holiday Niseko, this question was discussed a few times and he was very interested in finding how many bookings they got from Facebook. It is an interesting question that is discussed often in many articles online. Since it is necessary for companies to invest in social media there should be a way to track the return on investment. Therefore a study within that field would be recommended.
Reflecting on the fact that information can spread quickly through the online environment, the question was raised about whether companies should have some kind of emergency strategy prepared. From the conducted interviews we got indications of how a campaign sometimes can result in an unexpected way. It would have been interesting to investigate further on how to prevent this from happening and to have a prepared emergency plan if needed.

Social media marketing through the brand perspective is something that we thought would be interesting to know more about. The question raised was regarding the most optimized way to build a brand through social media marketing. This communication channel has a lot to do with communicating core values and building images. A research in building brands through social media would therefore be very interesting to take part of.
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ATTACHMENT

Interview guide

We would like you to tell the story behind your company’s choices when answering these questions.

Definition: when we speak of social media we mean content in platforms such as Facebook, Twitter, Blogs, YouTube/Vimeo.

Thank you for your time and help!

Company information
A: What is your name and role at the company?
B: What is your company’s vision and mission statement?
C: What is the company’s revenue per year?
D: How long have you worked with social media as a marketing tool?
E: Do you use other marketing channels such as newspapers advertisements?
F: Do you have a budget for social media marketing? How big percentage is it of the total marketing budget?

Questions
1: Do you think it is important to have a relationship with the customers?
   - How can that relationship be maintained?
   - How does this apply to your company?
   - What is the goal for building relationships with customers?
   - If not already mentioned, do you believe that social media can be used to create loyal customers?

2: Why has your company chose social media as a marketing channel?
   - What social media channels is the company using?
   - Do you have more than one Facebook account or several blogs etc.? Please name them and their purpose?

3: Who do you think has the most power (impact) on today’s market – the customer or the company?
   - How does this reflect on the company’s behavior using the social media?

4: On a scale from 1-5 (5 = works very well)
   – How do you think social media works for building relationships with customers?

5: What age-span of people do you think interact most with your company’s social media posts?

6: Do you think there are any benefits with using social media?
   - If yes – what would that be? If no – why not?

7: Do your company have any guidelines/strategies to keep in mind when using social media and interacting with people/posting content?
8: What did you consider when choosing the responsible employees for social media marketing?

9: List 5 things you think is most important to have in mind – working with social media and posting-through social media channels.

10: How does your company optimize feedback responds?
   - How quickly do you usually respond to social media posts?
   - If a person posts anything positive about the company, how would you respond to the post? And how would you respond if this was negative?

11: Is there any BIG NO’s – how not to act in the social media from a company perspective?
   - Have you noticed any behavior on the social media arena that customers do not respond well to?

12: What would you say is the challenges/critics of working with social media?

13: Have you ever had the experience of a social media marketing campaign that has backfired and the results has been anything else than expected?
   - If yes, please give an example

14: Do you allow your employees to spend unlimited time during business hours on social media?

15: On a scale from 1-5 (5 = very important)
   – How important do you think it is for a company to be seen in the social media?

16: Is there anything further you would like to add regarding this subject?

Thank you very much!