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1 Introduction

1.1 Problem background

Internet and social networks have evolved to become a natural part of people's life and innumerous hours are spent every day interacting through these platforms. This evolution has resulted in higher expectations on fast and efficient communication with retailer's customers. Today's customers are well informed and have instant access to information about retailers and their products. Web 2.0 has made it easier to express feelings and personal thoughts about companies and products to a global group of people (Dellarocas, 2003). This has lead to difficulties for companies to control the information and opinions that are written about them online. Carlsson (2009) and Scott (2009) argues that the increasing power of the consumer has lead to new marketing communications opportunities where companies strive to build personal relationships with the customer instead of the mass-communication that has been used traditionally. Urban (2005) argues in the Journal of Public policy & marketing about customer advocacy, that traditional marketing models are no longer applicable in the same extent and that today's customers can oversee companies' sales- and marketing tricks and therefore have a larger degree of control over the information that is overthrown them. He further argues that traditional push marketing strategies as telemarketing, pop-ups and spam is seen as annoying and will rather lead to anger than profit for the company. Carolyn M. Brown argues in her article "How to Monetize Social Media" (April 18, 2011) that today social media marketing makes it possible for companies to keep a dialogue with their customers and make the communication more fulfilling and profitable. Turner & Shah (2011) argues in their popular management press that contemporary marketers focus on how people engage with their brands online, in stores, at home, and through other channels where traditional marketers focused on what people thought about their brands.

ISACA (2010) states in their white paper that social media has become a rule rather than an exception for businesses to utilize. Businesses have realized the potential for utilizing social media in terms of creating brand recognition, generating revenue, gaining feedback and insight from customers and improving the customer relationship. Social media is no longer just an option for enterprises that wants to stay ahead in today's business environment, it is necessary. It is imperative that companies also consider the risks of using social media as a marketing tool to communicate with customers. The use of social media requires communication to be effectively monitored and managed. Staffing and training may be of signifi-

cant importance when developing strategy for social media marketing. Social media is often introduced by organizations without any project plan or risk assessment (ibid).

A report made by ENGAGEMENTdb found that the world's most valuable brands have experienced a correlation between social media engagement and financial performance. The retail industry and consumer-electronics perform top results on engagement in social media in this report. The report also shows that organizations that embrace social media as an important part of their strategy are more financially successful. An article by Dagens Media reported that almost half of the companies reported that they will increase their budget for social media marketing involving Facebook (September 9, 2010), even though the tactical and strategic aspect within this field is still new and unfamiliar to many. Solis *et al.* (2009) argues in their book about public relations that it prevails perplexity among marketers on how to use these channels in a marketing sense.

In April 2010 Facebook introduced community pages; users were now able to "like" a company or page instead of being a "fan" as it functioned before. This was made in order to create a substantial platform for organizations to increase the control of information on Facebook (Alex Li, Facebook.com. April 19, 2010). The feature enables organizations to create and customize content for their interest group. Since this moment, the keyword "Facebook marketing" has been searched increasingly according to Google Trends, see figure 1. By using Facebook pages, companies can generate more leads, increase customer engagements and promote their brands according to Laduque (2010).

1.2 Purpose

The purpose of this study is to identify key concepts for how eCommerce retailers utilize Facebook page marketing in order to acquire and sustain customer relationships. The authors will further declare the level of ambition among the eCommerce retailers with Facebook page marketing.

1.3 Research questions

How do eCommerce retailers use social media marketing compared to traditional marketing?

How do eCommerce retailers integrate their Facebook page into their existing marketing?

What objectives do eCommerce retailers have regarding Facebook page marketing?

How is the routines constructed regarding publishing information on Facebook pages?

2 Method

In this chapter the authors will discuss and declare the techniques and procedures used to obtain data and the theory of how research has been undertaken. We will further argue for the choice of data collection and show the trustworthiness of this study.

2.1 Methodology

It is usually two main areas that are mentioned in theory of science, the hermeneutic approach and the positivist approach. Hermeneutics is the doctrine of interpretation, which is a scientific direction in which our experiences are studied. The researcher approaches the object subjectively based on their prior understanding of the object. The hermeneutic approach does not mean that the authors will find an absolute truth, but rather form an understanding of the investigated subject. In contrast to hermeneutics, positivism relates to the quantitative, observable and measurable. In positivism the knowledge is built up by scientific models in which the context should be described by cause and effect, where the researcher must have an external relation to the object of research to ensure objectivity (Patel & Davidson, 2003). This study does not aim to measure the exact phenomena; in contrast we aim to perceive a greater understanding of social media from a retailer's perspective. Therefore the authors have chosen the hermeneutic approach. Since the purpose of this paper was not to find any absolute truths, the hermeneutic approach will give us more freedom to interpret the information we have collected based on the frames of references.

2.2 Research strategies

There exist many different research strategies within research studies. The most common are exploratory, descriptive and explanatory. If the purpose is of multiple characters, it is possible to not be tied to only one strategy and several can be used in order to fulfill the purpose (Lewis *et al.* 2003).

A descriptive approach seeks to describe and explain a certain phenomena. This type of approach is suitable for studies of general characteristics that aim for understanding and illustrating events, circumstances or situations, rather than clarify causal relationships where one variable affect the other. The explanatory approach on the other hand, aims to determine causal correlations between variables of a certain research area. Explanatory research seeks to identify causes and reasons. An explanatory purpose strives to explain "why" a certain phenomena occur. The exploratory approach on the other hand aims to increase the knowledge of what is currently happening and explore a phenomenon in a new direc-

tion. This approach is also useful when the study seeks to clarify an understanding of a certain problem (Lewis *et al*. 2003).

Since our purpose is to identify key concept for how retailers utilize a certain marketing medium in order to acquire and sustain customer relationships and declare the level of ambition among those, this thesis are mainly of descriptive and exploratory research character.

2.3   Research approach

Johansson *et al*. (1993) clarifies that deduction is a method for researchers to implement theory to empirical work in contrast to an induction approach that works from empirical information to theory. They further argue that a deductive approach requires more preparation before the empirical reality are explored. We have chosen to work from an inductive approach it is more suitable for our study. Our theories about Facebook marketing are not specific enough in order to formulate hypotheses, as a deduction approach require. We will have theory as a framework when we analyze the empirical research in order to clarify new explanations on the research area. Our strategy can be described as a combination of deduction and induction and will not lead to an absolute truth, it will rather indicate circumstances.

Before constructing our interviews we started researching our topic in order to establish a deeper understanding and explore interesting areas for our investigation. This was important in order to formulate our questions in a relevant way to obtain useful information for our purpose and research questions. This further helped us to engage in dialogues with the respondent who has substantial knowledge in this field. Therefore, theoretical framework was acknowledged before the interviews were conducted.

2.4   Choice of research method

Holme and Solvang (1997) explain that in social science are two main methods of research, a qualitative and a quantitative approach. Bryman and Bell (2007) argues that the qualitative approach can be used for data collection and focus on words rather than numbers as the quantitative approach has a tendency to do. According to Patel and Davidson (2003) a qualitative approach provides in-depth knowledge and the researcher usually performs in-depth research usually through interviews with this approach. A quantitative approach examines the subject on a large group of individuals in order to establish an estimation of how the topic functions in reality. The author had no intention to use this approach and

has chosen a qualitative approach for this study. We have chosen a qualitative approach in order to be able to collect detailed information from the respondents and get their opinions regarding the topic, in-depth understanding of the respondents and reasons for their answers. This is of great importance in order to sustain answer to our purpose. This will lead to a greater understanding for their choices regarding our questions and enables us to discuss among those. According to Holme and Solvang (1997) a qualitative approach will help the authors to research the problem more closely and also provides opportunities to ensure validity and reliability of the study. The authors need to interpret and understand the usage of how the area of interest works and how it can be used. It is an advantage if those who will implement a research of qualitative approach have knowledge about the area (Patel & Davidson 2003). This was important for us to determine what our interview questions should contain, actively participate in the conversation and ask relevant attendant questions. According to Bryman and Bell (2007), there are researchers who are critical to the qualitative approach due to subjectivity. They argue that the personal relationship that can occur between the researcher and the respondent can impair the study quality, while the researcher's personal opinions can control the outcome of the study. However, we have tried to be as objective as possible in our study. According to Bryman and Bell (2007), researchers argue that it is difficult to generalize the results because the study is often limited to only one or a few respondents in a particular organization. This will further be discussed in the method.

2.5   Data collection

Obtaining information about the subject is crucial for any type of research. A good data is prerequisite for conducting a good research. Researchers need to pay attention to the amount of error in the data and should therefore be careful when obtaining data. There are two kinds of data, primary- and secondary data (Wrenn *et al.* 2002).

2.5.1   Primary data collection

According to Wrenn *et al.* (2002) primary data is firsthand data which can be obtained through interviews, observation and questionnaires. He further argues that a study can not only rely on secondary data when answering the research questions.

Approximately one week before each interview we sent a letter to the head of marketing- or communication responsible of the selected companies, see appendix 10.3. We further explained that we were about to write a master thesis concerning Facebook marketing for

our degree in Business and Administration at Jönköping International Business School. The letter also consisted of our interview questions that we urged the respondents to read through in order to be prepared for the following telephone interview. When we contacted the company by telephone we asked to be forwarded to the right person that had received our mail. If the person had time, we were able to perform the interview immediate, otherwise we agreed on a time that was suitable for both parts. Three of the participants were not able to attend by telephone and sent us answers by email. The reason that we could not interview these respondents by phone was lack of time from the participant's side. We did not sustain reliable answers from one of the respondents (Webhallen) and have them excluded from this study. The reason for this was that we did not receive sustainable information.

Five of the selected companies were not able to participate in our study at all. We tried to reach them by telephone and e-mail without any advantage. The complexity in their governance structure can be a reason for why we did not come in contact with the right person or due to lack of personal contact details for the responsible of the area. We could only reach the customer service where we got email-addresses to the right persons, even though the attempt to retrieve answers was unsuccessful.

Table 1 shows the different eCommerce retailers that participated in our study. It also states what type of interview the respondents participated in and the length of the interview.

Retailer	Type of interview	Name	Position	Date	Length
Billigteknik	Half structured phone interview	Nelly Ljunggren	Customer service/Facebook responsible	2011-04-11	19 min 32 sec
ClickOK	Structured interview by mail	Anton Nabin	Purchaser and marketing manager	2011-04-13	-
Datapryl	Structured interview by mail	Jonas Axman	Consultant and service manager	2011-04-12	-
Indomo Online	Half structured phone interview	Johan Hedqvist	Marketing manager	2011-04-11	17 min 53 sec
Inwarehouse	Half structured phone interview	Nidde Nedelius	Marketing communications	2011-04-15	21 min 11 sec
Misco	Half structured phone interview	Jonas Dahlborg,	Marketing manager	2011-04-15	44 min 12 sec
Webhallen	Half structured interview by mail	Anders Schill Paulsen	Event manager	2011-04-12	Excluded

Table 1. Performed Interviews.

We had issues collecting data concerning web traffic measurements due to complexity of compilation for our answers. In most cases the responsible person did not have accesses to analytics software where they are able to track the web traffic. Even though we decided to include the obtained information in our result since we conclude the information we got as valuable for our result.

There exists a risk that respondents are biased and may favor reality in a more positive way than the real scenario (Repstad, 1999). Respondents may take advantage of the situation and not report the complete truth about the situation in order to impersonate the organization in a more positive manner (Denscombe, 2000). In a study conducted within a well defined area, the selection of respondents can be disputed. Since the result is based on respondents with different positions, but with social media as responsible area, we do not need to criticize their knowledge. However, the conclusion of the study can be disputed by the fact that the sample consists entirely of people who are well-informed of the subject. The authors have during the interviews perceived a strong positive attitude towards social media from the respondents' side, which also means that the conclusions can be characterized in that spirit.

2.5.2   Secondary data collection

According to Saunders *et al.* (2009), secondary data can be collected through journals, literature, newspaper and source of government publications. Most of the secondary data was collected in February 2011, when obtaining in-depth research concerning the topic. Literature from Jönköping University's library and searches in databases online are our main sources of information. By conducting general searches on Google and Google Scholar we found useful keywords for the thesis that was valuable all through the research of this thesis. Below we have listed the keywords we used to search for information regarding the topic.

Keywords:

Facebook marketing, Facebook pages, Social media marketing, Online retailers, eCommerce marketing, Social web, Web 2.0, internet marketing, Relationship marketing, Integrated marketing communication, Return on investment social media, Electronic trust, Trust on internet, homophily.

By using combinations of the keywords we could obtain a suitable base of information that we needed. Searches has been made primary though the library's database, Business Source Premier (EBSCO) and Emerald Journals. Other research has been made with Google Scholar, DIVA (Digitala vetenskapliga arkivet) and regular searches with Google to find up to date publications from newspapers and reports.

Since our topic refers to a new area the degree of valid sources are limited. Facebook and social media are common in popular culture literature, which may in some cases lead to unreliable sources. There exist abundance of information about this topic and how to succeed with Facebook marketing; however most of the information is uncertain sources with limited amount of reliability. A significant part of the literature that have been written about social media and Facebook is of popular culture characteristics and therefore we had to be aware of and select sources that we find relevant and valid for our thesis. Although the reader should have this in mind when reading the thesis, that there is limited credibility of some sources.

2.6   Selection of the respondents

Altimeter group's report shows that the retail industry has embraced Facebook page marketing in a high degree and has achieved top results with their Facebook page presence,

higher than all industry average (figure 2). Together with ENGAGEMENTdb´s research about engagement (figure 3), we decided to focus on retailers in the consumer electronic industry.

Figure 2. The 8 Success Criteria for
Facebook Page Marketing, Altimeter group.

Figure 3. Engagement Scores by Industry,
ENGAGEMENTdb.

The retailers in the industry have been selected from a list of the largest eCommerce companies in Sweden provided by Internetworld (2008). From that list we could identify that eight of the companies are in the consumer-electronic industry. Together with Prisjakt and Pricerunner we could further find four more companies that currently are using Facebook pages actively and are established eCommerce retailers.

In order to get the most out of the thesis empirical part, we carefully considered which types of respondents we wanted to participate in the interviews. In order to gain substantial information about the retailers' ambitions with Facebook page marketing, it was of great importance that the respondents had a significant position within the organization in order to sustain relevant answers for our interviews. According to Trost (2010) it is important that the selection of respondents is as homogenous as possible to avoid disparity. This is something we had taken into consideration and it has been of significant value that the respondent all had Facebook as a responsible area in the organization.

2.7 The interview process

Interviews are used either as a single method or jointly with others (Larsen, 2009). Interviews can also be a powerful tool to collect valid and reliable data. The structure of the interviews will vary depending on the purpose to be fulfilled, it can either be structured, semi-structured or unstructured (Saunders *et al.* 2009).

The form of interview we used in the thesis is semi-structured; this means that there existed a list of questions that should be answered. In which order the questions are asked is not set and depends on the interviewee. Attendant questions in addition to the ordinary questions can also be added during the conversation (Sanders *et al.* 2007). Questions should be structured in a way that enables the interviewee to talk open about the subject (Larsen, 2009). The interview questions are presented in full in appendix 10.2. We choose to use a semi structured form of interview because we concluded it was the most appropriate interview method for our study. This method will leave room for the respondents own opinions and ideas, which was of great importance to answer our research questions (Bryman *et al.* 2007).

A qualitative interview method is typically divided into a number of themes (Patel *et al.* 2010). We have chosen to divide our interview questions into eight different themes regarding retailers' ambitions with Facebook page marketing; introduction, purpose, marketing, publishing approach, budget, measurement, objectives and experience. Our intention with these themes was to sustain a broad picture of how the respondents utilize Facebook as a marketing channel. All of the retailers' answers will be presented under each subsection in form of tables to give the reader a clear overview of the differences and similarities between the respondents.

The questions were sent to the retailers in advance in order for the respondents to have time to prepare and provide more thoughtful answers. The interviews were recorded with a cell phone to ensure validity and sustain important details. We transcribed relevant parts from each interview in order to ensure the result, which is of significant importance when conducting qualitative interviews. Information that we do not find relevant for this thesis has been excluded (Repstad 1999). This further helped to achieve an overall view of the material we had concluded from the interviews and select appropriate quotations for the result section.

One issue we faced during collection the data were the difference in the amount of information between the email and telephone interviews. However, we still decide to include the email interviews in the result since the degree of quality was sufficient to determine their level of ambition. The telephone interviews consist of more comprehended information than the email interviews. Due to the variation in length of the telephone interviews the amount of detailed information are of different levels.

2.8 Trustworthiness: Validity and Reliability

There are certain requirements the collected data must fulfill in order to be regarded as scientific. The first is the requirement of reliability which means that the collected material must produce consistent results. The second is the validity which means that the collected material must be valid and that the researcher has actually been measured what was the intention by the survey. Validity and reliability are used to describe value of the interview. Another basic requirement is that the material obtained through the interviews should reflect the source. (Lantz 1993) Holme and Solvang (1997) argue that it is easier to get valid information in the qualitative approach because the researcher has greater proximity to the studied area of interest. Since our study is of qualitative character with open questions, we have focused more on reliability than on validity. We will also point out that the respondents from Misco and Inwarehouse has strengthened this study´s reliability due to their exceptional knowledge in the field.

The interview questions were not tested in a pilot study, the questions were sent to the retailers in advance in order for the respondents to have time to prepare and provide more thoughtful answers. This together with only one respondent from each organization might have a negative impact for our results where some questions could be reformulated to increase the intelligibility. This study is based on one respondent from each organization which may in some cases lead to a biased and implausible results, the authors urge the reader to be aware of this.

The ambition from the start with this study was to sustain interviews with more retailers than was possible. We also wanted to investigate more established retailers with more "likes" on their Facebook page. This has affected our study when we compare retailers with 200 "likes" up to almost 6 000 "likes". However, it prevail no doubt that every respondent are active and show interest in their Facebook page marketing. Our purpose is still achievable and we believe that we can give sustainable answers to our research questions. However the reader should have this in mind and critically review the study.

3 Theoretical Framework

The theoretical framework consists of fundamental marketing- and more detailed theories linked to social media and Facebook marketing. Our intention with this is to give the reader a more comprehended overview of our theoretical framework. We will start with traditional marketing theories, continue with information about social media and Facebook marketing. The last part will be dedicated to webtraffic measurements, trust and risks.

3.1 Marketing Strategy

Marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage (Baker, 2008). Most marketing strategies are developed as long term plans over many years, with tactical plans that specify goals that retailers strive to achieve during the recent year. The time horizons for marketing strategy becomes shorter as the environment the retailer operates in changes, something eCommerce retailers have to struggle with as they operate in a very dynamic environment (Aaker 2007). Historically strategies have been divided into two different forms. The two forms are differenced by Lynch (2000) as prescriptive and emergent models. Prescriptive models regard strategic planning as a predetermined process where all parts of the strategy are carefully composed in a preset order from analysis to development and implementation. Emergent models on the other hand are less strict and more chaotic. The different planning stages are overlapping each other creating a more dynamic strategic planning. The latter appear to be more appropriate for e-commerce retailers' rapidly changing environment. Already before the internet era criticism against traditional strategy planning was not uncommon. Mintzberg (1994) argued that there were no strong correlation between the degree of planning and the profitability. Bicknell (2000) also claims that the business environment is changing so rapidly that planning has to be revised so regularly that it is not worth spending so much time on strategic planning. Venkatram also supports Bicknell and think strategy models need to stop being calendar-driven as the environment is less predictable. He also embraces more experimental business models since the future is no longer obvious as it was in the industrial age (Harris & Dennis, 2002). Chaston (2001) claims that despite many internet entrepreneurs unwillingness to spend time on strategic marketing planning, there are possible benefits. Chaston states that it:

- Forces an evaluation of the external environment and the organization's internal competencies.
- Quantifies the expected performance goals for the new venture.
- Identifies the scale of the required resources and the degree to which these will have to be met through attraction of external funds.
- It creates a "road map" that can be used to monitor actual performance against expectations at the launch of the venture.

Chaston also notes that the planning model can be entered at any point and does not have to be followed as a sequential process. A strategy must not be set in stone and it can be valuable even in e-Commerce retailers' dynamic environment.

3.2 Relationship marketing

Relationship marketing (RM) was first defined as a form of marketing developed from direct response marketing campaigns that put emphasis on customer retention and satisfaction instead of sales. RM recognizes the long term value of having loyal customers. Morgan and Hunt (1994) define RM as "establishing, developing and maintaining successful relational exchanges". The whole concept has its origins in profitability. It cost much more to attract a new customer than to retain existing customers. Ban and Co. found that a 5 percentage increase in the number of retained customers lead to an increased profitability of 25-80 percent (Payne, 1995). Loyal customers also become more profitable over time as the relationship with the company develops. Payne developed a "customer loyalty ladder" that demonstrate the different stages of customer loyalty from prospect customer to the top of the ladder, partner. (See Figure 4).
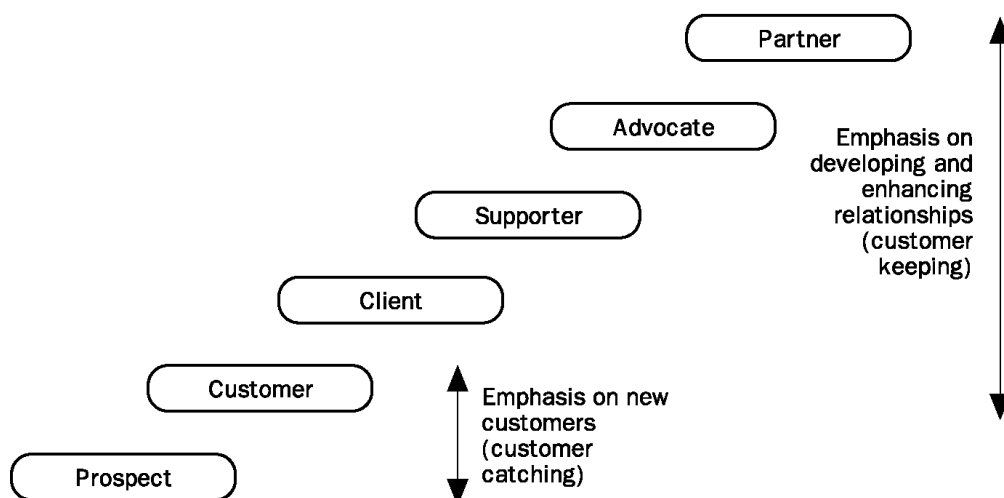

Figure 4. Payne's ladder of customer loyalty.

By focusing on high quality service to the customer, the companies chance of establishing good customer relationships increases. If the customer is subsequently treated in an individual way in consistency with what the company know about his or hers preference, then the customer start to move up the ladder (Harris & Dennis, 2002). If customers are pleased with the service the company provide, the chance that they recommend it to others increases. As word-of-mouth increases the marketing costs will decrease (Harris & Dennis, 2002). From a customer's perspective the perceived risk associated with changing products or services will decrease as they stay loyal to the company. Still it is not reasonable to believe that a company can develop strong relationships with all customers. The key to success is to focus on the most profitable customers. The pareto principle states that 20 percent of the customers may account for up to 80 percent of a companies' profits (Harris & Dennis, 2002).

In Reedy *et al.*'s book, *Electronic Marketing: Integrating Electronic Resources into the Marketing Process* (2000), relationship marketing can embrace 4 opportunities of customer interaction for eCommerce retailers stated by the Gartner Group.

- Customer acquisition. An informative and innovative web presence may help to acquire new customers.
- Customer Retention. Reorders from satisfied customers are the best way of measuring service performance and an efficient way of making profit. Excellent customer service will help the company to keep the customers for as long as possible.
- Customer extension. Introducing new services and products to existing customers is cost efficient. Strong customer relationships will increase the possibility of cross-selling or selling complementary products. This will increase both loyalty and profitability of the customer.
- Customer Selection. As mentioned before 20% of the customers stand for 80% of the profit. RM will help identify the most profitable customers through database management. By identifying this segment, special promotions can be directed towards these customers. Many marketers develop programs for frequent buyers that are awarded points that can be accumulated and used for price reductions.

3.3 Integrated Marketing Communication

Integrated Marketing Communication (IMC) developed during the late twentieth century and has been an important part of marketing since then (Grove *et al.* 2002). The informa-

tion society and the multiplication of media has left markers in an challenging and competitive environment, where satisfying customer needs, wants and developing long-term relationships is hard with all different communication channels that exists. IMC can help marketers to create coordinated and consistent messages across all the marketing channels. It can be described as convey the same message on all channels simultaneously. The message must be monolithic in all marketing channels that the retailer is using. IMC is an important part of a retailer's strategy of new communications, such as direct marketing, internet marketing (McGrath, 2005). The concept also put great effort on the importance of customer loyalty, which can only be created through strategic relationship building (Jin, 2003).

Most organizations needs to communicate with more than one target audience or stakeholder group, and therefore needs to take into consideration both the product brand and the corporate brand when creating the marketing message (Gylling, Lindberg-Repo, 2006). Still all promotional-mix need to blend together as they have a greater impact combined with each other. A retailer needs to wage in both the corporate and the product brand when considering creating their IMC-program. Companies that actively use integrated marketing communication will avoid discrepancy to their target group, i.e. that the company send out one message but do not act after what they have said. By avoiding this, the consumers will trust more in what the company communicate (McGrath, 2005). IMC is a cost efficient communication and increases the ROI of retailers marketing campaigns (Holm, 2006). Online- and Facebook marketing are important activities in an eCommerce retailer IMC program.

3.4 Web 2.0, the Social Web

The term Web 2.0 refers to an evolution of Internet to a more interactive medium where communication and interaction is in focus. Stefan Hübinette (2008), describe that the most fundamental and revolution change is that internet users now have the power of the content on the web. The users can actively use Internet and share content with others, something that was not possible before Web 2.0. Further Hübinette claims that Internet has become an arena for creation, dialogue, collaboration, organizing for research and for learning. He also claims that Internet has become a growing marketplace, a new economic platform. Before Web 2.0 the content was often published by a single producer, but Web 2.0 has contributed to a more democratic web where an individual can reach out to a broad mass, often without having to invest economic.

Even though the term suggests a new version of the Web, it does not refer to an update of the technical specifications. It is difficult to define the exact boundaries of what structures that belong to Web 2.0. There seems to be an agreement that services and technologies like blogs, wikis, podcasts, RSS feeds (and other forms of many-to-many publishing), social software, social networking sites, video sharing sites, web standards and online web services are all part of Web 2.0 (Breslin *et al.* 2009).

Tim O'Reilly (2007) who mentioned the term during the O'Reilly Media Web 2.0 conference in 2004, states that a website need to fulfill 3 conditions in order to be seen as a part of web 2.0.

- The user shall be able contribute to the sites content by her/himself.
- The user shall have control over her/his information.
- The websites design shall be interactive and useful.

A common property of web 2.0 technologies is that they ease collaboration and sharing between users with low technical barriers. Web 2.0 enables participation through the simplification of user contribution on blogs, forums and social networks etc. This has lead to power of community based knowledge acquisition as Wikipedia. One outcome of such website is that it can create more valuable knowledge collectively rather than created by separated individuals. Wikipedia has demonstrated the power of the crowds, which is an important aspect of the emergence of Web 2.0. It can be seen as a collective intelligence at web-scale level (Breslin *et al.* 2009). Businesses use similar techniques such as intranet, where employees can easily share information and communicate effectively.

Social media is an important part of the web 2.0 concept. It is media for social interaction which allows the creation and exchange of user-generated-content. Social media can be blogs, microblogs, communities, internet forums, wikis, podcasts and more. It can be defined as "Internet- and mobile-based tool for sharing and discussing information among human beings. The term most often refers to activities that integrate technology, telecommunications and social interaction, and the construction of words, pictures, videos and audio".

Social media is relatively inexpensive and accessible to make any individual publish or access information compared to traditional industrial media, which generally require a lot of effort both in time- and economic aspect to publish information. This technique has made it possible for a global audience to be able to share and publish information and

share opinions. Information can be published directly without having to be printed, which make it an extremely fast communication tool. Social media and social networks were actively used under the Arab revolts in 2011 to fast communicate and spread updates efficiently to a large mass of people (Kirkpatrick, 2011).

3.5 Social networks

A social network is a social structure where like-minded individuals can share their interest, knowledge, beliefs or prestige with each other. In this thesis we will define social networks as web based networks where users can interact and share information with each other. The majority of social network sites build on personal networks from the real life, but some promote connection between individuals who share same interest, relationship status etc. The most of social networking sites demand mutual agreement from both parts in order to create a so called relation (Boyd *et al.* 2007). The basic feature of social networking sites are profiles, friends listings, commenting, private messaging, forums, blogs and media uploading and sharing. Profiles include information such as name, address, email address, gender, date of birth, relationship status, education, work information, political and religious views, photos, and other information. Profiles are also linked to other member's pictures, videos and status updates.

Social Networks enable ways to both spread and collect information in a fast and iterative context (Starbird *et al.* 2010). Social networks provide platforms for so called broadcasting which enable the user to publish material/information to all in his/her network, in contrast to e.g. e-mail which demand specific receivers (Brzozowski *et al.* 2009). Many of the sites send out sequential information, as so called RSS-feeds does. But in difference from regular RSS-feeds which only allow the user to read the content, can users interact and comment on the information. This makes social networks highly dynamic and allows users to interact on a personal level. Since social networks are based on presence and trust, positive and negative opinions are spread in a rapid pace. From a company's point of view can this be of both positive and negative aspects. It can help companies to improve their services, but also cause a bad reputation for the firm. Social Networks is excellent for exposure in terms of brand awareness, customer service, feedback acquirement and as a communication channel. Businesses can both publish and receive feedback from this channel at the same time (Jansen *et al.* 2009). An insecure factor in this occasion is the representative degree, where studies have shown that a clear majority of the users are passive and only observe the information. The numbers says to be between 80 (Guo *et al.* 2009) and 90% (Nielsen,

2006) of the users are observers. Jakob Nielsens study shows that 9 % of the users share information in a small degree and only 1 % share in a large degree. This 1% of the users is therefore highly overrepresented where 90 % of the information is published from this group. The other study (Guo *et al.* 2009) shows a similar result and states that 80 % of the contents come from 20 % of the users. Another insecure factor is the large information flow that generates, which can in many occasions be too big for the users to process which can further lead to that important information do not cognize by the receiver.

Facebook is a social networking site that builds on personal networks. It was launched in 2004 for Harvard students only but was developed further for a global audience as the site grew larger and become more popular. Today Facebook is the world's largest social net-work site with over 600 million users. Facebook allows users to handle and maintain their social contacts; the whole concept is about sharing information to friends by private or public messages. All users have their own profile where their personal information is ga-thered. Facebook also consist of uploaded photos, coordination of events and different applications such as games (Shi *et al.* 2010). The users have the possibility to add each other as friends by sending a friend request to the other person. The relations are bilateral of each other where both individuals have to accept the relation (Lampe *et al.* 2007).

Facebook's start page consists of a news feed where current happenings, news and updates from friends and pages users have subscribed to. The updates consist of short messages that other users has written to publish to their personal network. Pages are like personal profiles that are destined for organizations, businesses or celebrities. The administration rights are given to individuals with personal profiles and more than one thus update the page. An essential difference from ordinary profiles is that the relation is not of mutual commitment. All profiles can access to the page information by pressing the "like" button. When a user "like" something are this showed at the users profile. In addition to just Face-book profiles and pages, can users also "like" external websites if they support that. By pages can the administrator send out news and provide discussion forum for the users. Pages also makes it possible to share relevant information like pictures or links concerning what the page is supporting. All users can comment and communicate with the page ad-ministrator as well as the other who is communicating on the page.

The most common motive for using Facebook is to maintain personal contacts, build new relations, entertainment and pastime (Shi *et al.* 2010). Communication is also an important

term in this occasion. Facebook have over 600 million users and about 50 % of these are using the service every day. Sweden have about 4.1 million users (CheckFacebook.com, 2011), which imply that the spread of information has potential to reach a large mass.

3.6 Facebook Marketing

The evolution of Web 2.0 and social networks has lead to new methods of internet marketing. Swedish companies invest 5.2 billion kronor every year on internet marketing which is a total of 16.7 % of Swedish companies overall marketing budget. Internet marketing has bypass television marketing in terms of money invested. Marketers need to be where the people are, and in that case Facebook is the obvious choice (Ekström *et al.* 2010). The average Facebook user spend almost an hour per day on the site and the potential of having successful marketing campaigns is immense (Shih, 2010). Facebook has developed an advertising platform that enables very precise targeting. Depending on the personal information of the user, marketers can choose which users that will see the ad on Facebook. It can be divided by gender, geographic area, age, interests, education, birthday, workplace, relationship status, language and connections (i.e. to specific pages and groups). This further provides a new capability to "think global, act local", which help advertisers to create more personal ads where the customers demographic and psychographic is known beforehand (Shih, 2010). The Facebook ad platform also estimates how many people the ad has potential to reach in the network. The marketer can use either cost-per-click (CPC) or cost-per-impression (CPI) depending on the goal of the campaign. Cost-per-impression is effective to create brand awareness, when the goal is to create recognition among the targets and cost-per-click is an excellent way to pushing users to the desired website (Levy, 2010). Markers can choose which site the user will be linked to when clicking on an ad. The most common page is the retailer's Facebook page or the landpage (Levy, 2010). Levy also claims that using images on Facebook ads is the most efficient way to catch a user's attention and convey the message.

Regarding Facebook as a marketing tool, there are other useful areas for a retailers marketing communication. The most retailers use Facebook applications and Facebook pages. Facebook pages is basically a profile page for businesses where they can share updates, uploading photos and videos, special offers, events and applications with Facebook users (Shih, 2010). Another common use for pages is customer service and employee recruitment. Various eCommerce retailers have integrated their webshop with Facebook, which makes it possible to buy from both their existing website and Facebook page.

Awareness
-Word-of-mouth, including status messages and retweets, help you reach new audiences.
-Create a Facebook Page and Twitter account to establish your social network presence.
-Use a voice and creative that reflects your brand.
-Even being on Facebook and Twitter will positively influence your brand as being hip and with the times.

Interest
-Track social ad campaigns and analytics, including ad clickthrough rate, wall post clickthrough rate, page views, likes and comments, Twitter mentions, and retweets.

Evaluation
-Measure completed offers and events. (Use Facebook Events to keep in touch with attendees.)
-Keep track of your Facebook fan and Twitter follower count.

Purchase and Beyond
-Provide a commerce experience on your Facebook Page.
-Ask your fans for referrals and track them.
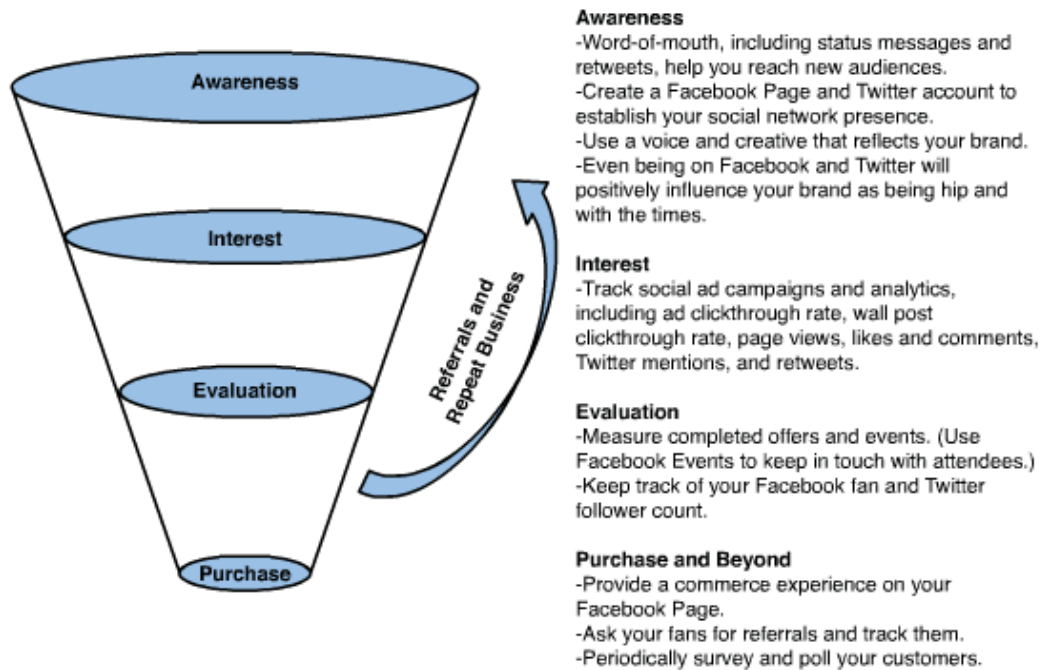-Periodically survey and poll your customers.

Figure 5. You can use social networking sites across the funnel. Shih, 2010, p. 110.

Shih has developed a model for Facebook marketing (Figure 5) to help understand how to use this communication channel. This model emphasizes on the importance of word-of-mouth to create awareness of the brand and reach new customers. By measuring different web-traffic factors and follow up comments, the marketer can evaluate how well the marketing communication is working. It is easy to track how many users that have clicked on a specific link or offer. This information will help marketers to investigate the popularity among different products and what engage the most people, at which weekday, how the message is composed etc. Shih also emphasizes on the importance of periodically survey the Facebook users to receive valuable feedback of what the customer want to change. She also states that the user should be giving a commerce experience by visiting the page, by providing offers and news about products (Shih, 2010).

> *"Facebook advertising doesn't feel like advertising because it comes from your friends."*
> —Tim Kendall, director of monetization at Facebook. Shih (2010).

Larry Weber (2009) has developed seven steps that will lead to successful marketing on the social web. He states that a "build it and they will come" approach is not working when creating a successful social media communication. Marketers need to build a solid foundation and get a dialogue going in order to gain benefits from social media and Facebook marketing.

The first of the seven steps is observation. In order to create successful social media marketing, marketers need to observe the most influential pages on the Social web. They need to observe businesses that have succeeded with their marketing and see the relevant content they have provided and how the customers behave on the site. Marketers need to know what the consumers are saying about their brand and their competitors. What brands are generating most buzz and what are engaging the consumers. It is important that the marketers adapt their language after the target audience and their areas of interests. Further in this step the company needs to develop a marketing- or business goal with Facebook marketing. The business goal needs to be in line with the marketing communication and the target audience. Whose point of view is most relevant to the company? The more precise the target group is the more effective will the marketing be.

Recruit. In order to create a community with engaged users, marketers need to attract a core group who is engrossed to talk about products, news, and future of the company. This step is based on the first step, marketer's needs to know which group to target. Almost 75 % of the people spending time online say that friends and family are the primary influencers on purchase decisions, and 63 % consider reviews and comparisons from other consumers as relevant as experts. 20 % of consumers say that they have changed their purchase decision after reading online. By these numbers in consideration, buzz or word-of-mouth is a very important factor in buying decisions and a social media channel can encourage people to make the right decisions. Recruiting the engaged persons that write positive about the company will reduce buyers' uncertainty in decision making.

Evaluate platforms. Marketers need to choose the best platform(s) for the marketing goal and business goal. This can be based on several different factors, for example; is the audience more interested in listening than reading? Are they interested in visual effects, or to comment and contribute? Do they have a lot of questions? Who do you want to reach? What do you want to say to them? Marketers need to have a clear view of what they want to do with their Facebook channel before they launch it to the public. As said before, the "build it, and they will come" approach does not apply in the social web.

The fourth step is engagement. Engage the users in conversation. Engagement is all about content. Marketers need to know how to build relevant content that will attract people to the channel, engage them to talk and respond. It needs to be a great mix between user-generated and enterprise-generated content. Here is where the dialogue start going. Com-

panies need to converse with the customers in the same way they do. Uploading the latest CEO speech will not lead to a great number of views, or inform about how much the stock price has risen will fairly attract many customers. Branding in social media is about dialogue and conversations. The more the customers are involved in the dialogue, the more they get involved in the brand. What customers and potential customers converse about is deeply connected to the company's reputation and position as a brand in the social media world. That is why companies have to be part of the dialogue, no matter what brand you market.

Measure. Marketers need to measure the effect of the Facebook marketing. Weber (2009) suggest that companies should aim for objectives regarding; attracting new customers, improving customer retention, improving channel relationships, building market share and brand awareness. He also states that financial objectives as boosting sales from specific products or services and improving marketing ROI are valuable. It is important to know what to measure before starting the campaign. The measures must take into account the users experience which is the most important objective when creating a Facebook page. Regarding the objective with the marketing communication, different measurements should be taken into consideration. Figure 6 will state important measurements using Facebook marketing according to Weber.

Influence on the Media	Influence on Your Target Audience	Influence on Your Business
• Visits/views • Unique visitors • Pages viewed • Volume of reviews, comments • Navigation paths • Links • Files embedded	• Sentiment of reviews, comments • Brand affinity • Commenter authority, influence • Time spent • Favorites, friends, fans • Viral forwards • Number of downloads • Opinions expressed • Membership	• Sales inquiries • New business • Customer satisfaction, loyalty • Marketing efficiency • Risk reduction
How compiled : Free tools: Google Analytics, Site Meter, Technorati, Yahoo! Search Management	**How Compiled :** Social media platform metrics Social media analysis tools	**How compiled :** Surveys Market mix modeling

Figure 6. Success Metrics when marketing the Social Web. (Weber, 2009, p. 118).

The sixth step is promotion. Marketers need to promote the Facebook page; this can be done by traditional advertising or direct marketing. These efforts should be focused on

sending users to your channel to be informed, entertained and heard. Large companies as Heinz, General Motors and MasterCard have invited customers to post their own commercials on the web. By running these user-generated commercials, millions of people have got engaged with their brand, and generated a large amount of likes on Facebook. Heinz also let the users decide who was going to win the contest by voting online. It was an excellent way to both entertain and engage people with Heinz brand.

The seventh and last step is improvement. Marketing on the social web is a journey not a destination. Since the working environment for eCommerce retailers is highly dynamic, the content and the page need to be continuously improved in order to make existing customers stay and prospective customers attracted. Weber (2009) states, on page 143, that "… as soon as your website goes live, it's time to improve it". This summarizes the constant work that need to be done in order to attract customers. Peter Ericson, CEO of the Complete Website claims that businesses should think of their online presence as relationship building. The first impression is very important and the customer will formulate his opinion as he visits the website or Facebook page. Good first impression is the start of establishing a relationship.

There are several companies that have used Facebook page marketing successfully. See their Facebook page in appendix, figure 7. The American company Blendtec is one of those. Blendtec produce blenders and sell their products both online on their homepage and via different stores. They have created a successful online marketing campaign named "Will it blend?". The campaigns goal is to demonstrate Blendtecs products strengths and quality by blending spectacular products. Blendtecs CEO mixes unexpected products as an iPhone, umbrellas and other goods that viewer's not expect to be blended. This has been a huge success on Youtube, and most of the videos have over 60 million views. Blendtec have integrated the marketing campaign with their homepage and Facebook page which have resulted in a very active Facebook channel with highly engaged visitors. Blendtec are working actively on Facebook and answer most of the comments in the same hour as it has been posted. The users can participate in the "Will it blend?" campaign by recommend different products that should be blended. The marketing campaign has resulted in a 500 % increase in sales under the first year and has been a remarkable success to the company (Weber, 2009). Dell, the home-electronic company with half million "likes" on Facebook are currently providing customer service on their Facebook page, see figure 8. They have

also enabled features as "News from Dell" and show the possibilities with Facebook as a marketing channel and customer service.

3.7 Web traffic measurements

Web traffic is the amount of data sent- and received by visitors to a web site. It is determined by the numbers of visitors and the number of pages they visit (Hanson, 2000). The gathered user data help structure the website in many areas, i.e. elucidate the users' behavior, highlight security problems and see upcoming trends. In order to be able to gather all the data from the visitors, web analytics is needed. Web analytics associations (2011) states that web analytics is the measurement, collection, analysis and reporting of internet data. Further it refers to the measurement of useful data for optimizing the website for a business purpose. This can help to structure successful internet marketing, clarify bounce rate, clickthrough rate and users time on website (Hanson, 2000).

Bounce rate is a common measure when it comes to web traffic. Bounce occurs when a visitor only views a single page on the website and then leaves from the website. There is no standard time by which a visitor must leave in order to be bounced. This is up to the web analytical software to determine what is seen as a bounce or not. The bounce rate can be calculated as the total numbers of visitors viewing only one page / total numbers of visitors. This will henceforth lead to a percentage number that is the bounce rate. This can help determine the effectiveness or performance of an entry page, where a low percentage is seen as a positive number. (Leckenby *et al.* 2004). Google Analytics specialist Avinash Kaushik has stated: "*My own personal observation is that it is really hard to get a bounce rate under 20%, anything over 35% is cause for concern, 50% (above) is worrying. I stress that this is my personal analysis…*" (Avinash Kaushik 2007). Having a high bounce rate is not necessary a measure of poor performance. There are sites where an objective can be reached without having to show more than a single page and in that case bounce rate is not an applicable measure.

Clickthrough rate (CTR) is another popular measurement on how successful an online advertising campaign is. CTR is the number of clicks an ad or sponsored link receives divided by the number of times the banner is showed (Reedy *et al.* 2000). By using CTR marketers can distinguish how different ads design and layout affect the number of clicks. The increased number of ads on internet has lead to decreasing numbers in CTR. The average CTR in the 90:s was about 3 %, where in 2003 the numbers were significantly lower, about 0.3 %. Personalized, unusual format and protruding ads generally have higher CTR than

standard ads, however overly pushy and intrusive ads are more often avoided and have less CTR. Choosing the right site for the advertising is important in terms of CTR. A DVD-ad will most likely have higher CTR on a movie forum site than on a newspaper site for instance (Leckenby & Li, 2004).

The time the visitor spends on the page is an important measure to conclude how interesting the website is for the visitor. Having loyal customer that spends a large amount of time on the site will increase the probability that the customer purchase a product. Marketing on websites where visitors spend a larger amount of time is more attractive and will increase the impact of the advertising.

3.8   Homophily

Studies have demonstrated that when sender and receiver resembles, the communication become much more effective (Reingen 1987), i.e. that the communication will result in an change of knowledge, attitude or behavior of the receiver. McCroskey *et al.* (1974) argues that Homophily is a multi-dimensioned measure and can be divided into a number of different dimensions, e.g. background and attitude. I.e. when sender and receiver has similar backgrounds and share mutual beliefs, attitudes the communication will likely be more effective (Rogers *et al.* 2001). How the degree of homophily values in an online-environment differ from an offline-environment. In the last mentioned, the degree of homophily is based on variables as gender, age, ethnicity and social and professional status, where in an online environment these variables can be filtered, removed, reduced, camouflaged or even be inauthentic. Brown *et al.* (2007) argues that in an online context the content, the text, instead of the person that sends out the information is the important factor. Their study shows that the feeling of belongingness for the members was more affected by that the information was in their area of interest rather than the character of the members in the group. This will show that the publishing approach is important in order to attract users. Since studies (Carlsson, 2009 & Urban, 2005) has demonstrated that a clear sales approach no longer works, we believe that a clear sales approach will appeal to recipients' interests to a smaller extent. The receiver will thus have difficulties to identify himself with the sender when the posts have a clear sales approach and will therefore experience a lower degree of Homophily. An explicit sender with photo and name gives personality to the sender, which according to Ström (2010) is of positive character when it leads to more successful communication. The impersonation of the sender gives the receiver an opportunity to evaluate the sender's character, which can lead to that the receiver can more easily identify himself

with the sender. We argue, therefore, that an explicit sender should lead to higher perceived Homophily.

3.9 Trust on Internet

The dimension, propensity to trust, refers to a reduced perceived risk experienced by customers (Humphrey *et al.* 1998). This is important for online retailers to have in mind when constructing eCommerce sites and when integrating webshops with Facebook. To have a service with high level of satisfaction will increase the probability of a transaction being made (Pavlou *et al.* 2001 & Rutter, 2000). Customers with a high propensity to trust are more likely to perceive the risk lower and have more trust in online transactions (Ba, 2001).

Another dimension of trust is confidence (Moorman *et al.* 1993; Morgan *et al.* 1994 & Deutsch, 1960). Perspective customers confidence are depending on retailers reputation, this can be defined by quality or character in how people previously has judged the retailer (Malaga, 2001). The reputation also depends on how the retailer has been judge by a third part (Egger, 2000).

In Role of electronic trust in online retailing, Avinandan Mukherjee and Prithwiraj Nath has discovered 5 antecedents' to trust through their research in 2007.

(1) shared values;

(2) communication;

(3) opportunistic behaviour;

(4) privacy; and (5) security.

In this thesis we find it relevant to explain shared values, communication and opportunistic behavior since those are more related to our topic than privacy and security.

Shared values refer to when more than one person has beliefs about behaviors, goals and/or policies in common with others. A key aspect of shared values is ethics, and business ethics for retailers are important to increase trust for the retailer (Morgan and Hunt, 1994). Examples can be that customers are able to unsubscribe to email lists or preventing specific age groups (often younger) to not receive content that's not suitable for them.

Communication can be considered as a multidimensional construct with key aspect as; openness, quality of information and quality of response (Mukherjee *et al.* 2007). Openness

builds trust and refers to good business morality (Huemer, 1998). In what extent a retailer can handle their social communication in terms of openness, source credibility, response time, relevance of information, quality of information and range of feedback systems are important for building relationship and trust. Automatic systems that control communication in this areas are seen as critical for building online customer trust (Mukherjee *et al*. 2007).

Opportunistic behavior is defined as self interest with guile (Williamson, 1975). According to research made by Mukherjee and Nath opportunistic behavior are conceptualized as the extent of violation of rules and information distortion. The online retailers' integrity and the likelihood for violation of rules are the major factors for customer trust in online shopping. There is uncertainty about if online retailers' products meet the requirements, condition and if the products will be delivered. Therefore, the integrity of the online retailer is important due to conditions to gain trust in online activities (Mukherjee *et al*. 2007).

Based on research (Mukherjee *et al*. 2007);

> There is a positive relationship between trust and relationship commitment.
>
> There is a positive relation between shared values and trust.
>
> There is a negative relationship between opportunistic behavior and trust.

For online retailers the presences in online communities are valuable resources to improve quality. This is made by providing reviews, tips and buying advice. Existing and non existing customers are able to discuss, interact and share information about the product and/or the online retailer. The retailer is able to give respondents and feedback in this forum and that act will encourage the development of trust for the online retailer. The research study reinforces the important of trust as a key driver to developing online customer relationships (Mukherjee *et al*. 2007).
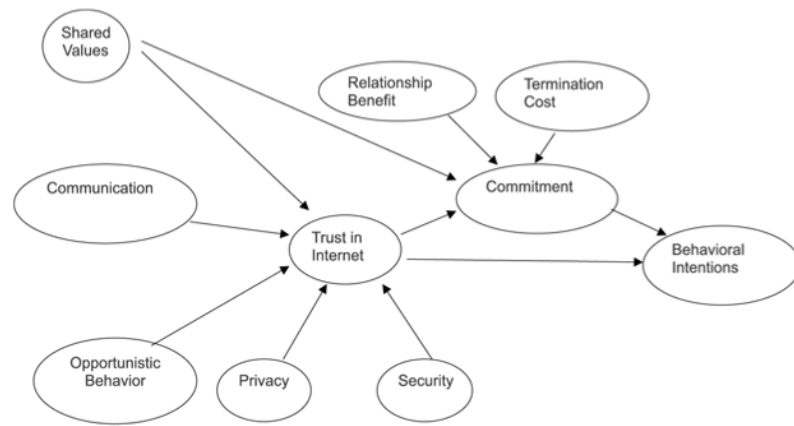
Figure 9. Role of electronic trust in retailing. (Mukherjee *et al.* 2007).

3.10 Risks with social media

According to ISACA (2010) there are many tangible benefits for using social media for business purpose such as increase of sales, brand recognition, consumer satisfaction and revenue. Feedback and insights from customers provides mechanism for executives to assess consumer opinion and use this information to improve products, customer service and perception. Companies should consider risks vs. benefits when constructing their social media strategy according to ISACA. Companies should consider risks of using social media as a marketing tool to communicate with customers. The use of social media demands communication that needs to be monitored and managed. Staffing and training may be of significant importance when developing strategy for social media marketing. Borges (2009) argues that the staff must embrace social media. If they are resistant or view social media as an inadequate platform it could undermine your social media strategy. Organizations need to assess if the current staff has what it takes to engage in social media according to the culture it requires. Social media are often introduced to organizations without any project plan or risk assessment. The importance of strategy in social media marketing is important in order to address the risks that accompany the technology. While the use of social media does have inherent risks that could negatively impact organization security, it also presents opportunities such as accelerated business growth and improved brand recognition. Therefore, simply choosing to prohibit the use of social media can also incur an opportunity cost based on forgoing these potential business benefits.

According to Borges (2009), there is a risk of entering social media for companies without any objectives and strategy. He further argues that the organization can expect limited or not sufficient result without strategy, measurement or objectives. Depending on the goals

with social media, a company can have different approaches. The strategy should align the social media strategy with the current circumstances in your business. In social media there is a limited amount of control of information according to Borges (2009). He argues that it is possible to build reputation among social media but impossible to control it. A continually work with brand promises and to make sure that every employee is aware of them. Social media is an ongoing process and therefore he argues that it is important to be active in this medium to not loose reputation.

3.11 Summary of Theoretical Framework

Marketing strategy is a process that allows an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage (Baker, 2008). Most marketing strategies are developed as long term plans over many years but the time horizon becomes shorter if the retailer operates in a very dynamic environment (Aaker, 2007). Lynch (2000) has divided strategies into two different models, prescriptive and emergent model. Emergent strategy models are less strict and more chaotic and appear to be more appropriate for eCommerce retailers according to Lynch.

Relationship marketing (RM) recognizes the long term value of having loyal customers. Morgan and Hunt (1994) define RM as "establishing, developing and maintaining successful relational exchanges". The whole concept has its origins in profitability, where a small part of the customer has a great impact on a company's profit. The pareto principle argues that 20% of the customers stand for 80% of the profit.

Integrated marketing communication (IMC) can help marketers create coordinated and consistent messages across all marketing channels. It can be described as convey the same marketing message on all channels simultaneously. Companies that actively use IMC will avoid discrepancy and by avoiding this, the customer will trust more in what the company is communicating (McGrath, 2005).

Web 2.0 refers to an evolution of internet to a more interactive medium where communication and interaction is in focus. Hübinette claims that web 2.0 has contributed to a more democratic web where individuals can reach out to a broad mass, often without having to invest economically. Web 2.0 has enabled a collective intelligence at web-scale level where everyone can contribute, e.g. Wikipedia. Social media is another important part of the web 2.0 concept. It is media for social interaction that allows the creation and exchange of user-generated content. It is relatively inexpensive and accessible to make any individual publish

or access information compared to traditional media. Social networks is a type of social media where users can create their own profile and share information with each other. Facebook is the world's largest social network with over 600 million users.

Many eCommerce retailers utilize Facebook as a marketing channel. Retailers can sign up on Facebook using their service "Pages" which enable retailers to send out messages to the users that have "liked" their page. A page is basically a profile page for organizations where they can share photos, videos and information with the public. Larry Weber has developed seven steps that will lead to successful marketing on the social web. He states that a "build it and they will come" approach is not applicable to create successful social media communication and marketers need to build a solid foundation and get a dialogue going to gain benefits from social media and Facebook marketing.

Web traffic is the amount of data sent- and received by visitors to a web site. There are several different measurements to determine how successful or attractive a website is. The most common measurements are bounce rate, Click through rate and time spent on site. These different measurements are important when analyzing online advertising and Facebook ads. By analyzing the different measurements one can see how well an advertising campaign has attracted visitors and further their behavior online.

Trust on Internet refers to dimensions as propensity to trust and confidence. Propensity of trust is reduced perceived risk experienced by customers (Humphrey *et al*. 1998). Customers with a high propensity of trust are more likely to perceive risk lower and have more trust in online transactions. The level of confidence for a retailer is depending on reputation, quality or how people have judged the retailer. Another aspect of trust on internet is opportunistic behavior which is conceptualized as the extent of violation of rules and information distortion.

There are many tangible benefits for using social media for business purpose such as increase of sales, brand recognition, consumer satisfaction and revenue. Companies should consider risks vs. benefits when constructing their social media strategy. Staffing and training may be of significant importance when developing strategy for social media marketing. There is a risk of entering social media for companies without any objectives and strategy and an organization can expect limited or not sufficient result without strategy, measurement or objectives. Social media is an ongoing process and therefore he argues that it is important to be active in this medium to not loose reputation.

4 Results

In this section the results from our interviews will be declared. The presentation of our result will be structured in the same order as the interviews. The questions in divided into eight themes regarding Facebook page marketing; introduction, purpose, marketing, publishing approach, budget, measurement, objectives and experience. All of the respondents' answers will be presented under each part in a table in order to get a clear overview of differences and similarities between them. We will start by giving the reader a quick description of each of the retailers we interviewed. This will help the reader to obtain a more comprehended picture of the retailers and their background.

Billigteknik is a relatively new actor in the eCommerce business who started 2007 in Lund. They are selling laptops, computers and computer accessories. Billigteknik wants to give their customers a superior service and are constantly striving to deliver the cheapest possible price. The company has made a strong progression with an increase from 17.9 to 28.3 million in turnover from 2009 to 2010.

ClickOk is a trading company who started in 2006, selling computers, office items, mobile phones, televisions, computer screens and household appliance. They have a wide variety of products and are working hard to reduce prices by having automated systems that will keep the personnel cost low. ClickOK's business idea is to offer the latest products to a reasonable price and give each customer the best possible service in form of support and solutions that suit each user.

DataPryl is an eCommerce retailer started in Landskrona 1995. They are providers of computers and accessories, printers, mobile phones and computer games. Likewise with other retailers DataPryl strive to provide excellent service and products within a reasonable price range.

Indomo Online is a small actor in the eCommerce business with 4.1 million in turnover. They have experienced a substantial increase from 1.2 million the year before. By observing users opinions about Indomo Online on Prisjakt, customers seem to be very pleased with both their service and their products. They have high ratings of 9.64/10 with over 300 votes. Indomo Online sells computer, computer components and accessories. They started in 2008 and are also a relatively new actor on the arena.

Inwarehouse is one of Sweden largest eCommerce retailers selling computers and home-electronics. They are in the same corporate group as Komplett since 2007, a group with a

turnover of 3.8 billion kronor. Inwarehouse want to provide competitive prices to a wide product assortment, and attractive offerings and campaigns. They provide the Nordic region's largest stock of products.

Misco is Sweden's most beneficiate retailer selling computers and accessories on distance. Already in 1978 the first catalogue that enabled customers to buy computers on distance was announced to the public and Misco has continuously developed their business since then. Today Misco has a turn-over of 228 million kronor and an assortment of 140 000 products. Misco is seated in Lidköping and provides computers, computer software, computer accessories and consumption articles to customers all over Sweden.

4.1   Introduction

Five out of six of the respondents were using at least two social media channels and everyone was using Facebook. None of the retailers had any other social media channels in common despite from Facebook. Most companies have been using Facebook less than one year and the majority of the retailers have 300 or less likes. The argument for why they started using Facebook is of different opinions. Billigteknik states that all PR is good PR and Inwarehouse, who is part of the same corporate group as Komplett.se, started with Facebook since Komplett.se had experienced great benefits from using Facebook. Misco believed that Facebook was a good place for existing customers to be informed about news and new products.

"Vi ligger i koncern med bland annat komplett.se. Komplett har haft väldigt stor framgång på Facebook.

Vi ville vara med på det som Komplett har lyckats med"

Nidde Nedelius – Marketing communications, Inwarehouse

Retailer	Likes	Facebook since	Social media presence
Billigteknik	300	Dec 2010	Facebook. Twitter.
ClickOK	190	Nov 2010	Facebook. Price comparison sites.
Datapryl	250	Feb 2011	Facebook. MSN. Blocket.
Indomo Online	290	May 2009	Facebook.
Inwarehouse	5 750	Dec 2010	Facebook. YouTube. Blogger. Flickr. LinkedIn.
Misco	800	Dec 2010	Facebook. Forum.

Table 2. Social media usage.

4.2 Purpose of Facebook usage

The purpose of companies' presence on Facebook is of different opinions and beliefs. However most of the retailers utilize Facebook as a promotion channel for new products and campaigns. Only Billigteknik and ClickOK use the medium for customer service, however both Indomo Online and Misco will implement this service later on.

> *Nelly Ljunggren, Billigteknik about the purpose of their Facebook page:*
> *"Samlingställe för våra kunder där det kan pågå saker och ta del av nyheter."*
> Nelly Ljunggren – Customer service/Facebook responsible, Billigteknik

Misco states that it is really important to take the time to answer all of the customers' questions and opinions when they introduce customer service and discussion on their Facebook page, otherwise the reputation of the organization may be suffering. Misco further claims that it is no idea of using social media unless you are social.

> *"Att ha ett ställe att dels lägga ut våra befintliga reklam kampanjer på och att faktiskt kunna ta ett steg framåt sen och faktiskt göra något stort av det. Det kommer nog att accelerera ganska snart det här. [...] Folk som är med kan få lite rabatter som fungerar, i övrigt får det vara som en säljkanal som vilken som helst, i framtiden kommer de gå att köpa produkter där."*
> Jonas Dahlborg – Marketing manager, Misco

Inwarehouse has previously used Facebook as a channel for product promotion, but will provide unique content that is only available on Facebook in the near future. This will include special offerings and realizations that are only available on Facebook, linked to Inwarehouse webshop in order to get reduced price. They believe this will help them to increase the traffic from Facebook to their webshop.

"Tidigare har det varit att promota de erbjudandena vi har, men i den här omstruktureringen hoppas vi på

att erbjuda lite mera unikt innehåll och sånt som vi bara kommer att ha på Facebook."

Nidde Nedelius – Marketing communications, Inwarehouse

Four of the retailers have changed their purpose with their Facebook presence since the start, even though most of the retailers have been using Facebook for only half a year. Table 3 summarizes the different purposes the retailers have when using Facebook.

Jonas Axman and Johan Hedqvist about why their organizations introduced Facebook:

"Alla har det samt att det var gratis"

Jonas Axman – Consultant and service manager, Datapryl

"Det var nåt man skulle ha, men sen har vi blivit att vi anväder de mer

aktivt på ett vettigt sätt. [...] Mest markandsföring just nu, vi har mycket planer på va vi vill göra

framöver men nu är det mest markandsföring av produkter som finns och lite kundservice också."

Johan Hedqvist – Marketing manager, Indomo Online

Retailer	In what purpose are you using Facebook?	Has the purpose changed over time?
Billigteknik	Campaigns. Customer service. Community.	No.
ClickOK	Campaigns. Marketing of products. Customer service.	No.
Datapryl	Get more customers. Strengthen brand.	Yes.
Indomo Online	Marketing of brand.	Yes.
Inwarehouse	Promote products and offers.	Yes.
Misco	Information. Campaigns.	Yes.

Table 3. Purpose of Facebook page.

4.3 Marketing

None of the respondents had any specified target audience in terms of demo- or psychographic. Most of the respondents had the approach that the consumers who are interested or favor the company will follow them on Facebook and did not want to specify the target audience further. None of the respondents had an elaborated business model for Facebook marketing, even though Indomo Online, Inwarehouse and Misco is currently constructing more defined guidelines on how to use social media.

Indomo Online want to have a Facebook channel directed more towards customer service and less on marketing of products. They want to increase their awareness of the brand by letting the customers engage in different activities on their Facebook page, example participate in competitions or playing games. Inwarehouse are testing different directions in order to see how the customers response and by that create their own model of how to work with Facebook marketing. Misco has worked more in the same direction as Inwarehouse with a more experimental approach.

Nidde Nedelius, Inwarehouse about advertisement for their Facebook page:
"Vi har valt att inte göra det på grund av att vi vill att det ska komma naturligt, vi vill att det ska spridas naturligt på de sociala media sättet, vi vill inte lägga upp annonser för vår Facebook sida."
Nidde Nedelius – Marketing communications, Inwarehouse

Misco have been using discount codes on their page to determine how people react and how popular it is. Otherwise they use it as an ordinary sales channel. Misco will enable the customers to purchase product through Facebook in the future, but has no time and personnel for that at the moment. Only two of the respondents use Facebook ads to promote their Facebook page. Indomo Online are currently promoting their webshop with Facebook ads and want to expand to promote both their webshop and Facebook page in the future. All of the respondents have integrated Facebook with their existing marketing channels. The most common way is to integrate Facebook into newsletters and e-mails to subscribers. All of the respondents have a "Like" button on their homepage linked to their Facebook page. Half of the companies also use Facebook plugins that allow them to have a "like" button on each of their products on their webshop. Datapryl who does not use plugins will introduce this soon.

Table 4 below will give a comprehend overview of the respondents answers regarding Facebook marketing.

Retailer	Q1	Q2	Q3	Q4	Q5
Billigteknik	No.	No.	No.	Yes.	Yes.
ClickOK	No.	No.	Yes.	No.	No.
Datapryl	No.	No.	No.	Yes.	No but will integrate soon.
Indomo Online	Yes.	No. Under development.	No.	Yes.	Yes.
Inwarehouse	No.	No. Under development.	No.	Yes.	No.
Misco	No.	No.	No.	Yes.	Yes.

Q1: Do you have any target audience for your Facebook marketing?

Q2: Do you use any business model for your Facebook marketing?

Q3: Do you promote your Facebook page with Facebook ads?

Q4: Have you integrated Facebook with your existing marketing?

Q5: Do you use Facebook plugins with your eCommerce site?

Table 4. Facebook marketing.

4.4   Publishing approach

All of the respondents have one or two employees who are responsible to publish information on Facebook. The most common is that the marketing- or communication manager is the publisher. Most of the respondents do not have any routines when publishing information on Facebook. Inwarehouse is developing routines and a user guide on how to work with social media. Datapryl has set up a goal to post one message every day and answer questions from the customers.

> *Jonas Axman, Datapryl concerning routines of publishing information:*
> *"Att mins en gång om dagen göra uppdateringar samt svara på inlägg"*
> Jonas Axman – Consultant and service manager, Datapryl

Misco also has developed similar routines where they post messages each Tuesday and Thursday. Only one of the respondents is using a private person as signature of the published posts. The other retailers sign with company name instead of a personal name. Misco will use a personal signature when they start investing more time and money in Facebook.

Jonas Dahlborg concerning the publisher of the information on Facebook:

"Jag eller vår webmaster. Vi tillsammans tittar på vad som läggs ut där och vi kommer att, vi har diskuterat väldigt mycket, vilken typ av information som ska hitta dit ut. [...] När vi börjar svara på frågor och sådär kommer vi att använda egna namn för vi är inte riktigt förtjust i att gömma sig bakom en avatar."

Jonas Dahlborg – Marketing manager, Misco

Misco will further use a more "geeky" but laid-back approach when publishing posts with offerings regarding high-tech product for tech-savvy customers. He further states that it is no benefit to be pompous when using social media. All of the respondents have a personal approach when publishing their information. DataPryl want to be simple and personal. Everyone should feel welcome and relaxed, same approach as Inwarehouse are using.

"Lite mer avslappnad inte 100% så vi försöker hålla en kompis nivå men däremot är det inte kostym och slips som gäller, det är faktiskt människor vi håller på att konversera med."

Nidde Nedelius – Marketing communications, Inwarehouse

All of the respondents follows up comments and published information in some extent. The largest issue is lack of time. Many of the respondents strive to be better at answering questions, but it is time consuming and are not top priority. Inwarehouse prioritize if customers asking if a certain product is in stock, but likewise with the other respondents, not all can be answered due to shortage of time. Indomo Online answer all the customers' question, but states that it has not been so much to take care of yet. The question about how the respondents manage negative opinions by users, the answers were of different characters. BilligTeknik is honest and sincere, they do not try to cover up when they make mistakes but rather deal and learn from it. Datapryl has a similar approach where they try to make mistake into something positive. If there are obvious lies or mongering they will remove it. ClickOK try to answer all negative comments and remove what is inadequate mongering or inappropriate.

"Försöker besvara, olämpliga omdömen tas bort."

Anton Nabin - Purchaser and marketing manager, ClickOK

Inwarehouse do not try to be defensive but rather answer the question and make the customer satisfied. The most common negative opinions on Inwarehouse page are about shipping costs and packages that have been broken during shipping.

Table 5 below will show a quick overview of the respondents' answers regarding their publishing approach.

Retailer	Q1	Q2	Q3	Q4	Q5	Q6
Billigteknik	Customer service.	No.	Yes.	Personal.	Yes.	Honestly.
ClickOK	Purchaser.	No.	No.	-	Sometimes.	Trying to answer, inadequate appreciation removed.
Datapryl	Owner and one employee.	Yes.	No.	Personal and simplicity.	In some extent.	Try to solve it and make it into something positive.
Indomo Online	Marketing manager.	No.	No.	No.	Yes.	Does not exist.
Inwarehouse	Social media manager.	Yes.	No.	Relaxed.	Yes, in specific cases.	Declare information.
Misco	Marketing manager or/and webmaster.	Yes.	No.	Personal, a more geeky approach.	No.	Do not allow comments.

Q1: Who is responsible for publishing information on Facebook?

Q2: Do you have any routines when you publish information on Facebook?

Q3: Do you have a private person as signature of the published message?

Q4: Do you have any specific approach when composing your message?

Q5: Do you follow-up your published information?

Q6: How do you manage negative opinions by users?

Table. 5. Publishing approach.

4.5 Budget

Billigteknik and ClickOK are both aware of how much their Facebook marketing costs, where the other respondents do not have a clear picture more than the time spent on Facebook is a personnel cost.

Nelly Ljunggren, Billigteknik concerning Facebook budget:
"Ja det är vi! det är mycket men... men jo det är vi. Vi har koll på det. Det går ju dagligen. Vi har en

Most of the respondents have a budget for Facebook marketing, but it is not a large post and it does rarely consist of costs beyond employees operating time. Misco plan to increase their budget from 5000 to 15000 kronor each month in the next 2 months, which is part of their investment plan for making their Facebook page more user friendly and customer service oriented. It is still a small part of their marketing budget which consist of 200 000 kronor each month. There is a thoroughgoing positive trend of the respondents to increase their Facebook marketing budget. Inwarehouse has likewise with Misco plans to invest more time and money as a result of their investment plan in their Facebook page.

"Vi lägger inga direkta pengar på det så, de vi lägger är arbetstid."

Nidde Nedelius – Marketing communications, Inwarehouse

Retailer	Q1	Q2	Q3
Billigteknik	Yes.	Yes.	Increase.
ClickOK	Yes.	Yes.	No.
Datapryl	No, do not spend any money	No	Maybe increase the budget in the future
Indomo Online	No.	Only for Facebook ads.	Probably increase.
Inwarehouse	No.	Yes.	Increase.
Misco	Yes	Yes.	Increase.

Q1: Are you aware of what Facebook usage cost you?

Q2: Do you have a budget for your Facebook marketing?

Q3: Plans to increase/decrease budget?

Table 6. Budget concerning Facebook.

4.6 Measurement

As was mentioned in the method, most of the respondents were not able or unwilling to answer questions regarding measurement of web traffic from Facebook. Even though we find the data we collected interesting and want to declare this in our result.

All of the respondents that were willing to answer did not have a large amount of visitors coming from Facebook to their webshop. ClickOK had about 1500 users coming each

month from Facebook and Misco about 1200. This is a very small amount of web traffic when consider that Misco has around 10.000 unique visitors every day on their webshop. Indomo and Inwarehouse was not either satisfied with the generated traffic.

> *"Det är inte så mycket fakrtiskt, jag tror inte folk går den vägen."*
> Johan Hedqvist – Marketing manager, Indomo Online

About 8-10 % of the visitors coming from reference sites were from Facebook according to Nidde Nedelius at Inwarehouse, and that is less than appreciated. Users coming from Facebook has lower bounce rate than from other channels states Inwarehouse and Misco. Where other channels often have bounce rates between 80-90%, the bounce rate from Facebook users is significantly lower, 46 % referring to Misco's statistics.

> *"I verkligheten är det så att man är ute efter att spara pengar på sin markandsföring, jag har tittat på ett par olika mätvärden. Jag ha tittat på cost of action, eller cost of order, hur mkt pengar lägge jag innan jag får in min första order."*
> Jonas Dahlborg – Marketing manager, Misco

The time users spend on the website is longer than users coming from organic traffic. Misco's average user coming from Facebook spends about 7 minutes before leaving. Inwarehouse have had most traffic coming from competitions, offerings and realizations. The majority of the respondents did not measure the positive effects of their Facebook marketing. Inwarehouse measured the numbers of fans each week and use analytics to reveal how many users that have clicked on offerings and competitions links. Misco works in a similar way but also uses cost-of-order and cost-per-action to determine how cost-effective the marketing is. Both Inwarehouse and Misco's Facebook marketing has generated income in forms of offerings and discount codes.

Nidde Nedelius, Inwarehouse about how they measure the impact of Facebook marketing:

> *"Vi mäter det i hur många fans vi har från till vecka, hur trafiken från Facebook har varit vecka från vecka och hur försäljningen har varit via Facebook genererad trafik vecka från vecka."*
> Nidde Nedelius – Marketing communications, Inwarehouse

Misco futher claims that not many users come from Facebook and it is not an effective marketing channel today, it takes a lot of time and demand investments in order to be effective.

Table 7 will summarize the respondents' answers.

Retailer	Q1	Q2	Q3
Billigteknik	-	-	-
ClickOK	About 1500 visitors	No.	-
Datapryl	-	-	-
Indomo Online	-	-	-
Inwarehouse	-	Yes.	Offers.
Misco	About 1200 visitors	Lower bounce rate. Longer visits	-

Q1: How much web-traffic comes from Facebook in a month on average?

Q2: Can you see any difference in behavior for visitors coming from Facebook instead of organic traffic concerning: bounce rate, pages/visitor, and length of visit?

Q3: How can your Facebook page generate income?

Table 7. Measurements of webtraffic.

4.7 Objectives

The majority of the respondents want to market their brand and increase their brand awareness by using Facebook. BilligTeknik and Inwarehouse want to increase their fan base, where Inwarehouse have a goal of increasing their fan base with 50 % and reach top 50 in fblistan.se, a site listing Facebook pages with the most fans.

Nelly Ljunggren, Billigteknik about short-term objectives:

"Alltså vår Facebook sida har vi inte satt upp för att tjäna pengar på det. Kortsiktiga mål är att få fler fans."

Nelly Ljunggren – Customer service/Facebook responsible, Billigteknik

Indomo Online want to create engagement among their customers with competitions and interesting material that will hopefully lead to a higher degree of activity on their page. ClickOK hope that Facebook will generate more loyal customers in the long-run, the same goal as Billigteknik who wants to create commitment among their customers. Datapryl will create a more interactive Facebook page with movie clips and more user-friendly content in the long-run. Misco has a more skeptical view on Facebook marketing. They see Facebook as a marketing channel where they can save money without having to invest in advertising. Misco further claims that it is hard to set up long-term goals since Facebook's future is very uncertain. There is a risk that it will cost to utilize Facebook in the future since many of the large corporations start allocating their customer service and webshop into Facebook.

"Kortsiktigt så handlar det om att spara pengar, få in mer kunder till shopen till slut för så små pengar som möjligt med andra ord måste man ha bra erbjudanden även där då. [...] Långsiktiga mål är lite svårare vi vet ännu inte vad Facebook kommer ta vägen och det vet ju ingen. Man kan ju inte riktigt lägga sin själ i Facebook då som företag därför att Facebook kan ju från en dag til den andra bestämma sig för att nu kostar det för företag att vara med."

Jonas Dahlborg – Marketing manager, Misco

Retailer	Q1	Q2
Billigteknik	Focus on more fans.	More active users.
ClickOK	Marketing of brand.	Get more loyal customers.
Datapryl	Tell customers about us and where we are located.	Release movie clips and ads.
Indomo Online	More activity on Facebook page.	-
Inwarehouse	In 2011 increase fans with 50% with new strategy.	Top 50 in fblistan.se.
Misco	Save money for advertising. Increase sales.	Customer service.

Q1: What are your short-term objectives regarding your Facebook marketing?

Q2: What are your long-term objectives regarding your Facebook marketing?

Table 8. Objectives with Facebook usage.

4.8 Experience

All of the respondents have experienced positive effects with their presence on Facebook. Both Billigteknik and Datapryl have utilized Facebook for attracting new customers.

Nelly Ljunggren about experience of positive effects:

"Det har spridit sig väldigt bra och snabbt."

Nelly Ljunggren – Customer service/Facebook responsible, Billigteknik

Indomo Online have been positive surprised by using Facebook ads and are very satisfied with the precise target group it enables but still have issues concerning the numbers of likes for their Facebook page. They only use Facebook ads for their ordinary webshop.

Johan Hedqvist about negative effects:

"Vi har inte så jätte många medlemmar, vi har ungefär 300 medlemmar idag, eller likes heter det väl men

det kanske kan ses som negativt."
Johan Hedqvist – Marketing manager, Indomo Online

Inwarehouse has generated sales through Facebook offerings and think it is a great channel for customer relationships. The fact that it is a free service has made it an obvious choice for utilizing. Misco offers discount codes on their Facebook page which have generated sales, but them states; to provide an active Facebook channel, investment in time is needed. Jonas Dahlborg at Misco believes that the customers will find it negative if they do not receive answer to their questions and therefore it is important to invest more time and money in order to achieve benefits from Facebook regarding relationship building.

Johan Dahlborg about Facebook page effects:
"Det som skrivs på kvällen kommer vi försöka svara på nästa dag och då ska det vara relevanta svar. Vi har väldigt höga krav på oss från datainspektionen vi får ju inte hänga ut någon och vi får inte svara på ett sätt så att någon blir spårbar och vi måste tänka på att folk på Facebook är inte anonyma där. [...] Vi har lagt ner mycket tid och tankar på detta så att vi inte sätter kunderna i sjön bara för att de har frågat på ett ställe där de är officiella."
Jonas Dahlborg – Marketing manager, Misco

Both Datapryl and Inwarehouse believe that an open channels as Facebook can cause problems with inappropriate posts and opinions.

"Det är gratis markandsföring som faktiskt har genererat sälj, samt även då att vi får en annan kontakt med våra kunder. Det är lättare att skriva på en facebook vägg än att lyfta telefonen och ringa till kundservice. [...] Den tid och de pengar vi har lagt ner har givet en positiv utdelning."
Nidde Nedelius – Marketing communications, Inwarehouse

Companies need to have control over the channel and observe the flow of messages. Billigteknik, ClickOK and Indomo Online have not experienced any negative effects with their Facebook presence. When we asked the respondents if Facebook is worth spend time and money on, the opinions differed. Half of the respondents thought it was worth investing time and money where Indomo Online think that Facebook will generate a high ROI in the future. Both Datapryl and Misco think it is too early to tell if Facbook marketing is worth investing in. Misco Online believes that Facebook is more suitable for customer service than a marketing channel and further states that it is hard to know how Facebook will develop.

"Ja, det är värt. Sen är väl tanken också att få igång lite aktiviteter kring det, kanske minska på själva produktmarknadsföringen sen få folk att hålla på på sidan, tävlingar, spel och liknande. Så att man hela tiden har Indomo som top-of-mind när man köper produkter.

Johan Hedqvist – Marketing manager, Indomo Online

Retailer	Q1	Q2	Q3
Billigteknik	Yes.	No.	Yes.
ClickOK	Yes.	No.	Maybe.
Datapryl	New customers.	Inappropriate post by users.	Too early to tell.
Indomo Online	Yes, Facebook ads.	Small amount of likes.	Yes. In the long-run we believe in a good ROI.
Inwarehouse	It is free. Increase of sales. Customer contact.	No.	Yes.
Misco	Yes. Likes without promotion	Time-consuming	For customer service yes, for marketing no.

Q1: Have you experienced any positive effects using Facebook?

Q2: Have you experienced any negative effects using Facebook?

Q3: Is it time/money worth spending on Facebook?

Table 9. Experience.

5 Analysis

Business environment

When analyzing our results we were able to identify key aspects about organizations' Facebook page routines, marketing, objectives and critical factors.

A marketing strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunity to increase sales (Baker, 2008). The majority of the respondents states that they started using Facebook pages because it is a cost efficient marketing channel. They further states that other companies' success on Facebook has increased their interest for this medium and that is another reason for their presence. Our respondents primary use Facebook pages as a channel for providing unique content, announcing news, discount codes, promotion of products and providing a small degree of customer service for the audience. Weber (2009) recommends that retailers should use social media and Facebook for; attracting new customers, improving customer retention, improving channel relationships, building market shares and brand awareness. He further argues that customers should visit the channel in order to be informed, entertained and heard. Our respondents do not work in relation with these recommendations, even though they state that visitors are welcome to their channel in order to be informed. Most of the retailers are directed towards selling and offerings of products and utilizes Facebook more as a traditional push marketing channel and not for customer relationship building which is the main purpose of social media marketing according to Weber (2009). On the other hand Shih (2010) argues that social media and Facebook marketing should offer a commerce experience which is more in line with the results, even though only one respondent provides an integrated webshop on their Facebook page and other are more directed towards promoting specific products.

Most of the respondents have been utilizing Facebook as a marketing channel for approximately six month which indicates that our respondents are early adaptors of Facebook pages. One reason for not embracing the possibilities of improving relationships in a greater extent can be due to the novelty of this medium. Building channel relationship is a time consuming activity that demands investments in order to be successful Weber (2009).

According to our results, Misco and Inwarehouse have the highest level of awareness regarding Facebook marketing and will provide customer service in the near future. They strive to use Facebook as a channel for dialogue more than a traditional push marketing

channel. They both works according to what Weber (2009) argues about the importance of relationship building in social media. The smaller organizations we interviewed worked in another way where experimental approaches were more common. Venkatram embraces that organizations can achieve advantage by using a more experimental approach when the business environment is no longer as predictable as it was in the industrial age. A rapidly changing business environment will make it harder for companies to have a well defined strategy, both in terms of the time it will take to develop a strategy and construct objectives. We can observe that the minor organizations have high commitment in Facebook as a marketing tool but lack of knowledge about how to use it proper. Since the business environment is constantly changing it prevails doubtfulness about the importance of strategy according to Aaker (2007) and Mintzberg (1994), this can be one reason for the respondents absence of strategy.

According to Weber (2009) branding in social media is about dialogue and conversations, as more people takes parts in dialogues the more they get involved in the brand. As we can see all of the respondents will provide some kind exchange of communication and according to Weber (2009) also then promote their brand in some extent. Even though there exist room for interaction, communication and dialogues, our respondents do not utilize the possibility to gain feedback yet and should take advantage of Facebook as a channel for feedback in a greater extent (ISACA). Shih (2010) also emphasizes on the importance of surveys and polls for collecting valuable information from users.

Marketing

Our result demonstrates that none of the respondents had any specified target audience when using Facebook as a marketing channel. Most of our respondents had the approach that existing customers who have commitment to the company will more likely follow them on Facebook. They did not want to segment the target market further. They may be more concerned with the amount of likes they have on Facebook rather than recruiting the right people. Most of the respondents argue that Facebook is a channel where anyone is welcome to join, no matter psycho- or demographic, existing or none existing customer. This is not in line with what Weber's (2009) argues in his second step, recruitment, where he states that the more precise the target group is, the more effective the marketing will be; he further argues that it is important to attract the right users to the channel. By recruiting a core group of users that are highly engaged in the brand and their products will lead to

more buzz, an increase of word of mouth and will in that extent help organizations to achieve a more active social media channel. Further Weber (2009) argues that an active channel will influence on how people judge and make decisions regarding purchases. We can observe that our respondents have not taken this into consideration, with their primary focus being trying to recruit existing customers through email newsletters.

Integrated marketing communication is an important part of marketing for long-term relations according to Grove *et al.* (2002). IMC are important due to new communication channels as Internet and social media where organizations can interconnect different sites with each other. A consistent approach on all marketing channels leads to an indisputable interpretation of the organization (McGrath, 2005). Most of the respondents do not have a consistent message approach on Facebook pages in line with their ordinary marketing. Holm (2006) argues that IMC is a cost efficient communication and increases the ROI of the marketing campaigns. Our result states that our respondents have integrated marketing of Facebook page into their existing marketing in different ways. All of the respondents are promoting their Facebook channel on their homepage. This is made in several different ways where they have chosen to link the Facebook logotype to their Facebook page; others has integrate Facebook API´s which enables the visitor to "like" their page without leaving their ordinary webshop. In some cases the respondents are promoting products with Facebook share, this will not have any impact on their Facebook page but drives webtraffic from friends of the person who has chosen to share a specific product from their webshop. This can have an impact in terms of more sales and increase the brand awareness of the respondent. Almost all of the respondents are also promoting their Facebook page with existing e-newsletter marketing for customers in order to achieve more "likes".

In most cases people have to like the Facebook page in order to take part of discounts and other benefits. This is related to opportunistic behavior (Williamson, 1975) where there is a risk that people using their benefits and then choose to "unlike" the page to elude updates from the retailer i.e. companies will no longer be able to post information to the individuals. Urban (2005) argues that today's customers can oversee companies' sales- and marketing tricks in a larger extent and therefore have a larger degree of control over the information that is overthrown them, this is a dilemma organizations need to take into consideration when promoting discounts in order to increase the amount on "likes" on Facebook.

Facebook advertisements enable precise marketing possibilities for example, segment by age, gender, education and interests (Shih, 2010). With this feature our respondents have the capability to create personal ads that are very specific for the audience. Marketers can also choose which site the user will be linked to when clicking on an ad, the most common landing page is the retailer's Facebook page or the homepage (Levy, 2010). Since only ClickOK has stated that they currently are using Facebook ads to promote their Facebook page it is hard to draw any conclusion about this feature or its possible impact for the eCommerce retailers marketing. The fact that it enables precise targeting, respondents may take advantage of this feature.

We have observed different levels of ambitions regarding Facebook marketing for our respondents. We could observe a relation between the organizations turnover, likes on Facebook and its degree of ambition. Both Misco and Inwarehouse are larger organizations that have more defined routines, strategies and a greater amount of "likes". Datapryl, Billigteknik, Indomo Online and ClickOK are minor actors and have less "likes" and undefined ambition. This can further emphasize the importance of having high ambitions to succeed on Facebook in terms of increase in "likes".

Publishing approach

Our result demonstrates that half of the respondents do not have any defined routines concerning publishing on Facebook pages. The routines that exist among the respondents are undeveloped and undefined. They mostly involve routines as how many posts per week the responsible are postulate to do and no further details. We can identify that the majority of our respondents will develop clear routines and guidelines for publishing information in order to increase the service quality and impression of their communication on Facebook pages. According to Harris & Dennis (2002) this will lead to an increase of loyal customers. High quality of service and loyal customers increases the chance of user-recommendations and word of mouth. Pareto principle further emphasizes the importance of loyalty where 20% of the customers can make up to 80% of the profit (Payne, 1995). Payne also argues that loyal customers become more profitable over time as the customers relationships with the organization develops.

According to Reingen (1987) and Rogers & Bhowmik (2001), a relation where source and receiver has similarities the communication will be more effective. From our results we can identify that all of our respondents are aware of this and will use an approach they believe

will reflect their Facebook page members in terms of attitudes, believes and interests. According to Carlsson (2009) & Urban (2005) a defined sales approach will not lead to a strong sense of homophily. According to our result we have identified that one main purpose for our respondents is to promote products on Facebook and is contradict to achieving homophily regarding to this statement. An explicit sender with photo and name gives personality to the sender, which according to Ström (2010) is of great importance when it leads to a more confidence inspiring communication. By the impersonation of the sender the recipient has an opportunity to evaluate the sender's character, which can lead to that the recipient can more easily identify himself with the sender. Therefore, an explicit sender can lead to higher perceived homophily. The retailers reputation also affects how the customer perceive the organization. A well-known brand with high reputation has higher level of confidence from the customers point of view according to Malaga (2001) and can achieve more "likes" without effort (ISACA).

Experience

Our respondents have a general positive attitude about social media marketing through Facebook. All of the respondents has experienced positive effects with their Facebook page marketing and will further increase their marketing budget concerning this medium. Datapryl has experienced positive effects with Facebook as a marketing channel in terms of acquired new customers. Inwarehouse has increased their sales through this medium and generate revenue for the company. Billigteknik states that they have achieved a rapid increase of customers and the information has spread successfully for their Facebook page. Misco's Facebook page has generated over 800 "likes" without any defined marketing strategy concerning this channel. The budget for Facebook marketing posses a small part in the retailers total marketing budget. Most of the respondents state that labor cost is the only source of cost for this medium. All of the respondents have an overall positive view on Facebook marketing, yet there is prevailing doubtfulness over the value in spending money and time on Facebook, even though all of the respondents will increase their budget for marketing in this medium. However, we were not able to sustain information about the amount of increase. Misco perceives Facebook page marketing as a good investment over time and believe that Facebook page marketing can deliver a high ROI in the long run. This is in accordance with what Weber (2009) and ISACA (2010) argues are achievable financial objectives with social media.

Social media marketing vs. Traditional marketing

Urban (2005) claims that traditional push marketing strategies such as telemarketing, pop-ups and spam is perceived as annoying and more likely will lead to anger, rather than profit for the company. Social media gives organizations the possibility to communicate and interact with the group of interest and enables them to build relationships with the customer instead of the one way mass-communication that has been used traditionally (Carlsson 2009; Scott 2009). Shih (2010) states that being social in social media is the key factor for successful marketing communication in this medium. The majority of our respondents do not utilize the possibilities with a continuous communication among their followers. The fact that most of the respondents have undefined routines, lack of experience and a minor budget for social media marketing can be a reason as to why they do not act as socially as they strive to.

Social media marketing vs. Traditional marketing

6   Conclusions

The evolution of Internet and web 2.0 has resulted in higher expectations on retailers' communication with its customers. Web 2.0 has created opportunities for customers to communicate with representatives from the company. This is possible through the use of social media. As social media requires active participation, it is important that businesses set aside time for this type of marketing as social media often require more work than what the companies had expected. It appears relatively more likely that organizations that embrace Facebook page marketing should proceed from its own prerequisites and construct defined strategies on how to achieve their objectives and ambitions. This study demonstrates the need for organizations to be committed to active participation in social media when using Facebook page marketing, to successfully create value for the organization.

When weighting the evidence we can interpret that existing routines for publications among the respondents are undeveloped and undefined. The induce routines we have identified are fundamentally basic in character, for example, number of post per week that should be published. Issues regarding homophily are not taken into consideration in a large extent, although most of the respondents try to compose the message in a more personal manner they are mostly of commerce characteristic. The deprivation of a target group results in an ineffective communication among the channels followers, where the absence of a consistent approach leads to complications since the message are of homogeny character.

When summarizing the output we could determine that our respondents are using Facebook more as a traditional one-way marketing channel with promotion of products rather than enhancing the possibilities for dialogue between the organization and their group of interest. The opportunity for receiving feedback and communication is absence in most cases because it is a time consuming activity, however most of the respondents emphasize its importance and are striving to improve communication and customer service in the near future. Further we could determine that email newsletter and Facebook API´s are the most common way for integration of Facebook page into existing marketing channels. Facebook page marketing has a diminutive role of the total marketing among the retailers.

Among the retailers that participated in our study, the positive aspects of Facebook page marketing have far outweighed the negative; however, we have identified differences in the level of ambitions among our respondents. The retailers that are more well-established have higher ambitions and are more enlighten about Facebook page marketing, it is their

intention to concentrate on two-way communication, unique- and user appreciated content. This together with their brand awareness has resulted in a greater amount of "likes". The minor retailers have inadequate strategies but equally high ambitions as the well-established organization, even though this has not resulted in satisfied number of "likes".

There is prevailing doubt over the value of spending money and time on Facebook marketing, even though all of the respondents indicated will increase their budget for marketing in this medium. The most reasonable interpretation for the retailers' change of purpose indicates that their awareness and knowledge has increased since they decided to utilize Facebook for marketing purpose.

7 Further research

This thesis has given the reader a comprehended picture of how eCommerce retailers communicate on Facebook pages in order to sustain and acquire customers. It has further contributed to declare the different levels of ambitions among the retailers and their purpose of Facebook page marketing. Since social media marketing has become a natural part of many organizations marketing, we suggest further research on strategic development in this area. Many of the respondents' lack of strategy had a negative impact on the organizations work to achieve its ambitions. Since an absence of strategy may imply risks for the organization, research in this field would of interest as well. Another alternative to further study in view of the constantly changing composition of social media landscape is to follow up the study within one year and observe if there have been any changes. Since the respondents had different opinions of how Facebook page marketing create financial value, further research in this area would be of great interest. Finally, the authors see many opportunities for further studies on how social media can be seen from a communicative and relationship-building perspective, and believe this topic demand a great amount of research in order to be scientifically proofed.

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Appendix

8.1 Letter to head of marketing- or communication manager

JÖNKÖPING INTERNATIONAL BUSINESS SCHOOL
JÖNKÖPING UNIVERSITY

Tillägnat marknads- eller kommunikationsansvarig

Detta brev är skickat för att göra er uppmärksamma på att en undersökning angående sociala medier som skall genomföras av Per Ljungmark och Erik Bernhardsson från Internationella Handelshögskolan i Jönköping.

Under våren 2011 skriver vi vår magister-uppsats i marknadsföring med inriktning mot sociala medier. Syftet med vår undersökning är att fastställa och ge en objektiv bild över hur e-handelsföretag använder sig av Facebook i marknadsförings syfte. Målet med uppsatsen är se om en definierad strategi leder till ökad trafik till webbplats.

Vi har förhoppningar om att ni vill ställa upp på en telefonintervju som beräknas ta ca 30 minuter. Inom ett par dagar kommer ni höra från oss för att eventuellt boka en tid för intervju.

I detta brev följer även aktuella intervjufrågor.

Med Vänlig Hälsning
Erik Bernhardsson & Per Ljungmark

8.2 Interview questions in English

Introduction

What social media channels are you currently using?

How long have you been using Facebook?

Why did you decide to be present on Facebook?

Purpose

In what purpose are you using Facebook?

Has the purpose changed over time?

> If Yes, how has the purpose changed?

Marketing

Do you have any target audience for your marketing through Facebook in terms of;

Do you use any business model for your Facebook marketing?

> If Yes, how is it constructed?

Do you promote your Facebook page with Facebook ads?

> If Yes, how do you promote your Facebook page and what is your target audience?

How do you integrate Facebook with your existing marketing?

How do you use Facebook with your eCommerce site?

Publishing approach

Who is responsible for publishing information on Facebook?

Do you have a private person as signature of the published message?

Do you have any specific approach when composing your message?

Do you have any routines when you publish information on Facebook?

Do you follow-up your published information?

Is there room for discussion on your Facebook page?

How do you manage negative opinions by users?

Budget

Do you have a budget for your Facebook marketing?

Plans to increase/decrease budget?

Measurement

How much web-traffic comes from Facebook in a month on average?

Can you see any difference in behavior for visitors coming from Facebook instead of organic traffic concerning

- Bounce rate
- Pages/visitor
- Length of visit

How do you measure positive outcomes from Facebook as a marketing channel?

How can your Facebook page generate income?

Objectives

What are your short-term objectives regarding your Facebook marketing?

What are your long-term objectives regarding your Facebook marketing?

Experience

Have you experienced any positive effects using Facebook?

Have you experienced any negative effects using Facebook?

Is the time/money worth spending on Facebook?

8.3   Interview questions in Swedish

Introduktion

Vilka sociala medier använder ni idag?

Hur länge har ni använt er av Facebook för ert varumärke?

Varför bestämde ni er för att skapa en Facebook-sida?

Syfte

I vilket syfte använder ni er av Facebook?

Har syftet med er Facebook-sida förändrats med tiden?

> Om Ja, hur har syftet förändrats?

Marknadsföring

Har ni en specifik målgrupp för er marknadsföring på Facebook?

Använder ni er av någon affärsmodell för er marknadsföring på Facebook?

> Om Ja, hur är den konstruerad?

Marknadsför ni er webbplats och/eller er Facebook sida med hjälp av Facebook ads?

> Om Ja, hur?

Har ni integrerat Facebook med er övriga marknadsföring?

Använder ni er av Facebook plugins på er ordinarie webbplats?

Publicering

Vem är ansvarig för publiceringen av information på Facebook?

Har ni några rutiner gällande publicering?

Använder ni er av en personlig avsändare?

Vilken approach har ni vid publicering?

Följer ni upp aktiviter, händelser, diskussioner som uppstått på Facebook?

Hur hanterar ni negativa diskussioner rörande ert varumärke eller produkter?

Budget

Är ni medvetna om vad er Facebook marknadsföring kostar er?

Har ni en budget för er marknadsföring på Facebook?

      Om Ja, planer på att öka eller minska budgeten?

Mätning

Hur mycket trafik kan härledas från Facebook till er webbplats under en normal månad?

Kan ni några skillnader i beteendet på besökare som kommer från Facebook jämfört med er organiska trafik

      Avvisningsfrekvens, sidor/besökare, längd på besök?

Hur mäter ni positiva effekter från er Facebook marknadsföring?

Har er Facebook marknadsföring generat intäkter?

      Om Ja, hur?

Mål

Vad är era kortsiktiga mål med Facebook som marknadsföring?

Vad er era långsiktiga mål med Facebook som marknadsföring?

Erfarenheter

Har ni upplevt några positiva effekter med er Facebook marknadsföring?

Har ni upplevt några negativa effekter med er Facebook marknadsföring?

Anser ni att det är värt att spendera tid och pengar på Facebook marknadsföring?

8.4 Figures

Figure 1. Google Trends, keyword: "Facebook marketing".

Figure 7. Blendtec Facebook page.

Figure 8. Dell's Facebook page.