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To Luleå University of Technology, for all the resources at my disposal.

Most especially to my family and friends.
The map of relationships between individuals has changed in the last 50 years due to the new emerging Information and Communication Technologies (ICT). This social change has affected organizations’ business processes. The new ICT along with social media have revolutionized the way people communicate. Firms are becoming aware of this fact and have started to figure out how to introduce these new technologies into their business strategies and management models.

The purpose of this thesis is to gain a better understanding of how Facebook is being used in a business context. To reach this purpose two, specific research questions are stated: How can the use of Facebook by companies be described? How can the use of Facebook by customers be described?

Based on these research questions, a literature review of previous, relevant studies was performed, ending in a conceptual framework to guide this study’s data collection. A qualitative, case study methodology was used, with participant observation and content analysis as the data collection tools on the cases of two competing brands currently using Facebook as a social media to connect to their customers: Coca Cola and Pepsi.

It was found that fan pages are used by brands as an innovative, bidirectional, memory channel from which to reach their customers by using different but complementary strategies. In contrast, customers exhibited behaviours and usages of brands’ fan pages which resemble to that exhibited on their social interactions on the platform.

**KEYWORDS**

Social media; ICT; Social networking sites; Facebook; Tools; Strategy; Motivations; Involvement; Participation forms; Coca Cola; Pepsi; Fans.
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CHAPTER ONE

INTRODUCTION
1. INTRODUCTION

This chapter begins with a background section where the reader will be introduced into the problem area. After introducing the area of interest, the problem discussion section that follows narrows the topic. As a result of this an overall purpose and research questions arise, providing the reader with a guideline of what is going to be investigated. Finally, the demarcations and disposition of the thesis are presented.

1.1 BACKGROUND

We are living in an era full of changes and those changes are closely related to the new emerging Information and Communication Technologies and the rise of social media (Guy et al, 2010).

In the past 20 years we have been witnesses to a radical change on how information is produced (Benkler, 2006). This has led to a series of economic and social adaptations (Ibid) which can be explained by means of social networks theory \[1\] (Scott, 2005). Figure 1.1 exhibits the main network topologies.

---

**FIGURE 1.1: NETWORK TOPOLOGIES**

*Source: The Internet: Past, Present and Future (Baran, 2002)*

Networks can be classified into three different categories or topologies (Baran, 1964):

(a) *The centralized network* has all its nodes \[2\] connected to a central switching node (Ibid).

---

1. The term “social network” was first coined by Barnes in 1954 and refers to a structure made up of nodes which are connected by one or more ties.

2. Nodes represent individuals or groups whereas ties refer to the interactions between the actors or nodes.
(b) The de-centralized network comprises small centralized nodes instead of a single switching node (Ibid).

(c) The distributed network does not have any hierarchical structure (Ibid).

Early societies were mainly centralized networks. Nuclear families, tribes, states or empires were built up around the idea of a centralized sovereign (Masters, 2007). The first main revolution in communications, the telegraph in 1832, enabled the transition from the centralized organizational schemes of early societies to the decentralized and international vision of the world proper of the 19th and 20th centuries (Ugarte, 2008). Thanks to the appearing of personal computers and Internet during the 70s a new revolution took place (Ibid). This “Internet revolution” brought deep structural changes to social order (Benkler, 2006). The decentralized information processes led to distributed ones (Floridi, 2007). It is now clear that we have entered to the age of distributed networks (Ugarte, 2008).

In this new era, time and space have been shrinking up to a point in which data and information can travel anywhere in the world almost instantaneously. This has been possible due to a new revolutionary trend: Social Media (Schaefer, 2008)

“Social media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 \(^3\) allows the creation and exchange of user generated content \(^4\)”

Andreas M. Kaplan, Michael Haelein (2009)

From a customer perspective these Internet-based applications have changed how people gather information and communicate. Now Individuals have the tools to redefine a brand’s image and no longer limit themselves to just buying, indeed they compare prices, discuss, state their thoughts and experiences and share all this information by means of social media. (Bernoff et al, 2008)

On the other hand businesses are realizing that social media is a great opportunity for strengthening their relationship with customers and rise their performance (Information Management, 2009). Tools such as corporative and employee’s blogs, wikis, microblogging, social networks applications, systems of content syndication or tagging systems have the potential of enhancing the production of an organization (Cross et al, 2010).

From all the social media tools, social networking sites (SNS) are of special interest. They have been the hot spot of the web in the last years. Studies reveal that among the 10 most visited websites in Internet 7 were SNS. (Ancu et al, 2009)

---

3. The term “Web 2.0” refers to the collection of web based technologies that allow user participation through open collaboration (McGee et al, 2008)

4. The term User Generated Content or User Created Content (UGC / UCC) is applied to describe the different forms of public media content created by end users (Kaplan et al, 2010).
Social network sites are web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. (Skågeby, 2009)

What makes social networking sites unique is that the control of online content no longer relies exclusively in the site owner, regular users are becoming contributors as well (Bennett et al, 2010). SNS provides a global platform for interaction forums, discussion boards, hyperlinks and dissemination of information (Guy et al, 2010). Businesses are now aware that not using this tool can jeopardize the long term viability of a company (Ibid).

There is a wide variety of social networking sites with Facebook, MySpace, Bebo, Twitter or LinkedIn as the most popular examples (Bennett et al, 2009). From these, Facebook is the leading site and largest platform available in the World Wide Web (Davidson, 2011)

Founded in 2004 by Mark Zuckerberg, a former Harvard student at the time, Facebook was originally design to allow students from colleges and universities to interact with each other online. This fact has changed in the last few years and now everyone can join this SNS (Charnigo et al, 2007). The website reports at present more than 500 million users according to facebook.com a number which is increasing each year and it’s no longer limited to young people (Patton, 2009). 50% of its members uses the platform daily what shows the potential of the service (Ibid).

Facebook is a service oriented website that combines several different services which can be redirected to various groups of interest (Skågeby, 2009). Its interface is updated frequently in order to include the latest and most innovative communication techniques (Ewbank et al, 2010). Members can share text, pictures, videos and links with others (Ibid). Relationships are built through the adding of friends and needs confirmation from both parts involved (Ibid).

What makes Facebook more popular than the rest of SNS is its clean and user friendly space. The navigational schemas are intuitive, facilitating the seeking of information. It has a consistent and professional overall design with a neatly organized profile layout despite not allowing much customization. Its main features are organized in menus on the side margins of the website, making them visible at any time. (Social Networking Services, 2007)
1.2 PROBLEM DISCUSSION

As it can be inferred from the previous section, society has welcomed with open arms social network applications, especially Facebook. Per contra this social change has not had the same successful acceptance in the corporate world. After all, companies have no choice but to adapt to these changes (Wilson, 2009).

Businesses and professionals are starting to become aware that they should learn how to take advantage of the platform that their customers have integrated into their lives (Junco et al, 2008). Facebook has become a communication channel that cannot be easily ignored (Charlton et al, 2009). However the use of Facebook strategically by organizations is not a trivial issue (Sena et al, 2008). There is still limited understanding of its usages (Kaplan et al, 2009).

According to Piskorski et al (2009) brands use Facebook mainly as a marketing communication platform, gaining a great opportunity of strengthening their relationship with customers and raise their performance. Bernoff et al (2008) provide a wider classification of usages in; Research and development, Marketing and sales, Customer support and operations. Continuing with this line of thought Schau et al (2009) state that the use that brands make of Facebook varies from company to company though they can be categorized in understandings, engagements and procedures.

Social networks applications, have the potential of enhancing the production of an organization (Cross et al, 2010) by finding new business opportunities, new target audiences or companies, new sources of knowledge/advice/ expertise, enlist of new workers (Wilson, 2009) or even increasing reputation (Kinzey, 2010). Online campaigns have relative low cost and higher efficiency levels when compared to traditional communication and information systems (Wilson, 2009). However, despite all that have been mentioned, companies feel under threat (Bernoff et al. 2008). They feel vulnerable as customers have now the tools to redefine a brand’s image (Ibid). Customers have been granted with a power never experience before (Mangold et al, 2009). Firms have lost control over the information available (Kaplan et al, 2009) and as a result this has produced changes in the behaviour and interaction patterns of their target market (Mangold et al, 2009). Understanding how these new customers use Facebook has reach an incredible importance, as they are the passive receivers of a firm’s online effort (Schau et al, 2009).

For Deighton et al (2009) customers use Facebook corporate pages with the aim of obtaining exclusive offers, advance information or simply to get involved in the product development process. Valck et al (2009) simplify the problem by classifying the uses in informational or instrumental. Gangadharbtla (2008) relies on social aspects such as need for cognition and collective self esteem to explain how fans interact with brands online. In contrast to the previous authors, Parent et al (2011) maintain that customers’ use of Facebook must be categorize considering the actions customers undertake, which are: Viewing, Forwarding, Commenting, Creating, Moderating or Arbitrating.
1.3 OVERALL PURPOSE

Based on the problem discussion above, the purpose of this thesis becomes:

“To gain a better understanding of how Facebook is used strategically in a business context”

1.4 RESEARCH QUESTIONS

When trying to achieve the purpose stated in the previous section, the following research questions arise:

1. How can the use of Facebook by companies be described?

2. How can the use of Facebook by customers be described?

1.5 DEMARCATIONS

Due to the limited time available for conducting this work, an attempt was made to limit the scope of this thesis. From all the social media services and tools, social networking sites and more specifically Facebook was subject of study. The focus was put on SNS due to the fact that they are the most popular and visited websites on the Internet. Within SNS, Facebook was chosen to be the environment where to conduct observations because it is the largest, most popular and most feature rich social networking site among the wide variety of them.

1.6 DISPOSITION OF THE THESIS

This document is divided into seven chapters. This first chapter has brought the reader into the field of study and has provided a problem discussion, statement of purpose and research questions. In the second chapter previous and particularly relevant studies are reviewed in order to obtain a theoretical background. Following a conceptual framework is presented in chapter three, delimitating and guiding the data collection. Chapter four describes the methodology that was followed during the data collection. The empirical data gathered is presented in chapter five and analyzed afterwards in chapter six. Conclusions drawn from the mentioned analysis together with the managerial and theoretical implications as well as suggestions for further research are presented in chapter seven. The document ends with a reference list of all the studies in which this investigation has relied and the appendices.
CHAPTER TWO

LITERATURE REVIEW
2. LITERATURE REVIEW

This chapter presents a sampling of previous and relevant scientific studies in the area of the two research questions stated in the previous chapter. With this literature review a deeper understanding of the topic area will be achieved, therefore helping the creation of a frame of reference later on.

2.1 USE OF FACEBOOK BY COMPANIES

This section reviews the main studies regarding the use of Facebook by companies. Figure 2.1 provides the reader with a graphical overview of the issues that will be discussed in this section and shows how the different subsections fit together.

---

**FIGURE 2.1: SECTION OUTLINE – RQ1**

- **Marketing platform**: When Facebook opened its registration in 2006, businesses started to recognize the potential of it as a Marketing platform (Harris et al., 2010).
- **Motivations**: Interests behind the use of Facebook reflect the importance of the use of this medium (Lacho et al., 2010).
- **Adoption**: Some brands and business sectors are more likely to embrace and benefit from the use of new technologies (Deighton et al., 2007).
- **Business model**: Social media has brought new marketing approaches, therefore changing the online business model (Kane et al., 2009).
- **Tools**: Provide evidence of the potentials of social networking sites in the business context (Ritcher et al., 2009).
- **Strategy**: A clear tactic is essential to be effective and to achieve the goals expected (Sena et al., 2008).
- **Communication process**: Socializing with customers requires an identification of the set of rules, manners, and actions to be followed during the conversations (Hale, 2010).
- **Measurement**: Evaluating a brand’s performance on Facebook is crucial to determine the final influence on customers (Kumar et al., 2009).
- **Success drivers**: Allow the identification of the best and more effective practices for connecting with customers (Davis, 2010).
- **Benefits**: The benefits perceived by a company dictate the efforts and importance a brand gives to the use of SNS (Iyengar et al., 2009).
2.1.1 FACEBOOK AS A MARKETING PLATFORM

With the dawn of the twenty-first century revolutionary changes occurred regarding marketing practices (Achrol et al., 1999). Those changes were deep in its organizational context as well as in the relationship with customers (Ibid). Traditional forms of communication and marketing appeared to be loosing their effectiveness. Consumers were becoming more and more apathetic towards brands related messages and persuasion tactics as a result of the over exposure to those messages in the past. (Trusov et al., 2009)

In the midst of this changing landscape they appear the so-called social networking sites, one of the fastest growing areas of the World Wide Web (Trusov et al., 2009). Of special interest is Facebook, which on its earliest version was similar to other social networking sites already existing, like Friendster, Hi5, LinkedIn or MySpace with the only difference of a restricted membership to those with educational email accounts. (Piskorski et al., 2010)

It was September 2006 when Facebook opened its registration allowing anyone to sign up on the website (Piskorski et al., 2010). This brought multitude of opportunities and challenges for businesses that started to recognize the potential of this online community (Harris et al., 2007). Companies became aware of the fact that Facebook could be used as a marketing platform allowing them to engage in conversations with their customers (Piskorski et al., 2010). Mark Zuckerberg’s creation offers a open and collaborative approach for businesses and overcomes many of the limitations of traditional marketing platforms (Harris et al., 2007)

Brands are starting to see Facebook as a direct, interactive and integrated marketing platform (Deighton et al., 2011)

Social networking sites allow businesses to connect with its target market in a direct way, without any intermediaries, developing an outgoing relationship through the creation of content (Hale, 2010). The communication customer-brand has become as fluid as face to face conversations thanks to the advances in technology brought by SNS (Deighton et al., 2007).

In terms of business and marketing Facebook integrates many of the features and services now available on the web (posting, multimedia content upload, email, tagging, forums etc) in just one platform (Hale, 2010). Offline and online social lives have been unified on a platform capable of engaging with other Internet applications (Kumar et al., 2009). What started as a student community portal is now evolving into an online operating systems (Piskorski et al., 2010).

The lacks of interactivity and responsiveness have been two of the main handicaps experienced in marketing all over the years (Deighton et al., 2007). However this is changing, Facebook is highly more interactive than one way traditional media (Gangadharbatla, 2008). This interactivity ensures a positive effect on relationship
building with customers and brand reputation, especially when the interactivity rates are high (Ibid).

According to David Hale (2010) Facebook combines the benefits of; Search engine optimization SEO, customer relationship management CMR and content management systems CMS. Characteristics, all of them, of marketing platforms.

The targeted and remarkable content published by a company online among with keywords inclusions increases the chances of corporate Facebook pages to be found in search result listings (Hale, 2010).

The level of interaction experimented by users online lends to increases in revenues due to the brand exposure and word of mouth marketing techniques. Therefore Facebook can be considered to be a customer relationship device. (Ibid)

As any content management system Facebook allows businesses to create, customize and administrate their corporate pages in a relatively easy way (Ibid).

**2.1.2 MOTIVATIONS FOR BEING PRESENT ON FACEBOOK**

Understanding the motives behind the adoption of social networking sites by companies is crucial to understand how they use these platforms. However there is still little research that investigates those factors that push companies to SNS (Gangadharbatla, 2008).

Five years later after it was released, Facebook emerged as the largest and fastest growing social networking site. Due to its size and technological innovations it is unlikely that other social networking sites can displace Facebook from its leading position any time soon (Piskorski et al, 2010).

Each day public spend less time reading newspapers or watching TV and focus on Facebook and other social media platforms (Cauterman, 2010). Studies reveal that in 2010 the amount of time a user spent in social networking sites increased in 82% with regard to previous years and yet is likely to continue growing (Davis, 2010). In addition, individuals are expecting companies to communicate with them using the same tools as they do (Harris et al, 2007). All of this, has made traditional media ineffective and forced businesses to move into Facebook because at the end it is where customers are (Cauterman, 2010).

In an attempt to lead his company into a sustainable profitability, Mark Zuckerberg introduced on Facebook the free corporate pages where organizations pay for extra functionalities such as Facebook ads (Piskorski et al, 2010). The lowered barriers of entry to Facebook had a positive effect on the **cost-effectiveness ratio** perceived by businesses (Cauterman, 2010).

When marketers engage on conversations with their customers digitally through the internet, the costs of that conversation falls precipitously and its efficiency rises
correspondingly (Deighton et al, 2007). Different ideas can be tested online with the saving costs that this implies (Harris et al, 2007). According to Sean Cauterman (2010) businesses participating in social networking sites often receive a positive return on investment, ROI.

In the changing communications landscape we are being witnesses of nowadays, another motive that push organizations to have presence on Facebook are the unofficial conversations about a brand that take place (Deighton et al, 2011). Conversations about a brand are always relevant, interesting, engaging and effective in the long run. If those conversations are negative towards the company the damage to the brand’s image can be huge. (Gangadharbatla, 2008). Before, a dissatisfied customer would have told its experience to ten people, now he or she has the tools to share that dissatisfaction with 10 million (Davis, 2010). Organizations can not ignore the fact that there are plenty of unofficial pages build out of their control, sometimes even borrowing the company’s name or logo without permission. They must become active and control that flow of information (Deighton et al, 2011)

The presence of competitors has also precipitated the arrival of many other companies to Facebook (Deighton et al, 2011). Responding to things after they had happened often present lots of difficulties (Ibid) and that organizations are rapidly adopting Facebook for business purposes is a fact (Cauterman, 2010). That is one of the reasons why brands are starting to have Facebook corporate pages before they lose competitive advantage in favour of their direct competitors (Deighton et al, 2011).

Social networking sites and social media in general have changed the way consumers interact with a brand (Kumar et al, 2009). Facebook users share tons of information such as name, birthday, hometown, gender, relationship status, current location, occupation and interests (Piskorski et al, 2010). This rich data among with the technological advances now available offer organizations a real time understanding of their customers changes in preferences allowing them to react quickly to those changes (Kumar et al, 2009). In other words, social networking sites are the best place to learn about customers (Hale, 2010).

Facebook is a less aggressive platform due to its social nature, and companies start to see the benefits of that (Deighton et al, 2011).

“The next 100 years are going to be different for advertisers, starting from today. For the past 100 years media has been pushed to people, but now marketers are going to be a part of the conversation”

Mark Zuckerberg at the media event in New York (Nov 2007)

Facebook was not built with commerce in mind but for the convenience of consumers (Deighton et al, 2007). The experience of Coca Cola and Starbucks on their use of Facebook has shown that relationships with customers that rely on non-promotional foundations, in other words more personal relationships, can be extremely satisfactory for an organization (Deighton et al, 2011)
Another major advantage of social networking sites is their ease of use. When creating a Facebook business page little effort is needed (Hale, 2010). It is estimated that it takes approximately one week to customize a Facebook corporate page, develop content and attempt to acquire an initial fan base (Cauterman, 2010).

Before the appearance of SNS any communication with the customer was in form of private contact with the barriers that this entails (Hale, 2010). Facebook has accelerated the communication process in a way that has not been seen before (Ibid). Now the conversations between consumers and organizations take place in real time without regard to distance (Deighton et al, 2007).

This whole shift from broadcasting to interaction make businesses more consumer-centred, which results in higher participation rates and more personal, sincere and intimate relationships (Deighton et al, 2007)

2.1.3 ADOPTION

The adoption of social media and social networking sites is one of the most popular points of interest among companies nowadays. Deighton stated on his paper “The future of interactive marketing” (Harvard Business Review-1996) that some brands are more open and susceptible to the benefits of technology than others. A survey conducted by Fortune in 2007 revealed that from 2000 companies asked, 69% were currently using some sort of social media while the 37% remaining was planning to embrace this new trend in the next five years (McCorkindale, 2007)

The social media adoption levels, therefore an indicative of the SNS adoption levels are (Davis, 2010):

1. Education - 72% of adoption
2. Communications – 71% of adoption
3. Services – 66% of adoption
4. Retailers – 64% of adoption
5. Financial services – 50% of adoption
6. Health – 48% of adoption
7. Manufacturing – 45% of adoption
8. Government – 44% of adoption
9. Energy – 33% of adoption

2.1.4 THE NEW BUSINESS MODEL

In the era of social media, traditional marketing strategies are being severely eroded (Mangold et al, 2009). Brands have been forced to modernize their approaches by identifying the new opportunities brought by the social media phenomenon (Kane et al, 2009). The new ways of doing business are based on openness, network effects and harnessing of collective intelligence (Bradley et al, 2011). Social media is likely to modify or disrupt a company’s overall strategy (Gupta et al, 2011). Table 2.1 offers a comparative of traditional business models against the new ones.
TABLE 2.1: TRADITIONAL MEDIA VS SOCIAL MEDIA

<table>
<thead>
<tr>
<th></th>
<th>Traditional Media</th>
<th>Social Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Research</td>
<td>Surveys and focus groups with limited customers</td>
<td>Continuous, detailed feedback from customers on online communities</td>
</tr>
<tr>
<td>Product Development</td>
<td>Product development by means of R&amp;D with limited customer feedback</td>
<td>Customers contributing with ideas on a regular basis</td>
</tr>
<tr>
<td>Customer Interactions</td>
<td>One way marketing and store two way dialog</td>
<td>Customers expect brands to listen and engage in a two way dialog</td>
</tr>
<tr>
<td>Brand Positioning</td>
<td>Brand positioning created with agency and dictated to consumers</td>
<td>Brand positioning created and shared with loyal customers</td>
</tr>
<tr>
<td>Targeting</td>
<td>Mass media advertising</td>
<td>Digital personalized campaigns</td>
</tr>
<tr>
<td>Creative</td>
<td>Campaign created with agency and executed over a time plan</td>
<td>Campaign constantly being evaluated and improved based on real time data</td>
</tr>
</tbody>
</table>

Source: Adapted from “Social media” (Gupta et al, 2011)

In this new paradigm companies must become more consumer centred (Parent et al, 2011) as a result of the new reputation and participation economy (Bradley et al, 2011). According to Barwise et al, (2010) brands must revise their business models rather than rewriting them.

Now companies have the tools to gain better and richer consumer insights online, thereby have to focus on listening to consumers rather than talking (Ibid). Regarding product development, brands must cede control to their customers, caring less about their product and more about their needs (Ibid). Marketing manager’s control over the content, timing and frequency of information related to a brand has been reduced (Mangold et al, 2009). Static websites are leaving the way to dynamic sites were to post and vet information (Kane et al, 2009). Push strategies are becoming obsolete as a result of platforms like Facebook which promote pull advertising strategies (Bradley et al, 2011). Brands now pull viewers through content rather than pushing content through mass media as traditionally, indeed, companies think more like publishers as a substitute of sales or PR personal (Parent et al, 2011). Other changes brought by social media are: going viral and continually building of trust and loyalty by means of engagement (Barwise et al, 2010)

Despite all, companies’ efforts in their use of social media remain low due to the lack of understanding (Gupta et al, 2011). Embracing these practices requires commitment and organizational change (Ibid). The top down approach companies are accustomed to is something from the past and the shift to the new business models demands learning (Ibid). Figure 2.2 reflects the logical learning curve require to successfully embrace social media.
Companies must first immerse themselves into the media. In the reflect stage they use their knowledge of the media to connect with the companies strategies. Defining reasonable objectives is a must. The engage stage entails creating personalized, interactive and authentic content to build customer loyalty. Finally and evaluation will determine the success or failure of their practices allowing to make the needed improvements or modifications to their tactics. (Gupta et al, 2011)

### 2.1.5 FACEBOOK TOOLS

The key features offered by Facebook for the interaction businesses - customers are:

**News feed**  
Introduced in 2006, it consists of a timeline on Facebook’s homepage were the activity of the user’s friends network is displayed. Complex and sophisticated algorithms are used in order to select the information that is going be presented to the user (Piskorski et al, 2010)

**Mini feeds**  
Individual actions of a user presented on his or her profile page (Ibid)

**Chat**  
Feature design to allow real time communication without any extra software requirements (Ibid)

**Wall**  
Integrated feature in Facebook pages that acts as a bulleting board where the mini feeds are displayed. It allows other users to post content and comments (Ibid)

**Mail**  
Is the feature that contains all the Facebook messages and notifications (Ibid)
<table>
<thead>
<tr>
<th><strong>Multimedia</strong></th>
<th>Gives the opportunity of uploading, sharing tagging or commenting pictures or videos with other Facebook users. The visibility of this content can be restricted (Ibid)</th>
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</thead>
<tbody>
<tr>
<td><strong>Events</strong></td>
<td>Functionality that allows users to create, organize, join or invite other users to a determined event. The creator of the event sets the privacy settings. This type of pages have basic information about the event and allow users to communicate, share content and indicate their attendance on the events wall (Ibid)</td>
</tr>
<tr>
<td><strong>Market</strong></td>
<td>Feature that acts as a marketplace environment where classifieds can be posted. Users benefit from the fact of knowing that sellers and buyers are within their social network of friends (Ibid)</td>
</tr>
<tr>
<td><strong>Ads</strong></td>
<td>Feature that allow companies to promote their products and services. Facebook ads can be targeted by profile information such as gender, age, location or interests and are displayed on the users News feed once he or she interacts directly with the ad (Ibid)</td>
</tr>
<tr>
<td><strong>Connect</strong></td>
<td>Released in 2008, this second generation platform allows its members to use their Facebook credentials on external websites. The three main functionalities provided are:</td>
</tr>
<tr>
<td></td>
<td>- Pull users information to third party websites, saving the time of making and account to log in.</td>
</tr>
<tr>
<td></td>
<td>- Allows users to interact with their social network, friends, in the context of an external website.</td>
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<tr>
<td></td>
<td>- Broadcast of the user activities to its network of friends. (Ibid)</td>
</tr>
<tr>
<td><strong>Profiles</strong></td>
<td>On its origins was meant to be a student directory with personal information and a single presentation picture. It has evolve into a richer feature that groups a number of different services like status, friends, mini feeds, photos notes, groups and applications. (Ibid)</td>
</tr>
<tr>
<td><strong>Groups</strong></td>
<td>The group pages were designed to allow users with similar interest to discuss, browse information and share multimedia content (Ibid).</td>
</tr>
<tr>
<td><strong>Pages</strong></td>
<td>Business oriented profile pages with extra functionalities like forums and that allow a greater degree of customization. Instead of becoming a friend of an organization users sign to the kind of pages as “fans” in other to receive updates. (Ibid)</td>
</tr>
</tbody>
</table>
Applications

The term Facebook platform refers to the set of tools that enables developers to build applications on Facebook. It is composed of the following tools:

* **Facebook API** – The programming interface.

* **Facebook Query Language (FQL)** - The programming language that permits direct interaction of applications with Facebook’s databases.

* **Facebook Markup Language (FBML)** – The programming language used to develop the applications with the aim of preserving the look and feel of the Facebook site. (Ibid)

2.1.6 FACEBOOK USAGE STRATEGIES

To be truly effective, companies need a strategic framework on their use of Facebook (Bernoff et al, 2008). According to Bernoff et al (2008) the main Facebook usage strategies conducted by businesses are:

- **Research and development**: Gaining insights from customers and using this information in the product development and innovation processes

- **Marketing and Sales**: Using conversations to promote products or services and identification of potential customers

- **Customer Support**: Harnessing the intellectual capabilities of customers for problem solving issues.

- **Operations**: Giving the employees the tools needed for a better performance on their work

Usage strategies on Facebook may differ and vary in importance depending on the company (Schau et al, 2009). However they can be classify in three main groups

1. **Understandings**: market research (Ibid)
2. **Engagements**: community building (Ibid)
3. **Procedures**: promotion (Ibid)

2.1.6.1 MARKET RESEARCH

People exhibit different intrinsic characteristics, studying those characteristics allow businesses to predict how people deal with the information they perceive (Gangadharbatla, 2008). Factors like age, gender, education, orientation towards others or expertise can affect the impact of a brand’s marketing and advertising efforts (Valck et al, 2009)
The eclosion of Web 2.0 and social networking sites like Facebook have resulted in new market research approaches (Cooke et al, 2008) and the birth of a new term “Netnography” (Kozinets, 2001). With the advances in technology, every race, nationality, religion, culture and age group is just few clicks away (Kozinets, 2001). This people is nowadays willing to record and share their experiences and opinions (Cooke et al, 2008). In other words, customers now do the work facilitating the market research (Ibid).

Netnography is a market oriented study of customers on online communities, dedicated to relevant marketing topics (Kozinets, 2001). It is characterized for being less intrusive, less time consuming and less elaborate than previous techniques such as focus groups or personal interviews (Ibid). The ultimate goal of market research is gaining a better understanding of customers (Hale, 2010)

The study of demographics and socioeconomic variables can improve a brand’s performance (Valck et al, 2009). Data from online social networking sites provides instant information about consumer’s insights and how consumers interact with brands online (Iyengar et al, 2009). This information allows marketers to react quickly to changing needs of their target market (Cooke et al, 2008). There are better chances of picking up weak signals and identifying threats and opportunities, something which is extremely important for business survival (Ibid)

Desires, opinions and decision making influencers can be extracted through the observation of human interactions on Facebook (Kozinets, 2001). The social nature of the platform allows businesses to identify both the conscious and cognitive factors of customer behaviour and also the unconscious and emotional ones (Cooke et al, 2008). The reason is that users online share purchase and non purchase information (Iyengar et al, 2009). Understanding the social context in which customers move is crucial for understanding how promotional efforts and dissemination of ideas work on them (Cooke et al, 2008). It also permits the creation of consumption patterns models (Kozinets, 2001).

Market research on online communities like Facebook is conducted the following way:

**Search of specific market research questions:** important due to the overwhelming amount of information available online (Ibid).

**Data collection and Analysis:** attitudes and behaviour can be measured online as the researcher is now an active part in the conversation (Ibid).

**Providing trustworthy interpretations:** conclusions of the data analysis must reflect the limitations of the online medium and the techniques used, whether is observation or surveys (Ibid).

**Research ethics:** consumers who create data do not necessarily intent its uses in research representations. Precautions must be taken to provide anonymity, confidentiality and obtaining permission for the use of data (Ibid).
**Member checks:** It is desirable to present to the people the final research findings and solicit their comments for further validity of the data obtained (Ibid).

### 2.1.6.2 COMMUNITY BUILDING

Companies pay considerable attention to Customer Engagement by means of community building. CE is the whole of interactions that strengthen the investment of a customer with a brand (Singh et al, 2010). According to Valck et al (2009) when making purchase decisions consumers go through seven major steps:

1. Need of recognition
2. Search of information
3. Pre-purchase evaluation of alternatives
4. Purchase
5. Consumption
6. Post purchase evaluation
7. Divestment

These steps on the purchase process are directly linked with the motives that push customers to engage with a brand on a virtual community (Singh et al, 2010). Facebook’s online communities can have a positive effect on each of these steps, especially regarding the need of recognition, search of information and pre or post-purchase evaluation (Valck et al, 2009).

Two engagement types can be identified: emotional and behavioural. Emotional takes a customer to track, share its experience and recommend a brand. Behavioural encompasses all the interactions a customer has with the company (Singh et al, 2010).

Facebook’s communities benefits both, customers and companies (Singh et al, 2010). **Customers** find better brand information, fast action to their needs and connections with other customers. (Singh et al, 2010). The perception of being a member of a community influences positively in the way consumer values the information displayed (Valck et al, 2009). With Facebook customers are able of obtaining advice from other members, under the control of the brand, when making purchase decisions (Hale, 2010)

**Companies** acquire a better understanding of the market place, quick response to business situations, open recommendations, new customers, more customer retention and increase in loyalty (Singh et al, 2010). To achieve all this, organizations rely on impression management, increase of fan base and fostering conversations on the consumer relationship-building environments that they are creating on Facebook (Deighton et al, 2011).

It is well known that being member of a brand’s online community increases brand awareness on consumers (Schau et al, 2009). Creating a favourable impression of a
brand encourage brand enthusiasts to act as ambassadors of it in an altruistic way, spreading and justifying positive opinions to their social network (Ibid).

On the other hand, building a mass of participants make it difficult for competitors to lure customers away, therefore making consumer retention much easier (Armstrong et al, 1996).

Experience reveals that the value contribution of a customer to a brand resides in the actions, interactions and conversations that take place between a brand and its fan base (Schau et al, 2009). It is through these interactions and conversations that brand fans become brand devotes (Ibid).

Facebook allows users to voice their concerns, wishes and opinions about the products and services they have been offered (Kumar et al, 2009). Listening to these conversations is the key to discover how people feel about a product/service or whether a company is viewed negatively or positively helping the organization in the identification of its advocates or threats (Davis, 2010).

This feedback is important to gain insights of the nature of customers (Armstrong et al, 1996). It dictates what is appropriate in caring for the brand (Schau et al, 2009), permits consumer needs to be satisfy in a better way (Kumar et al, 2009) and at the same time enables marketing messages to intrude more precisely and deeply into consumer lives (Deighton et al, 2007).

User recommendations enables organizations choose the right decision regarding not only advertising and consumer needs but also product design (Kumar et al, 2009). The intellectual power of the audience can provide guidance in the development and perfection of a product or service (Cooke et al, 2008) by pointing out the high-fidelity and the low fidelity needs of it (Schau et al, 2009). An example of this is the case of LEGO in 2006 where the company was able to successfully refine their robotic kit Mindstorms by harnessing the public’s innovation ideas (Ibid).

The four components determine the engagement of a consumer with a Facebook corporate page are:

- Involvement - site visits, logins, page views, time spent (Singh et al, 2010).
- Interaction - quality and frequency of comments (Ibid).
- Intimacy - sentiments and tone towards brand (Ibid).
- Influence - satisfaction forwarded to others (Ibid).

Brand use is magnified when the customer is fully engage with the firm and can customize it to his or hers needs (Schau et al, 2009). This type of customers are also more likely to remain loyal, spread good words about the company, spend time promoting the brand to others and even defending it from negative speaking (Singh et al, 2010). In other words, generating conversations with customer on Facebook adds value to a brand (Schau et al, 2009).
2.1.6.3 PROMOTIONAL TOOLS

As a promotional tool there are different practices an organization can perform (Iyengar et al, 2009). According to Mangold et al (2009) SNS has an important role in each of the components of the promotional mix, which are:

1. **Advertising**: presentation of products or ideas (Ibid)
2. **Personal selling**: interactive communication brand-customer with the aim of persuading individuals to buy products or services (Ibid)
3. **Publicity**: external comments about the brand (Ibid)
4. **Sales promotions**: short term incentives with the aim of increasing revenues (Ibid)
5. **Sponsorships**: support to events or philanthropic causes (Ibid)

**Advertising**

Social networking sites are changing advertising profoundly. The budgets needed are less but the scale level is greater than ever before (Gangadharbatla, 2008). Some authors like Iyengar et al (2009) claim that the advertising based model has turned out to be one of the less successful practices on SNS as users come to these sites to interact with friends rather than searching or buying products.

Contrary to this thought Lacho et al (2010) defend the use of advertising on Facebook alleging that is able to expose products and services to an extremely large market, without caring about the traditional media gatekeepers who could block or slow down advertising attempts.

Advertising on Facebook is highly targeted and relevant (Gangadharbatla, 2008) Multimedia content like photos or videos can be used for the launch of new products, creating a rich visual experience that can result in an increase of awareness and purchase consideration (Lacho et al, 2010). New ideas can be checked with the customer speeding the implementation process and reducing risks by observing which of the products or services are more resonant to the public (Bernoff et al, 2008)

When a user interacts with a Facebook ad, this information is broadcasted to his or her contacts amplifying the reach of the message and making it more credible because the information comes from friends that other users trust (Gangadharbatla, 2008)

**Personal selling**

Never before had organizations had the chance of reaching millions of users, spread their messages, intimate and interact in such relatively low costs (Davis, 2010) Facebook is the perfect vehicle for dissemination of ideas and engaging in two way conversations with customers (Deighton et al, 2011) which is the basis of personal selling (Mangold et al, 2009)
Talking to customers online facilitates the process of persuading the target market. On the other hand, detailed information of a product also drives sales. When customers clearly understand the use and characteristics of a product, they are more likely to buy that product instead of others. (Ibid)

**Publicity**

In a situation of lack of experience and information, second party recommendations have turned out to be extremely influential in the decision making process (Valck et al, 2009). These recommendations are more reliable, credible, and trustworthy to consumers than any other form of promotion (Brown et al, 2007). Word of mouth is the term used to refer to those consumer to consumer conversations that take place (Mangold et al, 2009). A more formal definition is that of Brown et al (2007)

“Word of mouth, WOM, is a consumer-dominated channel of marketing communication where the sender is independent of the market”

For Trusov et al (2009) it is one of the most effective but least understood marketing strategies available.

The amount of users present at Facebook among with its viral potential maximizes the effect of WOM providing unique opportunities for companies (Deighton et al, 2011). Indeed, it extents the traditional word of mouth giving the brands the chance of influencing the conversations that consumers have with one another (Mangold et al, 2009). Facebook users have hundreds of friends in their network, if someone likes a product or service they might share his or her opinion with their social network (Lacho et al, 2010). Multiple exchanges like this, allow the recommendations to reach and influence a huge amount of people, thus creating a wave effect (Brown et al, 2007)

Even when customers are not actively surfing on a brand’s Facebook page they are being passively informed about the brands issues through their news feed (Valck et al, 2009)

WOM is considered a powerful influencer on consumer behaviour; it lends to an increase in sales and is one of the best driving forces for firms to acquire new members (Trusov et al, 2009). Customers acquired through WOM add more long term value to a brand than those attracted through traditional marketing channels (Ibid).

**Sales promotion**

Companies are becoming aware that they can monetize fans presence on Facebook through coupons, special offers or deals (Hale, 2010) They can even provide exclusivity to customers if those offers are only available online to a subset of customers (Mangold et al, 2009). A successful Facebook sales promotion campaign can generate leads, drive traffic to external websites, drive sales or increase in store traffic (Harris et al, 2007).
An example of this is the Starbucks approach of offering a free pastry to those customers that presented a coupon that was only offered online. With this campaign Starbucks was able of increasing the number of people in their stores with the consequent increase in sales. (Deighton et al, 2011).

In addition, online games and applications are a natural setting for engaging and entertaining while promoting a product or service (Mangold et al, 2009).

**Sponsorships**

Organizations need to be remarkable to succeed in the marketplace. That is the reason why corporate social responsibility (CSR) has grown in importance in the business context in past years. In 1991 Wood defined corporate social responsibility CSR as the set of practices, principles, policies and actions of a company that contribute positively to society. (McCorkindale, 2007).

Supporting causes or issues that are important to costumers, like civic involvement, ecology, environmental sustainability or education can build emotional connections with them, therefore increasing brand consideration (Mangold et al, 2009). Businesses have seen on Facebook a perfect channel where to conduct their social performance strategy (McCorkindale, 2007).

However this support and effort can also be directed to brand related events (Schau et al, 2009). Participating on events is a great opportunity for fans to experience a product or service as well as get to know likeminded individuals who use it (Mangold et al, 2009). Studies reveal that this practice increases positively the awareness and demands of products (Schau et al, 2009).

**2.1.7 COMMUNICATION PROCESS**

Interactions between brands and customers using social media is a complex process with a variety of correlated elements and factors involved (Parent et al, 2011). Figure 2.3 illustrates how this dialog is structured.

![Interaction Model Diagram](chart.png)

**FIGURE 2.3: INTERACTION MODEL**

*Source: Adapted from “The new WTP: willingness to participate” (Parent et al, 2011)*
The first component operating in the communication with customers is the company itself (Parent et al, 2011). Brands become the centre of a social dialog and have to present themselves in an authentic and open way (Gupta et al, 2011). They must clearly define how they are going to deal with abusive behaviour of fans, plagiarism, spam or offensive content (Hale, 2010). Firm should also decide their attitude in the conversation (Cooke et al, 2008). The two possible attitudes a brand can intake are:

1. **Active attitude**: Participative temperament introducing new topics content and generating member activities (Ibid).

2. **Passive attitude**: Non participative temperament. Little content updates or activity. Makes use of traditional marketing tools like polls and surveys (Ibid).

The type of content uploaded is important as well as it drives customers back to the site (Gupta et al 2011). The content should be characterized for being relevant, personalized, interactive, integrated and authentic (Ibid).

Firms must realize that once they push content to their online community that content is appropriate by the online community. In other words they are ceding the control over to customers who can take, modify or comment that content (Parent et al, 2011).

As in any type of communication there are some expected rules, manners and practices that should be followed (Hale, 2010). The interaction consumer-brand takes place online and therefore is based on the communication rules set by community host (Valck et al, 2009). Online community tools have he ability of gathering the response of individual fostering the resume of conversations in the same point in which they were left (Deighton et al, 2007)

With SNS companies can listen and respond to their customers (Cauterman, 2010). This encourages a two way interaction with the targeted market never seen before (Hale, 2010). These conversations are usually chaotic and moderated by participants it self, there by brands should adopt these rules and culture to achieve a greater engagement (Barwise et al, 2010)

### 2.1.8 MEASUREMENT

An important part in marketing is the understanding of the effect that marketing campaigns have on customers (Kumar et al, 2009). It is crucial to know who’s talking about your brand and in which way. Otherwise you wont know how influential you are or which are the best and more effective practices (Davis, 2010)

However there is a lack of consensus of which are the best measurement criteria to evaluate brand’s initiatives on social networking sites (Gillin, 2008)
For Kumar et al (2009) some of the key factors that organizations should measure are:

- **Content volume**: the amount of user generated content on their corporate Facebook page present at a certain point in time (Ibid)

- **Exposure width**: the different contexts in which user generated content is found on the website (Ibid)

- **Message sentiment**: the tone and attitude of followers towards the brands posted announcements (Ibid)

- **Virality**: the potential to spread out messages for the brand (Ibid)

Gillin (2008) holds that companies prefer quantitative criteria over other measurement criteria because factors like awareness or loyalty are difficult to measure. On his opinion, the indicatives of the impact on customers and therefore the factors to be analyzed are: Search engine ranking, number of visitors, incoming links, positive or negative nature of comments, number of comments and postings, number of RSS subscribers and number of click through to official website.

Continuing with this quantitative approach McCorkindale (2010) identifies four areas where to conduct a quantitative analysis

**Customer engagement**  
It is important to provide the brand with competitive advantage versus competitors. The indicators to be analyzed are: Number of fans, fans growth and geographic areas of influence (Ibid)

**Wall**  
It is the center of a Facebook page and gives a first impression of the experiences that fans have with a brand. The indicators to be analyzed are: number of wall posts, date and time range of the posts, tone of the posts, number of status comments and number of “likes” (Ibid)

**Discussion board**  
It is the best place to provide requested information or answers to issues that customer may have. The indicators to be analyzed are: number of fans engaged on the discussion board, number of board topics, number of posts, date and time range of the posts (Ibid).

**Multimedia content**  
Photo, videos and links are one of the best tools provided by Facebook to engage with the public. The indicators to be analyzed are: number of comments, number of user generated content uploaded, number of click through on the links provided and number of “likes” on the content uploaded by the brand (Ibid).
This distinction of four areas of research seeks to give importance to the context in which messages are created and presented (Ibid).

In conclusion, using measurement tools and good metric for analytics is essential to have an evidence of the company impact on Facebook, otherwise organizations can not take their efforts seriously (Davis, 2010). Without regard to this, only 23% of companies present at Facebook use analytics tools to measure the impact of their campaigns and only 5% use some kind of user sentiment analysis (Ibid).

2.1.9 SUCCESS DRIVERS

The business viability of social networking sites like Facebook yet remains in question. (Iyengar et al, 2009). Some organizations just create a profile and abandon it (McCorkindale, 2007). Others focus more on making noise about their company rather than understanding and participating in the conversations with consumers (Davis, 2010)

However making a difference in their business is still one of the most important challenges for companies when embracing SNS (Davis, 2010) and there are some interesting cases where the factors that determine the success of a corporate Facebook page can be extrapolated (Deighton et al, 2011)

On August 31, 2008 two friends Dusty Sorg and Michael Jedrzejewski created a brand page on Facebook, that of Coca Cola. Despite the fact that there were about 150 other fan pages of the company, the page created by Dusty and Michael experimented an enormous success. Within three months it already had 1.2 million followers. (Ibid)

Sorg and Jedrzejewski’s page was far more technically sophisticated and professional than the other fans productions (Ibid). Quality and credibility are two of the most important aspects in regards to relationship building (McCorkindale, 2007) and this characteristics definitely lead to higher rates of “likes” by followers (Deighton et al, 2011).

It is likely that at some point, companies will find content not favourable to their images, here they will have to decide how transparent are they going to allow their community to be as they can remove those posts, ignore them or reply (Hale, 2010). Selective removal of negative post has turn to be a bad practice (Ibid). Harris et al (2007) maintain that this negative feedback can not be hidden without loosing credibility. On the other hand having an honest attitude with the online community and allowing freedom of speech clearly benefits the overall perception that fans have of a brand (Hale, 2010).

The active and expressive attitude shown in the brand page also influenced positively (Deighton et al, 2011). As Valck et al (2009) stated, social involvement and visits are key factors for success. They included discussion boards and polls to drive conversations and with their fan photo page, frequent status updates and comments Dusty and Michael were able to achieve a high customer engagement (Deighton et al,
It is well known that these kind of practices increase the duration of the visits reporting benefits for a brand (Valck et al, 2009). Successful brand communities have more practices available for consumers than weaker brands (Schau et al, 2009).

The approach of “less about us, more about them” that Sorg and Jedrzejewski had, turned to be so outstanding that The Coca Cola Company offered them to continue with their work under their supervision (Deighton et al, 2011). They were able to drive more visitors than other pages by accepting their loss of control versus customers and becoming more flexible (Bernoff et al, 2008).

2.1.10 BENEFITS

Businesses have realized that providing voice to customers is a smart business investment with considerable benefits for a brand (Hale, 2010). According to Iyengar et al (2009) a social influence translates on average into a 5% increase in revenues, while a negative image can reduce those revenues by more than 14%. Deighton et al (2009) maintain that the effect of following a brand on Facebook increases user’s desire of purchase in the 36% of the cases.

For Bernoff et al (2008), embracing social networking sites can generate research insights, extend the reach of the marketing efforts, cut costs, and stoke the innovation process. Gillin (2008) goes further and enumerates, in order of importance, the main benefits of the use of SNS as follows:

1. Enhancement of relationships with key audiences
2. Enhancement of reputation
3. Improve of the search engine ranking of the organization
4. Customer awareness
5. Increase of click-thru to organizations official web site
6. Better innovation and product development processes

Businesses perception of the benefits brought by SNS and social media in general are:

- Increase awareness of our organization, products or services
- Increase traffic to website
- Obtaining a more favourable perception of the organization
- Monitoring of unofficial information of the brand
- Development of target marketing activities
- Better customer understanding
- Feedback
- New business opportunities
- Early warning of potential products or services

The results shown were obtained conducting a survey to 2100 companies who were asked to enumerate the three main benefits obtained in their use of Social media (Davis, 2010).
2.2 USE OF FACEBOOK BY CUSTOMERS

This section reviews the main relevant scientific studies regarding the use of Facebook by customers. Figure 2.4 provides the reader with a graphical overview of the issues that will be discussed in this section and shows how the different subsections fit together.

New customer

Social networking sites such as Facebook are changing the marketplace, as a consequence a new type of customer has emerged (Ellison et al, 2009)

Motivations

Determine the context in which conversations with a brand is going to take place (Sinh et al, 2010)

Adoption

Motivations result in the adoption of Facebook, which has experienced an incredible growth thanks to the ease of use and popularity of the Internet. This gives insights of the demographics of the customers present on the platform (Gangadharbatla, 2008)

Presentation

Once present at Facebook, identity construction is required. Online environments have changed the way people portray themselves and the information they share with brands online (Zhao et al, 2008)

Usage patterns

General usage patterns emerge and with the time they become more and more complex resulting in new usages like following brands online (Gangadharbatla, 2008)

Intensity of use

Comparing personal use and the use of fan pages has become essential to understand how customers reach companies through Facebook (Bradley et al, 2010)

Following brands

The fact of choosing freely to follow brands on Facebook make customers more demanding. The different reasons that push customers to like a brand online have a direct influence on their expectations (Valck et al, 2009)

Expectations

Facebook, and social media in general, has changed the way customers contract and bind their expectations towards brands (Lee et al, 2010)

Involvement

Customers’ degree of involvement on Facebook shows how open and receptive they are to brand messages (Kumar et al, 2009)

Participation

SNS are establishing new forms of customer-brands interaction (Acquisti et al, 2006)

FIGURE 2.4: SECTION OUTLINE – RQ2

2.2.1 TOWARDS A NEW KIND OF CONSUMER

Social networking sites have the potential to change the marketplace both on an interpersonal and community level (Ellison et al, 2009). Indeed, those changes are already evident (Ibid). The rapid growth of Facebook together with the fact that consumers are now in control is changing profoundly aspects of consumer behaviour and interaction patterns adding consequently more complexity to the marketing practices (Mangold et al, 2009; Gupta et al, 2011).

The new consumer is characterized for being highly educated, historically affluent and increasingly sceptical and demanding (Mangold et al, 2009). Never before have had consumers such power and control over brands (Ibid). Social networks have increased the speed of formation, impact and reach of customer (Kane et al, 2009). They have a
greater access to information and the tools available allow them to organize and filter content easily, fostering knowledge creation and synthesis (Kane et al, 2009). As a result the reliance on advertising as a source of information has been reduced (Mangold et al, 2009) enhancing the habit of asking people for information (Bradley et al, 2011) breaking with the feeling of high value involves high price (Parent et al, 2011).

Also willing to participate feeling has arise nowadays among consumers who have become more active and involved. SNS let them create content as well as appropriate other’s content, modify it and commenting it. Consumers now broadcast their thoughts and activities all over the web. (Ibid)

### 2.2.2 MOTIVATIONS TO USE FACEBOOK

Social networking sites are a unique medium and people use it for a variety of purposes (Gangadharbatla, 2008). These purposes can range from enjoyment to informational or from communication to buying and selling products (Ibid). Other reasons may include self identity, goal achievement or feelings of affiliation and belonging (Ibid). Valenzuela et al, (2009) proposes a classification based on four major reasons for joining and partaking SNS which are: social capital, informational needs, recreational and need for integration.

**Social capital** refers to the resources accumulated by people through their relationships and interactions with others (Ellison et al, 2007). Existing literature shows that there is a link between Facebook use and the production of social capital (Valenzuela et al 2009). When talking about social capital two new concepts emerge: the strong and weak social ties (Ellison et al, 2007)

Strong social ties are the bonds and individual has with his or her relatives, friends and colleagues while weak social ties entail the interactions with new acquaintances (Valenzuela et al, 2009). Online SNS can support both, the maintenance of existing relationships and the formation of new connections (Ellison et al, 2007). This can be inferred when people report that their main reason for joining Facebook is keeping in touch and making plans with friends (Valenzuela et al, 2009) or browsing people with similar interests for romantic or social purposes (Ross et al, 2009)

Features like the “News Feed” or “Mini Feed” which display the recent actions of an individual’s social network on his or her homepage can fulfill the informational need of users, that is, gaining insights from others (Valenzuela et al, 2009)

Facebook has a vide range of applications and games which together with the videos and music uploaded by members satisfy one’s need of recreation and entertainment (Valenzuela et al, 2009). The satisfaction obtained by the user is magnified when he is familiar and understand the navigation schemas online (Gangadharbatla, 2008)

One of the most obvious motives for users to join Facebook is the need for integration and social interaction (Valenzuela et al, 2009). This phenomenon is defined as the need to belong (Gangadharbatla, 2008).
People need to be loved and socially accepted; SNS allow users to gain social approval, express opinions and influence others through the tools available for conversation, interaction and identity construction (Gangadharbatla, 2008; Valenzuela et al., 2009).

### 2.2.3 FACEBOOK ADOPTION

The adoption of Facebook is a phenomenon which has increased in popularity over the last years (Gupta et al., 2011). The growth in number of members can not remain unstudied as it is likely to have a great impact on consumers (Ibid). The importance of this phenomenon is best appreciated when compared with the adoption levels of other technologies (Ibid). Figure 2.5 reflects the astonishing growth experienced by Facebook in contrast to other inventions.

![Figure 2.5: Years to Reach 150 Million Users](source)

While the telephone needed 89 years to reach 150 million users, Facebook has achieve the same amount of users in just five years (Gupta et al., 2011). As this adoption levels continue to spread reaching a wider audience, changes across all segments of society are ostensible of being amplified (Ellison et al., 2009). According to Gangadharbatla (2008) the ease of use and popularity of Internet has increased the attitudes towards embracing SNS.

Valenzuela et al., (2009) conducted a survey to a sample public of 2603 individuals with ages ranging from 18 to 29 enunciating a 94% (n=2437) of Facebook members in contrast to the 6% (n= 166) of people that claimed not to have a Facebook account. Consistent with this research Ellison et al., (2007) reported also a 94% of penetration among undergraduate students (sample demographics n=286). In 2010 Ellison and colleges repeated the study with 450 respondents obtaining similar results, 96% of Facebook users. Only Zeynep (2008) with an 85.4% of SNS membership rate over a sample population of 713 people differs from the previous findings. According to Ellison et al. (2007) an analysis of the influence that demographics characteristics have on the adoption levels is not representative due to the low number of non Facebook users on the studies conducted.
From a participant population of 241 Facebook users with a mean age of 25.97 years, Joinson (2008) was able to conclude that 7% had been registered on the site for less than one month, 9.6% between one and two months and 29.2% between two months and half a year. The majority of users 43.4% have been Facebook members for a period varying from 6 months to 2 years and only 10.8% were users for a longer period of time. Zeynep (2008) yields another interesting fact from his analysis over a midsize public (n=601) of university students. From SNS users just 40.7% of the people limit their use exclusively to Facebook while 50.5% have profiles in both Facebook and MySpace, the remaining 8.8% use another social networking site (Ibid).

2.2.4 PRESENTATION TO THE WORLD

Identity is an important part of the self concept; it determines how we are known to others and entails a person’s thoughts and feelings (Zhao et al, 2008). With the advent of the Internet and social networking sites, self representation is becoming essential for modern life success (Agerboek, 2008). In online environments, individuals interact with each other in a setting were the presence of the physical body is detached from these social encounters (Zhao et al, 2008). Therefore, a new way of portraying oneself has emerged (Ibid). Figure 2.6 displays the modes of self presentation on Facebook from implicit to explicit identity claims.

The indentifying information facilitated by members of Facebook can be classified in: basic profile information, contact information, social networks and self description (Zhao et al, 2008). Though a Facebook profile is personal, the structure and type of content is limited to the possibilities offered by the platform (Agerboek, 2008)

The basic information about users includes name, sex, birthday, relationship status and a profile cover picture (Zhao et al, 2008). In the contact information section Facebook members can disclose email addresses, phone numbers, instant message names and current location (Ibid). Information regarding hobbies, interests, personal preferences, religion, education and employment background is included as part of the “about me” information (Ibid). A list with friends and relatives is presented in the social network section (Ibid)
This information has the potential of facilitating initial interaction with other (Ellison et al, 2009) encouraging previously known friends and acquaintances to find them (Ross et al, 2009). Users voluntarily chose to provide this information therefore personal characteristics like introversion and extraversion play a significant role in the way they present themselves to the rest of the world (Ibid). Facebook provides tools to control the personal information displayed to others allowing them to present different self images depending on the people just as they do in real life (Zhao et al, 2008).

### 2.2.5 USAGE PATTERNS

When studying user generated content sites, such as Facebook, it is important to consider why individuals take certain actions and which those actions are (Gangadharbatla, 2008). Social networks serve a great number of purposes which influence individual’s usage patterns (Joinson, 2008).

Piskorski et al, (2010) propose the following Facebook activity break down, shown in figure 2.7

![CUSTOMER’S FACEBOOK USAGES](image)

*Note: the size of the spheres represent the intensity of use while the Y axis shows the average time consumed by each action*

**FIGURE 2.7: CUSTOMER’S FACEBOOK USAGES**

*Source: Adapted from Piskorski et al, 2010*

According to Joinson (2008) the best way of describing usage patterns is by first identifying the main usage categories and later listing the individual actions that each category encircles. Figure 2.8 shows Joinson’s main usage categories
Notes: A 0-1 scale was used to show the importance attached by users to each category. 1=very important, 0=not important at all.
The number of participants involved in the study were n=214 users

FIGURE 2.8: GENERAL FACEBOOK USAGES
Source: Adapted from Joinson, 2008

Table 2.2 exhibit the individual actions conducted by Facebook users according to Joinson’s (2008) research

TABLE 2.2: FACEBOOK USAGE PATTERNS

<table>
<thead>
<tr>
<th>Category</th>
<th>Actions</th>
<th>Item mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social connection</td>
<td>Finding what old friends are doing</td>
<td>3.08</td>
</tr>
<tr>
<td></td>
<td>Reconnecting with people you have lost contact with</td>
<td>5.29</td>
</tr>
<tr>
<td></td>
<td>Connecting with people you otherwise would have lost contact with</td>
<td>5.53</td>
</tr>
<tr>
<td></td>
<td>Receiving a friend request</td>
<td>4.85</td>
</tr>
<tr>
<td></td>
<td>Finding people you have not seen for a while</td>
<td>3.41</td>
</tr>
<tr>
<td></td>
<td>Maintaining relationships with people you may not get to see very often</td>
<td>3.71</td>
</tr>
<tr>
<td></td>
<td>Contacting friends who are away from home</td>
<td>3.46</td>
</tr>
<tr>
<td>Shared identities</td>
<td>Organizing or joining events</td>
<td>3.42</td>
</tr>
<tr>
<td></td>
<td>Joining groups</td>
<td>3.52</td>
</tr>
<tr>
<td></td>
<td>Communication with likeminded people</td>
<td>3.82</td>
</tr>
<tr>
<td>Photographs</td>
<td>Viewing photos</td>
<td>3.03</td>
</tr>
<tr>
<td></td>
<td>Being tagged in photos</td>
<td>4.24</td>
</tr>
<tr>
<td></td>
<td>Tagging photos</td>
<td>3.95</td>
</tr>
<tr>
<td></td>
<td>Sharing / posting photographs</td>
<td>4.35</td>
</tr>
<tr>
<td>Content</td>
<td>Applications within Facebook</td>
<td>2.85</td>
</tr>
<tr>
<td></td>
<td>Playing games</td>
<td>1.84</td>
</tr>
<tr>
<td></td>
<td>Discovering applications</td>
<td>2.64</td>
</tr>
<tr>
<td></td>
<td>Quizzes</td>
<td>1.85</td>
</tr>
</tbody>
</table>
When analyzing the impact that a social network has on its members is not enough to examine how individuals are using that particular site, intensity of use has to be as well taken into account (Ellison et al, 2010). User behaviour on Facebook can be better understood by using measures such as number of friends or amount of time spent each day (Ellison et al 2007). These measures can also be considered a measure of success (Gupta et al, 2011). If a site engage users for extended periods of time on a regular basis is a warning for businesses to take part on it (Bradley et al, 2011).

According to Joinson (2008) the majority of Facebook users visit the site either daily (38.8%) or more than once a day (27.5%). 22.5% visited Facebook several times, 6.7% claimed to check their profile one time during the week and only 4.5% admitted having lower visiting rates. The amount of time per week each of them spent on the website was: less than one hour (16.9%), 1-2 hours (33.3%), 2-5 hours (32.5%) 5-10 hours (11%) more than 10 hours (5.4%)

In this same line of results, Debatin et al, (2009) found that from a 119 graduates sample with 27% of them within 22-24 years old, 37% of them checked their Facebook account daily, 25% did it three times a day and 23% five time a day. For half of the participants each visited lasted 15 min, 20% spent 30 min, 20% had visits of 5 minutes while the rest maintained that their profile was always open when being online.

Valenzuela et al, (2009) whom had obtained an average of 25.1 minutes spent on Facebook per day and user show that this intensity decreased greatly to 3.15 minutes when following groups as it can be inferred from table 2.3.
By the time Junco (2011) conducted his research both the mean of minutes spent by users on Facebook and the amount of checks to their profiles per day had increased to 101.09 minutes and 5.75 checks respectively.

Regarding the social graph of Facebook members (Ellison et al, 2007) reported between 150 and 200 friends per user. Joinson (2008) obtained a slightly lower result with an average of 124 friends in individuals’ profiles. Table 2.4 exhibits Valenzuela’s et al, (2009) findings regarding the number of friends of Facebook users.

### TABLE 2.4: DESCRIPTIVE STATISTIC USERS’ SOCIAL GRAPH

<table>
<thead>
<tr>
<th>Number of Facebook friends</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10</td>
<td>2.0</td>
</tr>
<tr>
<td>10-49</td>
<td>8.4</td>
</tr>
<tr>
<td>50-99</td>
<td>9.7</td>
</tr>
<tr>
<td>100-149</td>
<td>11.3</td>
</tr>
<tr>
<td>150-199</td>
<td>12.2</td>
</tr>
<tr>
<td>200-249</td>
<td>9.9</td>
</tr>
<tr>
<td>250-299</td>
<td>8.9</td>
</tr>
<tr>
<td>300-399</td>
<td>11.7</td>
</tr>
<tr>
<td>More than 400</td>
<td>25.0</td>
</tr>
</tbody>
</table>

*Note: n=2437 with age range between 18-29 years old*

*Source: Adapted from Valenzuela et al, 2009*
From these results an average of 225 friends was extrapolated (Ibid). Debatin et al, (2009) had similar results with 38% of the respondents affirming to have over 300 friends followed by 24% of users with 200-300 friends and 18% with 100-200 friends. The remaining 20% had less than 100 friends (Ibid). The posterior research conducted by Ellison et al, (2010) shows how the average number of friends has increased up to 300

2.2.7 FOLLOWING BRANDS

Customers are the passive receivers of a firm’s marketing effort (Schau et al, 2009). However the fact of choosing freely to join Facebook corporate pages makes them more demanding nowadays (Valck et al, 2009)

According to John Deighton et al (2011), 39% of the consumers that become fans of a brand on Facebook are searching for offers or exclusive and advance information of products. 33% join in order to take part in games, contests or receive invitations to brand related events while the rest of people just want to be involved in the development process of new products and services.

For Valck et al (2009) the motives for engaging in a conversation with companies on Facebook are mainly informational or instrumental and can be classified as follows:

- **Venting negative feelings and personal enjoyment**: gratification derived from experience with utilities and applications (Ibid).

- **Concern for other consumers**: desire of helping others to make better decisions (Ibid).

- **Social and self enhancement benefits**: prestige and power feeling experienced from the share of experiences (Ibid).

- **Advice seeking**: importance attached to other’s opinion when making purchase decisions (Ibid).

- **Economic incentives**: willingness of obtaining coupons, discounts or offers only available online (Ibid).

- **Platform assistance**: in order to solve problem or doubts regarding a product or a service (Ibid).

- **Helping the company**: in an altruistic way or looking forward a better satisfaction of their needs (Ibid).

Gangadharbatla (2008) maintains that the need for cognition and collective self esteem are the two main reasons that push customers to become members of groups online.
Need for cognition evokes the tendency of people to engage in and enjoy demanding cognitive endeavours and can positively influence their response to persuasive communication. On the other hand, collective or membership self esteem refers to the value and emotional significance that individuals associate with being a member in a certain social group. Collective self esteem is based in a person’s own judgement and usually relies on a private evaluation of the worthiness of the group together with an evaluation of how non members see that membership.

### 2.2.8 EXPECTATIONS

According to Lee et al (2010) persons are a collection of expectations which function as reference points determining their conduct within the social system. Facebook and social media in general has changed the way its members construct and bind their expectations (Ibid). It has always been risky to disappoint customers but at present is even more hazardous (Barwise et al, 2010). Today’s customers expect from brands innovation, fun, informalality, honesty, value and a caring attitude (Ibid)

Brands are expected to make continual improvements and innovate beyond the familiar in order to catch the attention of their target market (Ibid). Community members want to be informed when things go wrong (Ibid) and claim for a shift from impersonal sales communications to more personal (Parent et al, 2011) allowing them to reach deeper relationship with organizations, never experienced before (Kane et al, 2009). Consumers have become more demanding and require immediate access to information at their own convenience (Mangold et al, 2009). This has clearly influence the way they receive and react to market information (Ibid). Reliance on traditional sources of advertising such as radio, television or magazines have been abandoned and now consumers turn to Facebook and other types of social media to make their purchasing decisions (Ibid).

Trust, defined by Valenzuela et al, (2009) as the willingness of individuals to be vulnerable to the actions of others based on the belief that those will perform an expected particular action, is becoming more and more important to brand’s supporters. Facebook is perceived by consumers as a more trustworthy source of information regarding products and services than traditional elements of the promotional mix (Mangold et al,2009). From a customer perspective thrust is the driver to collaboration with brands on common issues (Valenzuela et al, 2009). On the other hand companies can monitor and control better their target market (Ibid). Uncontrolled and uncensored social setting fosters trust development (Parent et al, 2011). Knowing your customers also helps to develop the demanded norms of trust and reciprocity (Valenzuela et al, 2009)
2.2.9 INVOLMENT

Based on the level of involvement in social media and particularly on Facebook, individuals can be categorized in six groups (Kumar et al, 2009):

**Inactive**  Users that show no participation at all regarding conversations with firms online.

**Joiner**  Members that become fans of a Facebook page to show their support or interest without any active participation.

**Spectator**  Passive observer of the activities that take place online.

**Collector**  Consumers that actively seek and gather information on the brand’s page by following links or entering to forums.

**Critic**  Users with participative temperament that engage on conversations sharing their personal experience and opinions.

**Creator**  Critic users that go one step further and become involve in the innovations and product development processes by spreading their’s ideas.

However, these categories are not static for individuals. A person can move in and out of different participation categories (Kumar et al, 2009). The changes between stages can be motivated by social factors of behaviour or experiences while surfing on the corporate Facebook page (Valck et al, 2009).

The reason for this phenomenon has to do with the fact that when people first join a brand’s page they are not familiar with the environment and takes time to get used to it. That is why at early stages members engage in informational and instrumental activities and later become more involved. (Valck et al, 2009).

For Iyengar et al (2009) the categorization of followers of Facebook corporate pages is much simpler. Fans can be classified in three main groups:

1. **Low status members**: those who show little interaction with other fans

2. **Middle status members**: those who show a reasonable activity and are influenced by others on their purchase decisions

3. **High status members**: very active members that engage at higher levels with the share of content

Continuing with this line of thoughts Valck et al (2009) go even further and just distinguish between those fans that contribute with content and those who simply consume it.
2.1.10 CUSTOMERS PARTICIPATION FORMS

Social networking sites facilitate and provide new tools for interaction and communication (Acquisti et al, 2006). This increases the willingness of consumers to engage in online conversations with brands (Parent et al, 2011). Conversations can be considered the ultimate expression of engagement (Ibid). Facebook allows public and private, broadcasted or targeted exchange of messages all of this supported by photo directories, distribution lists and search capabilities (Ellison et al, 2007). It is a fact that SNS are establishing new forms of interaction among their users (Acquisti et al, 2006)

According to Parent et al, (2011) customers forms of participation can be classified in:

**Viewing**
Users come in contact with content either directly (gathering) or indirectly through highlights (Ibid).

**Forwarding**
Users participate actively by forwarding links and important information to their social graph (Ibid).

**Commenting**
Users evaluate other’s contributions by writing and posting comments (Ibid).

**Creating**
Users construct rich, relevant and elaborate content which shares with the public (Ibid).

**Moderating**
Users take action in order to ensure cordiality and non abusive behaviours in the interaction process (Ibid).

**Arbitrating**
Users judge and mediate in conflicts between themselves or others (Ibid).
CHAPTER THREE

CONCEPTUAL FRAMEWORK
3. CONCEPTUALIZATION

A conceptual framework explains, either graphically or in a narrative form, the main things to be studied (Miles & Huberman, 1994). In this chapter the main sections and variables will be extracted from the literature review in order guide the data collection. The emerged frame of reference showing how the research questions fit together is exhibited at the end of the chapter.

3.1 CONCEPTUALIZATION OF RQ1

With respect to the use that brands make of Facebook corporate pages, the tools available and the usage strategies will be subject of study.

3.1.1 FACEBOOK TOOLS

Concerning how brands make use of the features at hand, Piskorski et al (2010) are the only authors who present a detailed list of tools available on Facebook, for that reason their inclusion in this section. How these tools are used and which are the most suitable for brands will be investigated.

**Facebook tools**

- News feeds
- Mini feeds
- Chat
- Wall
- Multimedia
- Events
- Ads
- Connect
- Applications
- Mail

3.1.2 FACEBOOK USAGE STRATEGIES

The conceptualization of the main usage strategies on Facebook is not a trivial issue due to the broad of the topic. Schau et al (2009) point out the following division helping to break down the problem, therefore justifying their inclusion in this section.

**Usage strategies**

- Market research.
- Community building.
- Promotion.

In relation to the market research usage strategy, the variables extracted from Cooke et al (2008) and Kozinets (2001) will be investigated. Though not referring specifically to Facebook, Cooke et al (2008) theories captures the essence of the new market research online. Kozinets (2008) was included because of his relevance to the subject in matter.
Characteristics of market research online

- New approaches. (Cooke et al, 2008)
- Customers facilitate the process. (Cooke et al, 2008)
- Less intrusive. (Kozinets, 2001)
- Less time consuming. (Kozinets, 2001)

With regard to community building practices on Facebook this research relies in Barwise et al (2010), Deighton et al (2011), Parent et al (2011) and Hale (2010). The recentness and direct relation to the topic motivated the inclusion of these studies in the present conceptualization.

Characteristics of community building online

- Two way interaction (Hale, 2010)
- Loss of control (Parent et al, 2011)
- Impression management (Deighton et al, 2011)
- Listening rather than talking (Barwise et al, 2010)
- Brand fosters conversations (Deighton et al, 2011)

The conceptualization of the use of Facebook as a promotional tool by companies has been conducted considering each of the components of the promotional mix as suggested by Mangold et al (2009). Gangadharbatla (2008), Hale (2010), Harris et al, (2010), Lacho et al (2010) and Schau et al (2009) were also included in this conceptualization as they add concepts not covered by Mangold et al (2009).

Advertising

- Broadcasted (Gangadharbatla, 2008)
- Rich visual experience (Lacho et al, 2010)
- Variety of multimedia content (Lacho et al, 2010)

Sales promotion

- Online games
- Coupons, offers, deals (Hale, 2010)
- Drive in store traffic (Harris et al, 2007)
- Drive traffic to other website (Harris et al, 2007)

Sponsorships

- Social performance
- Brand related events (Schau et al, 2009)

Publicity
3.2 CONCEPTUALIZATION OF RQ2

With respect to how customers use brand pages on Facebook, data will be collected on the reasons behind following brands, involvement and participation.

3.2.1 FOLLOWING BRANDS

In order to study the motives why customers engage in conversations with companies online, Valck’s et al (2009) theories will be investigated to see to which degree it is applicable to the subject under study.

Motivating factors

- Personal enjoyment
- Concern for other consumers
- Share of experiences
- Economic incentives
- Platform assistance
- Helping the company

This is an area were little research has been conducted therefore the fact that Valck et al (2009) suggest many different options has been sufficient for its inclusion in this conceptualization though it is based on virtual communities in general.

3.2.2 PARTICIPATION FORMS

The applicability to this study of Parent’s et al, (2011) customers’ forms of participation on social media will be investigated. Though not being a specific research of Facebook this document was chosen due to the detailed categorization provided in an area that lacks of previous research.

Forms of participation

- Viewing
- Forwarding
- Commenting
- Creating
- Moderating
- Arbitrating

3.2.3 INVOLVEMENT

When conceptualising how engaged customers are, this study will rely on Iyengar et al (2009). Their simplistic classification motivated their inclusion in this conceptualization. Its applicability to Facebook will be investigated, as it relates to Cyworld, a social networking site in Korea.

Degrees of Involvement

- Low status members
- Middle status members
- High status members
3.3 FRAME OF REFERENCE

Figure 3.1 exhibits the frame of reference resulting from the conceptualization of the research questions.

Note:
RQ1 = COMPANY; RQ2 = CUSTOMERS

FIGURE 3.1: FRAME OF REFERENCE

From the brands’ perspective adopting Facebook as a business strategy requires a profound understanding of the platform and the emerged new business model, this influence and prompts the development of a strategy. How brands use the Facebook tools at hand is highly determined by this strategy. Following, the communication process with the customer initiates under the set of rules, attitudes and practices carried out by the firms. At the other end of the communication process customers are found. Fans participate in the dialog with brands demonstrating different participation modes. How customers interact with firms online is directly influenced by the motives that push them to follow brands on Facebook and their individual degree of involvement.
CHAPTER FOUR

METHODOLOGY
4. METHODOLOGY

This chapter describes and justifies the research approaches used to conduct the present study. Figure 4.1 provides the reader with a graphical overview of the issues that will be discussed in this chapter and shows how these sections fit together thus constituting the research process.

![Diagram of research process]

**FIGURE 4.1: CHAPTER OUTLINE**  
*Source: Adapted from Foster (1998). p 81*

4.1 RESEARCH PURPOSE

Researchers often make the mistake of starting their works without having a clear understanding of the purpose of their research (Cargan, 2007). This is an important decision because knowing the purpose of the intended study makes research easier and reduces risks of omitting important facts (Ibid).

According to Yin (1994) there are three types of research that can be conducted: exploratory, descriptive or explanatory. However studies may be a combination of the types above (Cargan, 2007) with one dominant purpose (Kreuger et al. 2003).

**Exploratory research** is similar to solving an unstated or ambiguous problem in the way that it tries to build theory on something that has not been studied in depth before (Miles et al. 1994). Exploratory research rely on “what” questions (Kreuger et al. 2003).

**Descriptive research** consists in making things understandable by reducing them into their components parts (Miles et al. 1994). In other words, is about providing a detailed and highly accurate picture of how things are proceeding (Kreuger et al. 2003). It involves finding reasons for the different situations that occur, showing how things turn to be as they are (Punch, 1998). Descriptive research focus on “how” and “who” questions (Kreuger et al. 2003).

**Explanatory research** intents to make things understandable by showing how their components fit together (Miles et al. 1994). There is no clear boundary between describing and explaining (Ibid). This kind of research examines the cause and effect relationship between two or more variables (Dane, 1990) therefore relying in “why” research questions (Krueger et al. 2003).
The overall purpose and the nature of the research questions posed in chapter 1
denote that this thesis is predominantly descriptive as it attempts to reveal how
companies and customers use Facebook in a business context. It is also exploratory
due to the fact that SNS is a relatively recent phenomenon, few studies investigate
how it is used by customers to reach brands online and therefore this work can set the
basis for future research on the area. Finally the document becomes explanatory due
to the fact that a complete descriptive work involves explanation allowing the
prediction of future events as stated by Punch (1998).

4.2 RESEARCH APPROACH

When conducting a research there are two different approaches for the collection and
analysis of data: the qualitative and the quantitative methods (Denscombe, 1998). The
motivating purpose of qualitative studies is theory building (Newman et al. 1998) and
involves an inductive research process (Creswell, 1994). In the inductive mode
researcher gathers information, looks for patterns and theory emerges from this data
collection (Newman et al. 1998). Its data is characterized for being detail descriptions
of situations, interactions or behaviour (Newman et al. 1998) in form of words and
images (Neuman, 2003). On the other hand, quantitative studies pursue theory testing
(Newman et al. 1998) under a deductive model of thinking (Creswell, 1994). This
deductive approach involves including abundant amount of theory that provides
direction for the study (Creswell, 1994). Quantitative data is extracted by means of
standard procedures where replication is assumed (Neuman, 2003). It is numeric and is
displayed in form of graphs or tables (Denscombe, 1998).

Based on what have been exposed above this thesis can be classify as a theory
oriented qualitative study. Due to the descriptive and exploratory nature of the
research and considering that the phenomenon under research is going to be studied
in its natural setting, Facebook, the most suitable approach was the qualitative
method. On the other hand this study is theory oriented because of its deductive
reasoning proper of quantitative studies. A literature review has been conducted
followed by a conceptualization or framework which sets the basis for the posterior
data collection and analysis which ends up with the drawn of conclusions. Also
numeric and statistical data is intended to be included in the study

4.3 RESEARCH STRATEGY

According to Yin (1994) the research strategy used is determined by three main
conditions which are:

1. The type of the research question posed
2. The extend of control an investigator has over actual behavioural events
3. The degree of focus on contemporary as opposed to historical events

Facebook is a recent phenomenon. The goal of this thesis is to understand “how”
companies and customer use it, obtaining a descriptive and detailed general image of
this interaction; as a result no control over behavioural events is needed. Finally,
different type of data is expected due to the varied multimedia content used on SNS. In line with this reasons, a case study analysis was found to be the most appropriate choice of research strategy.

A Case study is an empirical inquiry that investigates contemporary phenomena within its real life context (Yin, 1994) and is mainly used for exploratory and descriptive purposes (Neuman, 2003). It relies in multiple sources of evidence and benefits from the prior development of theoretical propositions (Yin, 1994). Unlike mass studies it allows an in depth analysis delving into things in more detail, focusing on relationships and processes rather than in outcomes or understanding of isolated factors (Denscombe, 1998).

4.4 DATA COLLECTION METHOD

According to Yin (1994) the list of sources available for data collection can be quite extensive, however he maintains that there are six main sources of evidence: documents, archival records, interviews, direct or participant observation and physical artefacts. Following Yin’s (1994) suggestion, this study will rely on a combination of different sources as they are highly complementary.

Participant observation is the primary focus of this study, it does not rely on what people say they do or think (Denscombe, 1998) and gives the researcher the opportunity of inferring ideas from evidence without disturbing those being studied (Neuman, 2003). This method it is not a distinct technique on its own but a collection of non reactive measures\(^1\) (Ibid). Thereby, it would be complemented with content analysis which should also be included as source of evidence as stated by Denscombe (1998). The observation checklists used for conducting the data collection are presented in Appendix A.

Content analysis will be used to gather relevant information from written words, documentation and multimedia content present in Facebook corporate pages, following the straightforward procedure described by Denscombe (1998). Creswell (1994) claims that this is an unobtrusive method capable of capturing reality of situation thus not exempt of difficulty when referred to interpretation. The content analysis worksheets in which data collection rely are presented in Appendix B.

4.5 SAMPLE SELECTION

Sampling is crucial for later analysis (Miles et al. 1994). Two are the main motivations for using sampling (Neuman, 2003):

1. Time and cost: it is impossible to study everyone, everywhere doing everything (Miles et al. 1994)

\(^1\) Non reactive methods are those where the subjects under study are not aware that they are part of a research project (Neuman, 2003).
2. Accuracy: a well design sampling procedure can produce equally accurate results than reaching every single person (Neuman, 2003)

Sampling requires a prior identification of aspects to be studied and a selection of justified methods to perform the sample (Miles et al. 1994). According to Neuman (2003) these methods can be divided in probabilistic methods, proper of quantitative studies and non probabilistic methods, proper of qualitative studies

For the multiple case study sample selection, a non probability method has been chosen. Neuman (2003) argues that this option allows the researcher to focus in the relevance rather than the representativeness. Specifically judgmental or purposive sampling has been used for selecting the corporate Facebook pages to be analyzed. In concordance with Neuman’s (2003) thoughts, it is an acceptable kind of sampling because an in depth analysis involving content analysis is intended. Theoretical sampling, that is selection of cases or aspects to be analyzed based on the insights they may provide (Ibid), is used within the case studies.

Since the use of Facebook in a business context is going to be investigated, the following cases studies were found to be the most suitable for the research purpose of this work:

- **The Coca Cola Company**: American multinational beverage corporation founded in 1893 and headquartered in Atlanta, Georgia (US). According to their 2010 annual report, the company had a total net revenue of $35,119 millions and counted with 139,600 employees

- **PepsiCo**: American multinational food and beverages corporation founded in 1965 after the merge of Pespi-Cola (1890) with Frito-Lay, Inc (1932). It is headquartered in Purchase, New York (US) and according to their 2010 annual report, the company had a total net revenue of $57,838 millions with approximately 294,000 employees

Coca cola has become one of the most popular brands on the social network Facebook and it is a clear example of successful presence online. On the other hand Pepsi is far behind its competitor regarding Facebook presence though being stronger as a company.

4.6 DATA ANALYSIS

Data analysis encircles the process of searching and interpreting patterns, behaviours, objects or actions present in raw data (Neuman, 2003). According to Yin (1994) every investigation should start with a general analytic strategy helping the researcher to successfully complete the analytic phase of a research. The two main strategies are: relying on theoretical propositions or developing a case description framework (Ibid). The former is the chosen strategy to conduct data analysis in this research as the whole investigation (purpose, research questions and conceptualization) has been guided by theory review.
There is not a universal procedure for carrying on data analysis, however due to the voluminous amount of data generated by qualitative methods the most eclectic way of analysis consist on a step process (Creswell, 1994). This process is composed of three flows of activity (Miles et al. 1994)

**Data reduction** is the process of condensing the recorded data

**Data display** refers to the compressed assembly of information in a way that permits an easier understanding.

**Conclusion drawing and verification** involves interpreting and elaborating a clear idea of what things mean.

For the data reduction this document relies in the coding procedure described by Neuman (2003). Sorting and classification will be done using folders and directories by means of computer software. Secondly an open coding stage will take place. Here the researcher gains a sense of a whole and by using a low level of abstraction extracts the underlying meaning of the information, which is, finding preliminary themes and categories. Emerging explanations and ideas appear in the axial coding stage where the researcher looks for causes and consequences while clustering together categories with similarities. Selective coding is the last pass through the data and is where comparisons and contrasts take place in order to develop generalizations that could serve for the drawn of conclusions.

Following Miles et al. (1994) idea, systematic displays of the reduced information will be used such as graphs, charts or extended text with the aim of showing relationships among categories and basic data.

Interpretation of data will be performed using some of the schemas described by Yin (1994). As dominant modes of analysis pattern matching and explanation building are the choices. Extracted patterns from the data will be compared with theory and causal links among with plausible explanations for the phenomena investigated will be identified. Because of its suitableness, thematic analysis as described by Creswell (1994) is the choice as lesser mode of analysis. It entails a componential, domain, interaction analysis of the subjects under study.

**4.7 QUALITY STANDARDS**

Research should produce quality data using reasonable methods (Denscombe, 2002). The accuracy of the data and whether the research process has influenced the results obtained have to be checked by means of validity and reliability tests respectively (Ibid).
4.7.1 VALIDITY

Yin (1994) differentiates between three types of validity: construct, internal and external.

**Construct validity** indicates whether or not sufficient precise and detail data has been provided (Denscombe, 1998). Triangulation, multiple sources of evidence and data collection methods, different investigators and feedback are the main tactics used for increasing construct validity (Yin, 1994; Creswell, 1994).

In order to guarantee the construct validity of the thesis, qualitative and numerical data has been collected granting triangulation. Observation and content analysis have been used as sources of evidence and regular chapter reviews by a supervisor took place.

**Internal validity:** involves establishing a causal relationship, identifying how certain conditions led to others (Yin, 1994). Pattern matching explanation building and time series analysis are the most suitable ways of increasing this type of validity (Ibid).

Attempting to increment the internal validity an in depth analysis of the data (case study) takes place allowing to capture the complexity of the phenomenon investigated. A comparison with existing knowledge is performed through pattern matching. Additionally graphic organizers will be used to reinforce the draw of conclusions.

**External validity** refers to which extent the findings can be generalized (Creswell, 1994). It is the main obstacle when conducting case studies and the best way to deal with it is by using the replication logic (Yin, 1994).

With the aim of increasing the external validity of this research repeated observation overtime, and a cross case analysis will be used as suggested by Yin (1994). According to Denscombe (2002) other ways of enhancing the external validity of a study are: obtaining sufficient information about characteristics allowing transferability of knowledge more widely, using a representative of a wider population, and investigation of particularly important factors to provide theory relevance. As stated in section 4.5 Sample selection, theoretical and purposive sampling will be conducted, in order to provide enough and appropriate information of key factors, ensuring the relevance of the theory extracted from these data and the transferability of this knowledge in a wider extent.

Finally, in terms of the intention, the topic, purpose and research questions in this investigation have been peer reviewed in order to provide credibility to the study assuring that it is relevant, reasonable and achievable.
4.7.2 RELIABILITY

It is centred on the data collection methods and the concern that they need to be consistent and not distort the findings (Denscombe, 2002). Yin (1994) points out that the best way of dealing with reliability issues is to perform a research protocol previous to the data collection. This protocol serves as a guide to the investigator and other researchers; therefore it should have the following sections:

- An overview of the case study project (Ibid).
- Field procedures (Ibid).
- Documentation (Ibid).

The overview section provides background information of the project, that is, objectives, premises and context in which the study was undertaken (Yin, 1994). It must also include a review of relevant readings (Ibid). Procedural reminders, general sources of information among with the research methods and approaches used are included in the Field procedures section of the protocol (Ibid). The documentation section contains the specification of all the bibliographical information used (Ibid).

The abstract and introduction chapter of this document covers the background information while chapter 2 reviews the relevant documents related to the topic of interest. Statements about the researcher’s central assumptions, sample selection and methodology have been presented in this chapter. A pre-study previous to the formal data collection was performed, testing the main data collection methods and exhibiting how the research was going to be undertaken. Finally all bibliography is collected in the reference section of the thesis. All of this increases the reliability of the investigation enhancing the chances of replication by other researchers. Additionally a study data based will be created to enhance reliability as suggested and described by Yin (1994). This data base will include: case study notes, documents analyzed, qualitative and quantitative data extracted together with evidence under which the data was collected.

In regards to the influence of the research process in the data collected, neutrality and consistency of the study is endorse. The social and online nature of Facebook together with the fact that all data is open access makes it a perfect environment where to conduct observation. Thereby, it can be guarantee that the natural setting and the state of affairs in which interactions take place have not been disrupted while conducting the investigation.
CHAPTER FIVE

DATA PRESENTATION
5. DATA PRESENTATION

In this chapter the empirical data resulting from the case studies conducted will be presented. Data display is organized following the outline emerged from the conceptual framework in chapter 3. At the beginning of each case study an introductory section has been included in order to provide the reader with some background info and general observation findings.

5.1 CASE STUDY 1: COCA COLA ON FACEBOOK

It was 1886 when John Pemberton, an Atlanta pharmacist, produced the first coke. This special drink was a combination of fragrant, coloured liquid with carbonated water and soon became one of the most popular soft drinks in the world. 125 years later The Coca Cola Company (TCCC) leads the beverage sector with 1.7 billion sales per day and presence in 200 different countries around the world. Just like the company itself, Coca Cola’s fan page on Facebook has experienced an extraordinary growth since its creation on August 31, 2008. With more than 35 million followers it is the 11th most popular Facebook page and the 3rd most successful company on Facebook behind the former and YouTube1.

At the starting date of this data collection², Coca Cola’s Facebook page held 34.872.404 fans ending up with 35.210.339 fans after five days. Three years after its creation Coke’s page exhibits an average daily growth of 84.484 fans and a weekly growth of 337.935 members.

On the other hand, customer engagement presents an average daily and a weekly growth of 47.474 and 189.898 fans respectively. This variable could be tested thanks to Facebook’s new insight metric “people talking about this” which measures the amount of fans who link the page, post on coke’s wall, comment, share Coca Cola content on their status and interact with the page (liking, tagging, using applications, responding to an event or answering questions posted by the page). By the end of this research the amount of people talking about Coca Cola had reached 461.845 in contrast to the 271.947 people observed at the beginning of the week.


2. Data collection schedule

- **Case study 1: Coca Cola**
  - Time as a fan: 20-oct-2011 onwards
  - Participant observation window: 21-oct-11 to 27-oct-11, 31-dec-11 to 5-jan-2012
  - Total observation hours: 39 approximately.

- **Case study 2: Pepsi**
  - Time as a fan: 11-dec-2011 onwards
  - Participant observation window: 12-dec-11 to 13-dec-11, 31-dec-11 to 5-jan-2012
  - Total observation hours: 25 approximately.
5.1.1 EMPIRICAL DATA REGARDING RQ1

Coca Cola’s fan page has a total of 32 different sections of which only 21, those enabling secure browsing, will be analysed. In this section data is presented regarding Coca Cola’s usage of the tools available on Facebook and the brand’s online strategy.

5.1.1.1 TOOLS

**News feed**

Every time Coca Cola posts content on its wall *news feeds* in the fans’ Facebook homepage, where their network activity can be observed, are displayed. Coca Cola has no control over the presentation of this information to their fan base as it relies on complex algorithms design by Facebook. Moreover Coca Cola followers, as individual users of the SNS, have the option of highlighting or hiding Coca Cola’s posts.

**Mini feed**

The mini feed feature has been observed in the following sections of Coca Cola’s corporate page:

Friend activity tab: displays the actions conducted on Coca Cola’s page by fan’s friends. The information shown varies from likes to comments, status mentions, tags or checks in.

Wall tab: while navigating through the wall, fans can highlight, through *mini feeds*, Coca Cola’s recent activity by using the filtering options available in the top right corner of the page. The page owner has the ability of choosing which information is going to be presented using this feature. It was observed that only Coca Cola’s posts, information updates and comments on fans’ pictures where displayed.

**Wall**

The wall feature is the landing tab when joining Coca Cola on Facebook. Fans are allowed to post and/or upload multimedia content such as photos, links or videos. Post can be filtered by brand posts, top posts or most recent. Coca Cola’s posts and fans’ posts which include direct references to the brand can be re-shared, an additional feature complementing the traditional options of liking and commenting.

Table 5.1 displays Coca Cola’s posting rates

<table>
<thead>
<tr>
<th>TABLE 5.1: COCA COLA POSTING RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
</tr>
<tr>
<td>-------:</td>
</tr>
<tr>
<td>1.25</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

*Sample: N=14 posts (all Coca Cola posts on Dec-11)*
Figure 5.1 provides information regarding Coca Cola’s posting activity during December 2011

FIGURE 5.1: COCA COLA DAILY POSTS

In relation to the preferred time for posting, figure 5.2 shows that Coca Cola only posts during the afternoons

FIGURE 5.2: COCA COLA POSTING WINDOWS

It was observed that 78.6% of Coca Cola’s status updates incorporated multimedia content being in 54.5% of the cases a photo. Both English and Spanish posts were observed however it was the latter the most common choice of language (71.4%) as most of the messages were targeted by fans’ location. Link to external websites were included in the 14.3% of the posts.

Data related to fans’ response and the number of lines used by Coca Cola on each post is condensed in table 5.2
TABLE 5.2: COCA COLA POSTS CHARACTERISTICS

<table>
<thead>
<tr>
<th>Post length (lines)</th>
<th>Average</th>
<th>Max</th>
<th>Min</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>3,73</td>
<td>8</td>
<td>1</td>
<td>0,70</td>
</tr>
<tr>
<td>N^2 likes</td>
<td>304,07</td>
<td>770</td>
<td>13</td>
<td>500,18</td>
</tr>
<tr>
<td>N^2 comments</td>
<td>175,14</td>
<td>920</td>
<td>0</td>
<td>111,91</td>
</tr>
<tr>
<td>N^2 shares</td>
<td>150,71</td>
<td>558</td>
<td>0</td>
<td>186,11</td>
</tr>
</tbody>
</table>

Sample: N=14 posts

Photos
Coca Cola’s Facebook page presents a photo section, where the different albums and videos are displayed. Table 5.3 shows the average number of photos, likes, comments and shares per photo album together with the maximum and minimum values observed.

TABLE 5.3: COCA COLA ALBUM CHARACTERISTICS

<table>
<thead>
<tr>
<th>Album characteristics</th>
<th>Average</th>
<th>Max</th>
<th>Min</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>N^2 photos</td>
<td>95,51</td>
<td>318</td>
<td>1</td>
<td>44,45</td>
</tr>
<tr>
<td>N^2 likes</td>
<td>991,6</td>
<td>551,51</td>
<td>0</td>
<td>5547,19</td>
</tr>
<tr>
<td>N^2 comments</td>
<td>90,50</td>
<td>2785</td>
<td>0</td>
<td>385,38</td>
</tr>
<tr>
<td>N^2 shares</td>
<td>0,74</td>
<td>43</td>
<td>0</td>
<td>4,74</td>
</tr>
</tbody>
</table>

Sample: N=115 (All of the photo albums available)

An album description was included in 60,8% of the cases. Usage of seven different languages was observed; English (62,8%), Spanish (24,2%), German (5%), Chinese (2%), French (2%), Thai (2%) and Portuguese (2%). Regarding the purpose, 86% of the albums were related to Coca Cola sponsored events. Figure 5.3 exhibits the albums’ upload distribution over time, with each tick mark on the X axis representing one month.

FIGURE 5.3: COCA COLA ALBUM UPLOAD
Additionally, 13 album cover pictures were analyzed. Coca Cola’s photos present the general characteristics clustered together in table 5.4

**TABLE 5.4: COCA COLA PHOTO CHARACTERISTICS**

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>Max</th>
<th>Min</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Width (pixels)</td>
<td>679.77</td>
<td>960</td>
<td>180</td>
<td>237.61</td>
</tr>
<tr>
<td>Height (pixels)</td>
<td>548.92</td>
<td>720</td>
<td>333</td>
<td>139.75</td>
</tr>
<tr>
<td>N° likes</td>
<td>888.31</td>
<td>7604</td>
<td>3</td>
<td>2154.20</td>
</tr>
<tr>
<td>N° comments</td>
<td>176.92</td>
<td>889</td>
<td>0</td>
<td>301.11</td>
</tr>
<tr>
<td>N° shares</td>
<td>65.23</td>
<td>689</td>
<td>0</td>
<td>188.85</td>
</tr>
</tbody>
</table>

*Sample: N=13 photos*

With respect to the editing options, an English description of the photo was included in the 46% of the cases and tagging was allowed. All of the pictures analysed were colour pictures and the setting in which they were taken varied between outdoor location (86% of the cases), indoor location (7%) or computer design (7%). Brand name appeared in 77% of the photos while the brand logo appeared in 30%. No presence at all of brand related was observed in 23% of the pictures. The 46% of the analyzed sample exhibited some kind of core offer or slogan.

**Videos**

Coca Cola corporate page presents a separated section were the brand and fan’s uploaded videos are displayed. For each video uploaded by Coca Cola fans response with 5,4 video uploads. Duration and fan’s response to Coca Cola videos is shown in table 5.5

**TABLE 5.5: COCA COLA VIDEOS ENGAGEMENT**

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>Max</th>
<th>Min</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration [sec]</td>
<td>115.80</td>
<td>539</td>
<td>21</td>
<td>162.87</td>
</tr>
<tr>
<td>N° likes</td>
<td>7280.10</td>
<td>35306</td>
<td>24</td>
<td>12817.96</td>
</tr>
<tr>
<td>N° comments</td>
<td>744.50</td>
<td>5225</td>
<td>10</td>
<td>1552.46</td>
</tr>
<tr>
<td>N° shares</td>
<td>67</td>
<td>116</td>
<td>18</td>
<td>37.00</td>
</tr>
</tbody>
</table>

*Sample: N=10 videos (latest videos at the date of observation)*

Regarding the editing options available on Facebook, 80% of the videos uploaded had an English description. Tagging was not allowed in any case. The brand logo appeared in 50% of the cases in contrast to the brand’s name or core offer which were present in 100% and 80% of the videos uploaded respectively. Additional information concerning the characteristics of Coca Cola’s videos is presented in table 5.6
TABLE 5.6: COCA COLA VIDEOS CHARACTERISTICS

<table>
<thead>
<tr>
<th>Used</th>
<th>Positive cases (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Color</td>
<td>Yes</td>
</tr>
<tr>
<td>People tapped</td>
<td>Yes</td>
</tr>
<tr>
<td>Music</td>
<td>Yes</td>
</tr>
<tr>
<td>Speech</td>
<td>Yes</td>
</tr>
<tr>
<td>Narration</td>
<td>Yes</td>
</tr>
<tr>
<td>Special effects</td>
<td>Yes</td>
</tr>
<tr>
<td>Live action</td>
<td>Yes</td>
</tr>
<tr>
<td>Background noise</td>
<td>Yes</td>
</tr>
<tr>
<td>Animation</td>
<td>Yes</td>
</tr>
<tr>
<td>Actors</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Sample: N=10 videos

Events

Coca Cola’s events section informs fans of the upcoming events organized by the brand. It displays the events of the month, week, and day. Browsing of past events is allowed. Fans can also export Coca Cola’s events to other programs such as Microsoft Outlook or Google Calendar. Figure 5.4 presents the number of events per month during 2011.

FIGURE 5.4: COCA COLA EVENTS DISTRIBUTION

Events of November 2011, latest events when investigation was conducted, were further analysed. Events included an event description of 3 to 6 lines length (only two exceptions were observed). The preferred language for the description was English in 85,7% of the cases though the use of French and German was also observed. Events starting and finishing on the same day had an average duration of 6,8 hours. The purpose in 78,6% of the cases investigated was the promotion of a sponsored event. Regarding the event photo, the brand logo and name was present in 85,7% of the events while a core offer was included in the 71,5% of the cases. Commenting was not allowed. Table 5.7 exposes general information related to the participants.
TABLE 5.7: COCA COLA EVENTS PARTICIPATION

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>Max</th>
<th>Min</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nº going</td>
<td>53.07</td>
<td>248</td>
<td>1</td>
<td>81.57</td>
</tr>
<tr>
<td>Nº maybe</td>
<td>10.89</td>
<td>50</td>
<td>1</td>
<td>15.74</td>
</tr>
<tr>
<td>Nº invited</td>
<td>143.37</td>
<td>655</td>
<td>1</td>
<td>233.02</td>
</tr>
</tbody>
</table>

Sample: N=14 events

Applications
Coca Cola uses both game applications within its Facebook page and links to downloadable applications (on specific sections for that purpose):

- The never ending dance of happiness: game application which encourages player to connect with friends and win different prizes like festival tickets, head phones or others by earning points during the game. Involves and avatar creation and has six different game levels.
- Calendar: downloadable calendar application for the computer sponsored by Coca Cola. It enables to post and create Facebook events as well as synchronization with Google calendar.
- 125 años: downloadable e-book which exposes 125 reasons to believe in a better world.

Page tab feature
The page tab is a feature used by major brands present at Facebook. It allows the page owner to develop and customize new sections on the brand’s Facebook page. Once developed, the new sections appear on the left margin of the website as shown in figure 5.5.

FIGURE 5.5: COCA COLA SNAPSHOT
Source: https://www.facebook.com/cocacola
The **wall, info, photos, events, notes and videos** are the page tab sections offered by default when creating a Facebook page, any other page tab section must be implemented by the page owner who has the power to add or remove sections as needed. The following sections where identified on Coca Cola’s fan page:

### Info
This section displays basic information of the company regarding: Business sector, topic of the page, short URL, company name, foundation date, address, about, description, missions, awards, products, contact information, website, page owner, likes and interests.

From all the options available, Coca Cola displays the company name, business sector, foundation date and makes use of the short URL. Coca Cola uses the about section to display an internal link that redirects when clicked to the terms of use section (House rules). In the products section a brief introduction and description of the origins of the company is displayed. A link to the official Coca Cola website is provided in the Website section.

### Home
This tab is used as a hub for several sub activities:

- External links to the official Coca Cola’s tweets, Flickr page and YouTube channel are include.
- Fans have the option of making a sponsored status update through the “share happiness” feature included.
- “The never ending dance of happiness” game application which allows members to connect with friends and win prizes at the same time.
- An internal link is included for those interested in learning more about the page creators
- The “live positive” link redirects fans to Coca Cola’s live positively website were information about the company’s social performances regarding issues such as health, environmental sustainability, education and civic involvement are included.
- Two additional subsections, “questions?” and “product list” redirect the fans to the corresponding sections on Coke’s official website enabling fans to forward questions to the brand and/or obtain detail information about products (nutrition, quality, safety and description)

### Discussions
Coca Cola uses this section to engage and interact with fans, which are free to create or participate on different topics fostering online conversations with other customers and with the brand. During the period of investigation this section was removed.

### House Rules
Coca Cola’s legal disclaimer together with the terms of use set by TCCC. Coca Cola reserves the right to delete any comment which doesn’t fulfill these requirements as well as Facebook’s terms of use.

### Page creators
Coca Cola uses this section to increase brand awareness by means of humoristic videos that give a more personal and intimate image of the brand and creators of the Facebook page. An external link to the Facebook profile of Coke’s page creators is provided as well as the option of watching the mentioned videos on YouTube instead of using Facebook.

### WWHSN?
This section promotes a new initiative of Coca Cola which consists on delivering free drinks and gifts through different countries by means of fake delivery machines and trucks. An interactive world map is included, allowing users to filter by countries and watch or share online videos of this initiative.
Fan downloads  This tab section allows fans to download directly from the Facebook page: wall papers, screen savers and emoticons both for the computer or mobile devices in *.zip format.

OpenUp Downloads  This tab section allows fans to download directly from the Facebook page: wall papers and screen savers for the computer or mobile devices in *.zip format. The difference with the Fan download section is that it is much more dynamic (two subsections) and in the first section an advertising video which can be shared is included.

Bubble  This section aims to promote a TV advertisement also shown in 3D cinemas. An external link to the Coca Cola content factory website (internal creative team within TCCC) is provided. Fans can also download wall papers and screen savers related to the ad.

San Valentín  This section allows fans to download or share a *.gif image. Downloads come in *.zip format. Images are brand related products including Saint Valentines themes.

Mis Razones  This section highlights promotes by means of a video that there are many reasons for believing in a better world. Fans are encourage to post their own reasons in this section with the possibility of sharing it with their social network.

SG promotions  This section informs of a discount reward on the tickets for the Halloween Horror Nights event which takes place at the Universal Studios Singapore.

The Coca Cola Charger  Promotion of the Coca Cola charger event in Singapore. Detailed information of the event is included. An interactive map indicates date and location of incoming events together with highlight photos of past events.

Gifts  This section allows fans to post a virtual Coca Cola product on a friend's wall. Fans can chose between 6 different brand related gifts.

With respect to chat, ads, Facebook connect and Mail features, no use by Coca Cola was observed during this investigation.

5.1.1.2 STRATEGIES

The different strategies conducted by Coca Cola on Facebook, as well as the intensity of their use, are reflected in figure 5.6.

![Strategy Graph]

FIGURE 5.6: COCA COLA ONLINE STRATEGY
**Market research**
Coca Cola does not perform direct market research on its Facebook page, however a new indirect approach for gaining customer insights was observed; access requests to fan’s profile information. When navigating through Coca Cola’s fan page, 19% of the sections requested prior permission to permit the brand access fans’ personal information before allowing them to engage with these sections. By granting this permission and making public information of themselves customers facilitate the research process by providing Coca Cola with huge amount of data. The fact of not requiring active participation of fans, which are free to deny access to their information, on the research process makes it less intrusive and less time consuming.

**Community building**
Developing authentic relationships with customers is Coca Cola’s priority on Facebook. Two way interactions between fans and the brand were observed on the wall discussion sections. Most of the interactions with fans occurred on the discussion section, where 40% of fan’s comments were replied in contrast to the 6,6% response rate that fans obtain on their wall posts. Responses were in all of the cases apologies, explanations and information provision for the different requests or problems shared by customers. Coca Cola’s messages exhibited a length which varied from 3 to 6 lines and in 66,6% of the cases included a link for providing further support to their fans on the issues requested.

Coca Cola accepts their loss of control and allow fans to upload and/or tag multimedia content (photos and videos). The fact of letting fans express themselves through comments and posts on the wall, videos and photos exposes Coca Cola’s commitment to listening rather than talking. It was observed that Coca Cola never comments its own multimedia content.

The following community building practices were observed:

- **Impression management:** an authentic, personal and intimate image of the brand is broadcasted to the fan base using Dusty and Michael, the page creators, as vehicle. On the page creators section, videos are included showing the company culture, archives, employees, partners and coke icons.
- **Foster conversations & content creation:** brand related status updates that actively seeks fans input, the discussion section and ‘mis razones’ section where fans are encourage to share their opinion are the ways chosen by Coca Cola to generate debate and conversations. Regarding content creation, Coca Cola encourage their fans to contribute with multimedia content through photo contests. Best building illumination, recycled Coca Cola products, coke is everywhere and fan photos are some of the themes of Coca Cola’s photo contests. Finalists’ photos are exposed in the brands photo section and are awarded with discounts and prizes.
- **Built sense of membership:** fans photos and videos, terms of use, sponsored status updates, Coca Cola screen savers and wall paper downloads as well as the home section, where fans highlights are shown, are the drivers used by the brad to build a sense of community among their fan base.
**Promotion**
Promotion plays an important role on Coca Cola’s social media strategy on Facebook. Within the promotional mix, sponsorships and advertising, in this order, were the two most observed tools followed by sales promotions and publicity.

**Advertising**
Coca Cola’s 37 million fans make advertising on Facebook highly *broadcasted*. The photos and video sections are where the most of Coca Cola’s advertising efforts focus, however advertising practices where also conducted on the wall and page tab sections. Old posters and products, new facilities and stores, new products designs, Coca Cola icons, behind the screens snapshots and partner artists were subject of advertisement on coke’s photo section. TV commercials were included in the video and bubbles section, where fans could obtain more information of Coca Cola’s creative team and download wall papers and screensavers of the ad. The wall feature was used to post advertising posters and persuade customer to consume Coca Cola products through status updates. Coca Cola exhibited a high reliance on *Multimedia content*, most of their advertising efforts made use of photos and videos. Indirect advertising of the brand was observed by means of a *rich visual experience* while navigating through the site. 66,6% of the sections available on Coca Cola’s fan page exhibited images of Coca Cola products, brand name and logo as well as a colour theme based on the company’s corporate colours (red and white).

**Sales promotion**
Of all the possible ways of sales promotion *driving traffic to other websites* was the most observed form of SP. Links to external websites were included in 42,8% of Coca Cola’s tab sections in contrast to *deals and offers* which were observed in 28,6% of the sections. In 62,5% of the cases these links redirected fans to Coca Cola owned websites such as the Coca Cola company, Live positively or Coca Cola creative team. The remaining 37,5 % of the links redirected fans either to other social media platforms where Coca Cola is present such as YouTube, Twitter and Flickr. Coca Cola *drives in store traffic* by means of *deals and offers*, which are exhibited mainly on the wall and in some cases in independent tab section. Just one *online game* within Coca Cola’s Facebook page was observed; additionally links to *downloadable mobile applications* were included in two of Coca Cola’s sections analyzed.

**Sponsorships**
Coca Cola dedicates three tab sections exclusively for these purposes the “Coca Cola charger” and “WWHSN” sections. Moreover 47% of the photo albums, 36,3% of the videos and all of the events analyzed are held under the category of sponsorships. 88% of the sponsorship announcements refer to brand related events while the remaining 12% refer to social performances conducted by Coca Cola.

**Publicity**
Facebook promotes the spread of news and comments related to Coca Cola by allowing the sharing of content between users and the generation of feeds with each action conducted by fans. Coca Cola reinforces this by means of e-gifts which allow fans to share Coca Cola related gifts (can, glass or a cup) with their social network.
5.1.2 EMPIRICAL DATA REGARDING RQ2

In this section data is presented regarding how customers use Coca Cola’s Facebook page. Data with reference to the motivation behind engaging with Coca Cola online, the main participation forms and involvement levels exhibited is presented.

5.1.2.1 FOLLOWING BRANDS

A purposive analysis of 58 wall posts and 20 album, 20 video and 30 notes comments was perform observing the following motivations that push fans to follow Coca Cola on Facebook.

**Personal enjoyment:** gratification derived from being the firsts to comment content uploaded by Coca Cola and/or contributing with general or nonsense comments.

**Concern for other consumers:** desire of helping other to make better purchase or brand decisions by highlighting and criticising bad practices perform by Coca Cola in areas such as health issues, water misuse, planning. Fans also exhibited concerns for other fans by providing advice and recommendations regarding Coca Cola products.

**Share of experiences:** positive feeling experienced by fans from the share of intentions, product preferences, addiction/consumption patterns or expression of love for Coca Cola and its products.

**Economic incentives:** no explicit references to coupons, discounts or offers were observed among Coca Cola fans.

**Platform assistance:** report of unpleasant experiences regarding Coca Cola products or rewards, need of obtaining explanations regarding certain Coca Cola actions.

**Helping the company:** contribution of ideas, suggestions, feedback regarding Coca Cola’s practices and products or support messages on the fan page.

**Self promotion:** the amount of Coca Cola followers makes Coca Cola’s Facebook page a perfect place where to promote oneself as it ensures reaching a big audience. Promotion Facebook pages or content such as videos on YouTube were the observed practices.

**Requests:** Coca Cola’s page on Facebook is the fastest and easier way of delivering request to the company. The reintroduction of old products and informational request were the two main forms observed.

**Scam:** attempt of obtaining personal information of fans under the premise of rewards and prizes.

Figure 5.7 exhibits the top terms mentioned on Coca Cola’s fan page giving insights of the motivation behind customer’s use of the site.
FIGURE 5.7: COCA COLA CONVERSATION CLOUD

Figure 5.8 displays the importance attached to each purpose in terms of the number of times it was observed.

FIGURE 5.8: COCA COLA FANS’ MOTIVATIONS

5.1.2.2 PARTICIPATION FORMS

The following forms of interaction were observed among Coca Cola followers:

Viewing: fans can come in contact with Coca Cola content either directly by navigating through the different sections in which the fan page is divided or indirectly through the feeds generated each time Coca Cola posts or uploads content. A rich variety of content was observed on Coca Cola’s fan page such as posts, photos or videos.
Figure 5.9 displays the average number of interactions obtained by each type of content showing fans’ preferences.

**Interaction** = nº likes + comments + shares

**FIGURE 5.9: COCA COLA FANS’ INTERACTIONS**

**Forwarding**: three forms of forwarding content were observed on Coca Cola’s Facebook page; *sharing, tagging* and *links*. With sharing, fans redirect content (posts, videos or images) to the desired receiver as a message on their profile. Tags assign fan’s names to pictures and/or videos therefore appearing on their profiles’ photo section. Links are included by fans on their comments and posts. Coca Cola’s wall posts presents the higher sharing rates (150,71) followed by videos (67), pictures (66,23) and photo albums (0,74). Links were observed in 5 out of 98 fans’ wall posts and comments.

**Commenting**: written remarks associated to content such as Coca Cola’s or fans’ posts on the wall, albums, photos or videos. Coca Cola’s videos exhibit the higher nº of comments (744,60) followed by pictures (176,92), wall posts (173,14) and photo albums (90,90). The average comment is 1,25 lines long. English is the language used in comments on the 60% of the comments analyzed being Spanish the language of the remaining 40%. It was observed that males were more participative than females with 80% and 55% of comments on videos and albums respectively.

**Posting**: written remarks shared with other fans on Coca Cola’s wall section. The average post has a length of 1,5 lines and receives and average of 0,03 likes and 0,32 comments. Spanish is the most used language in posts (58,6%), followed by English (29,3%), Portuguese (5,2) and French, German, Thai, Chinese (1,725% each). Females show slightly higher participation than males (51,7% of the posts). Posts were observed all day long with an average of 10,7 posts per hour.

**Liking**: an easy and quick way of expressing positive feelings towards something seen on the site. Liking an item (post, comment, photo or video) generates a mini feed on the fans’ profile, liking a Facebook page is the way Facebook users have of connecting with that page. From the moment a user clicks the like button on Coca Cola’s fan page, Coca Cola will appear on the likes & interest sections of the fans’ profiles together with a mini feed and content posted by the brand will appear on the fans’ news feed. Liking
rates are higher than the commenting and sharing rates in all the cases. Coca Cola’s videos receive the higher number of likes (7280,10) followed by wall posts (3047,07), albums (991,06), pictures (838,31) an others fans’ comments or posts (0,22).

Creating: development of multimedia content, photos and/or videos, which is shared with Coca Cola and their fans. Fans videos exhibit an average duration of 92,2 seconds and receive 3,22 and 0,66 likes and comments respectively. 55% of the videos analyzed deal with daily situation in which Coca Cola products are consumed, while the remaining percentage presents a higher degree of elaboration and the themes are diverse, from music videos to decoration using cans or animation videos using Coca Cola toys. Fans’ photos receive in average 4,7 and 1,3 comments respectively. Posters (44,4%), customization of Coca Cola products (33,3%) and daily situations (22,3) were the fans’ contributions observed.

Moderating: fans in Coca cola’s fan page can report content and comments appearing in the site. All type of content can be reported. When reporting content the user must specify what has motivated his or her decision.

Arbitrating: was identified to be a type of comment rather than a participation form itself within Coca cola’s fan page.

5.1.2.3 INVOLVEMENT
Considering the motivations behind engaging in conversation with Coca Cola online and the different forms of participation observed, Coca Cola followers can be categorized in:

Low status members: are inspired by personal enjoyment, scam and/or self promotional purposes. They are passive observers that come in contact with Coca Cola content in an indirect way, through the new feeds generated by the brand’s activity. This kind of fan either contributes by liking content, posting with the aim of obtaining personal information or being the first to do so or shows no active participation adopting a spectator role.

Middle status members: seek the share of experiences/requests and/or platform assistance. They actively gather and engage with Coca Cola content; they contribute by liking, tagging and leaving comments on the content uploaded by the brand as well as posting diverse messages on the wall.

High status members: are middle status member who additionally exhibit concern for other customers and willingness to help Coca Cola. They are more critics and engage at higher levels by creating multimedia content or discussion topics, forwarding content, commenting other fans’ contributions and/or attending to events.
5.2 CASE STUDY 2: PEPSI ON FACEBOOK

During summer 1898 a young pharmacist named Caleb Bradham experimented with different spices, juices and syrups creating the first known Pepsi – Cola. Four years later in 1902 he launched the Pepsi Cola Company with his pharmacy as first corporate headquarters. In 1965 the company merged with Frito –Lay Corporation becoming the PepsiCo group, name which remains unaltered. With a wide portfolio of products, approximately 150000 employees and presence all around the globe, PepsiCo group, a $29 billion company, is consider the world’s fourth largest food and beverage company.

In January 2009, just five months after its main competitor Coca Cola, PepsiCo embraced Facebook as part of their social media strategy. With a fan base of nearly 7 million followers ranks as the 264th most popular brand on Facebook far behind coke.

At the starting date of this data collection, Pepsi’s Facebook page held 6.895.205 fans ending up with 6.907.224 fans after a five days observation. Pepsi’s page exhibits an average daily growth of 2.997 fans and a weekly growth of 12.020 members. 

On the other hand, customer engagement does not always presents positive growth tendency as observed with the number of fans. By the end of the observation the amount of people talking about Pepsi was 63.543 in contrast to the 65.426 people observed at the beginning of the week.

5.2.1 EMPIRICAL DATA REGARDING RQ1

Pepsi’s corporate Facebook page is divided in 12 different sections of which only 11, those enabling secure browsing, will be analysed. In this section data is presented regarding Pepsi’s usage of the tools available on Facebook and the brand’s online strategy.

5.2.1.1 TOOLS

**News feed**

Every time Pepsi posts content on its wall news feeds in Facebook’s homepage, where fans observe their network activity, are displayed. Pepsi has no control over the presentation of this information to their fan base as it relies on complex algorithms design by Facebook. Moreover Pepsi followers, as individual users of the SNS, have the option of highlighting or hiding Pepsi’s posts.

**Mini feed**

The mini feed feature has been observed in the following sections of Pepsi’s corporate page:
Friend activity tab: displays the actions conducted on Pepsi’s page by the fan's social graph. The information shown varies from likes to comments, status mentions, tags or checks in of the fan’s friends.

Wall tab: while navigating through the wall, fans can highlight Pepsi’s recent activity by using the filtering options available in the top right corner of the page. When this option is activated mini feeds displaying this information are generated. The page owner has the ability of choosing which information is going to be presented using this feature. During the investigation it was observed that only wall posts and comments on fans’ pictures where displayed.

**Wall**
The wall feature is the landing tab when entering Pepsi’s Facebook page. Initially fans were permitted to post multimedia content on Pepsi’s wall, however this option was disable due to the Iraq can scandal. Fans can still contribute with alphanumeric posts on the wall. Posts can be filtered by brand posts, top posts or most recent. Re-sharing, liking and commenting is allowed. Table 5.8 displays Pepsi’s posting rates

<table>
<thead>
<tr>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2.75</td>
<td>2.5</td>
<td>2.6</td>
<td>2</td>
<td>1.8</td>
<td>1</td>
</tr>
<tr>
<td>Max n° of posts observed</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Min n° of posts observed</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Sample: N=61 posts (all Pepsi posts on Dec-11)

3. On December 17th, 2011 US soldier Roland Martinez found a diet Pepsi can, with a design that Roland identified as the Twin Towers and a plane flying overhead, while shutting down one base on Iraq. Due to his concerns he posted the image on Facebook to ask for feedback and opinion. The picture was shared over 29,000 times and Pepsi fans’ reaction didn’t delay. The brand received thousands of posts on Facebook (posting rate increased in 25.3 times the normal rate) many of them containing copies of the picture, blames, critics and offensive messages. In order to take back control of the site, which was saturated, Pepsi disable the option of uploading content and broadcasted the following response “The image was intended to portray the growth of active cities (such as Dubai) in the region. It is one of two local Diet Pepsi can designs from our Middle East/Africa region, which was created by a South African design agency. We understand from some of our consumers that the design can be misinterpreted, which was never our intention. We have taken action to change the design of the can.”

**FIGURE 5.10 PEPSI CAN**
Figure 5.11 provides information regarding Pepsi’s posting activity during December 2011.

Sample: N=61 posts

FIGURE 5.11: PEPSI DAILY POSTS

In relation to the posting time Figure 5.12 shows that Pepsi is far more active in the afternoons than in the rest of the day and tends to post in the same time slot.

Sample: N=61 posts
Time expressed in GMT +1.00

FIGURE 5.12: PEPSI POSTING WINDOW

It was observed that 54% of Pepsi’s status updates incorporated multimedia content being in 91% of the cases a photo. All of the posts analyzed were in English. Links to external websites were included in 44% of the posts, 26% of the status updates ended in a question mark and 6% of the posts were polls.

Data related to fans’ response and the number of lines used by Pepsi on each post is condensed in table 5.9:
TABLE 5.9: PEPSI POSTS CHARACTERISTICS

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>Max</th>
<th>Min</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post length (lines)</td>
<td>1.46</td>
<td>3</td>
<td>1</td>
<td>0.69</td>
</tr>
<tr>
<td>Nº likes</td>
<td>1833</td>
<td>7507</td>
<td>634</td>
<td>1321.92</td>
</tr>
<tr>
<td>Nº comments</td>
<td>398,81</td>
<td>2397</td>
<td>3</td>
<td>576.11</td>
</tr>
<tr>
<td>Nº shares</td>
<td>61,78</td>
<td>554</td>
<td>0</td>
<td>97.99</td>
</tr>
</tbody>
</table>

Sample: N=61 posts (all Pepsi posts on Dec-10)

**Photos**

Pepsi’s Facebook page presents a photo section, where the different albums and videos are displayed. Table 5.10 shows the average number of photos, likes comments and shares per photo album together with the maximum and minimum values observed.

TABLE 5.10: PEPSI ALBUM CHARACTERISTICS

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>Max</th>
<th>Min</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nº photos</td>
<td>23,54</td>
<td>148</td>
<td>2</td>
<td>38.37</td>
</tr>
<tr>
<td>Nº likes</td>
<td>674.69</td>
<td>1823</td>
<td>8</td>
<td>624.85</td>
</tr>
<tr>
<td>Nº comments</td>
<td>72.77</td>
<td>260</td>
<td>1</td>
<td>79.99</td>
</tr>
<tr>
<td>Nº shares</td>
<td>6.32</td>
<td>49</td>
<td>0</td>
<td>15.5</td>
</tr>
</tbody>
</table>

Sample: N=13 albums (All of the photo albums available)

An album description in English was included in 46% of the cases. Regarding the purpose, 69% of the albums were related to Pepsi sponsored events. Figure 5.13 exhibits the albums’ upload distribution over time, with each tick mark on the X axis representing one month.

FIGURE 5.13: PEPSI ALBUM UPLOAD

Sample: N=13 albums
For each of the 13 albums available, the most significant photo (used as album cover) was further analysed. The average photo presents the following general characteristics clustered together in table 5.11

**TABLE 5.11: PEPSI PHOTO CHARACTERISTICS**

<table>
<thead>
<tr>
<th>Sample: N=13 photos</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Width (pixels)</strong></td>
</tr>
<tr>
<td>638</td>
</tr>
<tr>
<td><strong>Height (pixels)</strong></td>
</tr>
<tr>
<td><strong>N° likes</strong></td>
</tr>
<tr>
<td><strong>N° comments</strong></td>
</tr>
<tr>
<td><strong>N° shares</strong></td>
</tr>
</tbody>
</table>

With respect to the editing options, an English description of the photo was included in the 84% of the cases and no tagging was allowed. In accordance with the purpose of the album 69% of the photos were related to Pepsi sponsored events. All of the pictures analysed were colour pictures and the setting in which they were taken varied between outdoor location (54% of the cases), indoor location (15%) or computer design (31%). Both the brand logo and the brand name appeared in 62% of the photos and only 30% of the pictures had no brand symbols at all. The 46% of the analyzed sample exhibited some kind of core offer or slogan.

**Videos**

Pepsi’s videos are included in the photo section of the brand’s page. The videos uploaded by the brand exhibited the following duration and fan’s response shown in table 5.12

**TABLE 5.12: PEPSI VIDEO ENGAGEMENT**

<table>
<thead>
<tr>
<th>Sample: N=8 videos (all of the videos available)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Duration (seg)</strong></td>
</tr>
<tr>
<td>64,88</td>
</tr>
<tr>
<td><strong>N° likes</strong></td>
</tr>
<tr>
<td><strong>N° comments</strong></td>
</tr>
<tr>
<td><strong>N° shares</strong></td>
</tr>
</tbody>
</table>

Regarding the editing options available on Facebook, 75% of the videos uploaded had an English description included and tagging was not allowed in any case. The brand logo appeared in 87,5% of the cases in contrast to the brand’s name or core offer which were included in 50% of the videos. Pepsi uses video content mainly for promotional purposes (87,5% of the cases) and specifically for informing fans of their social performances. Additional information concerning the characteristics of Pepsi’s videos is presented in table 5.13
TABLE 5.13: PEPSI VIDEOS CHARACTERISTICS

<table>
<thead>
<tr>
<th>Feature</th>
<th>Used</th>
<th>Positive cases (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Color</td>
<td>Yes</td>
<td>100</td>
</tr>
<tr>
<td>People tapped</td>
<td>Yes</td>
<td>50</td>
</tr>
<tr>
<td>Music</td>
<td>Yes</td>
<td>37.5</td>
</tr>
<tr>
<td>Speech</td>
<td>Yes</td>
<td>25</td>
</tr>
<tr>
<td>Narration</td>
<td>Yes</td>
<td>25</td>
</tr>
<tr>
<td>Special effects</td>
<td>Yes</td>
<td>25</td>
</tr>
<tr>
<td>Live action</td>
<td>Yes</td>
<td>12.5</td>
</tr>
<tr>
<td>Background noise</td>
<td>Yes</td>
<td>10</td>
</tr>
<tr>
<td>Animation</td>
<td>Yes</td>
<td>10</td>
</tr>
<tr>
<td>Actors</td>
<td>Yes</td>
<td>62.5</td>
</tr>
</tbody>
</table>

Sample: N=8 videos

Events

Pepsi’s events section informs fans of the upcoming events organized by Pepsi. It displays the events of the month, week, and day. Browsing of past events is allowed. Fans can also export Pepsi events to other programs such as Microsoft Outlook or Google Calendar. Figure 5.14 presents the number of events per month during 2011.

Sample: N=24 events

FIGURE 5.14: PEPSI EVENTS DISTRIBUTION

The latest events, August 2011, were further analysed. All of the events analyzed had 4 hour duration and included an English description of 5 to 7 lines with information of what could be expected. The purpose in all the cases investigated was the promotion of a sponsored event. Regarding the event photo, the brand logo and name was always present. Commenting is allowed and Pepsi gets involved in the dialogue. Table 5.14 exposes general information related to the participants.
**Facebook connect**

This feature refers to the use of Facebook credentials on external websites. Pepsi uses this feature so that fans that had been redirected to [www.pepsi.com](http://www.pepsi.com) remain connected with their Facebook credentials. This allows fans to share the different activities conducted on the external website with their social graph.

**Applications**

Pepsi do not use applications within their Facebook page, instead they provide fans with the links to download phone applications. Only two applications were observed:

- **Pepsi loot**: this application reward fans who visit and “check in” restaurants that serve Pepsi products with exclusive music from featured artists or special offers such as free Pepsi.
- **Good on the go**: this application allows fans to participate on the social performance campaign “Pepsi Refresh Project” using a mobile device.

**Polls**

Polls are a new feature introduced by Facebook which allows the page owner to pop a question and set the different choices of answers. Respondents can add new answers if the adding option is enable, and the question can be targeted to a determine group of people (fans, group, public...). Pepsi polls are posted on the brand’s wall, they include 4 different answers in 75% of the cases and the adding of different answers is disabled. Table 5.15 shows fans’ response in terms of votes and shares

<table>
<thead>
<tr>
<th>TABLE 5.15: PEPSI POLLS ENGAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Nº votes</td>
</tr>
<tr>
<td>Nº shares</td>
</tr>
</tbody>
</table>

Sample: N=4 polls
**Page tab feature**

The following sections were identified on Pepsi’s fan page:

- **Info**
  
  From all the options available, Pepsi displays the company name, business sector and makes use of the short URL. Pepsi uses the about, description and website areas to promote their page by displaying their fan age URL. From the total of 14 likes and interests displayed by Pepsi, 5 were used to promote the company and products, 3 were used to support sponsorships and partnerships, while the remaining were used as part of Pepsi’s social practices.

- **The X factor**
  
  This section, created by Pepsi, informs fans of incoming news regarding the X-factor TV program which is sponsored by the brand. It contains links to the X-factor official website, X-factor twitter website and Pepsi sound off website.

- **Feeding America**
  
  This section, created by Pepsi, informs of the brand's support to the social cause "Feeding America". Customers willing to help are encouraged to buy Pepsi products in a seven eleven store. For each Pepsi product bought, 5 cents are donated to the organization and 5 extra cents are donated if fans “check in” the store where they have bought the product on Facebook. An explicative, promotional video of 38 seconds is used. The sharing of the video and Feeding America initiative information on Facebook and Twitter is allowed. Partners’ logos are displayed at the bottom part of the page and a link to the Feeding America organization is included.

- **Pepsi deals**
  
  This section, created by Pepsi, informs fans of the different deals offered by the brand in collaboration with other partners. It contains three main sections:

  1. **Top deals:** information regarding where and how to obtain deals is displayed. Sharing of this information on Twitter or Facebook is allowed.
  2. **Deals near you:** Google maps utility is used in order to display within the Pepsi Facebook page the nearest locations where to obtain deals.
  3. **Restaurant list:** gives the option of following the partner restaurants, involved on the deals, on Twitter and Facebook.

  Fans can sign for free email updates (Pepsi news, deals and rewards) through an external link. Links to the Pepsi deals Twitter website and Pepsi loop application website are also included.

- **Pepsi**
  
  This page tab, created by Pepsi is divided into three sub sections:

  1. **Good on the go:** external link enabling the download of a mobile app. Fans are allowed to share this information with their social graph.
  2. **Refreshing numbers:** facts about Pepsi social practices, external link to Pepsi’s social practices website and share option included.
  3. **Give the gift of Pepsi:** allows fans to share a e-gift (can, glass, cap) with their friends. Permission for access to profile information: name, profile picture, gender, networks, user ID, list of friends, and any other information made public is required.

- **Do you know Pepsi?**
  
  In this page tab created by Pepsi, fans are encouraged to answer different questions related to the brand. Questions can be redirected to friends or posted on the wall as.

  Eight different questions with 3 different choices each are available. Fans’ comments and answers are displayed in the bottom part of the page. On average questions exhibit 66 responses and 1,8 comments.
Notes

This section is used by Pepsi to make announcements and pop out questions to their fan base in order to obtain feedback and new ideas. Year 2010 condensed 83% of the notes posted, the rest were uploaded in 2009. No activity on the Notes section was conducted by Pepsi during 2011. The use of multimedia content was only observed in one of the notes posted. Table 5.16 displays some general characteristics regarding Pepsi notes.

TABLE 5.16: PEPSI NOTES CHARACTERISTICS

<table>
<thead>
<tr>
<th></th>
<th>Average</th>
<th>Max</th>
<th>Min</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note length (lines)</td>
<td>7,58</td>
<td>22</td>
<td>2</td>
<td>5,36</td>
</tr>
<tr>
<td>N° likes</td>
<td>604,92</td>
<td>2105</td>
<td>0</td>
<td>574,19</td>
</tr>
<tr>
<td>N° comments</td>
<td>137,67</td>
<td>329</td>
<td>6</td>
<td>95,96</td>
</tr>
<tr>
<td>N° shares</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0,00</td>
</tr>
</tbody>
</table>

Sample: N=12 notes (all notes available)

With respect to chat, ads and Mail features, no use by Pepsi was observed during this investigation.

5.2.1.2 STRATEGIES

The different strategies conducted by Pepsi on Facebook, as well as the intensity of their use, are reflected in figure 5.15

![Figure 5.15: Pepsi Online Strategy](image)

**Market research**

From the three different online strategies, market research was the least observed one. New approaches for conducting market research were observed on Pepsi’s Facebook page, such as: interactive surveys, access to fan’s profile information, status updates and Facebook polls. Surveys on Pepsi’s page are supported with multimedia content and present a high level of interactivity as they allow fans to browse other respondents’ answers and comments. Pepsi uses status updates and polls posted on
their wall to ensure massive reach instantly besides certain actions conducted by fans on Pepsi’s page require their permission to allow Pepsi access their profile information.

In addition to these new methods, customers facilitate the research process by leaving traces of their actions (on the friend activity tab or on their profile) or redirecting content, encouraging other people to participate on the surveys, polls or Pepsi’s status updates. Facebook profiles contain large amount of information such as basic information (city, hometown, gender, birthday, languages), social network, education, work, likes, activities, interests and contact information. This information is partially public in many cases or shared with Pepsi when granting permission to access profile info, thereby assisting in the process of market research. A strong willingness to participate was observed on fans. Market research related posts by the brand had much higher comments rates (1148,5 comments vs. 396,8) and still acceptable liking and sharing rates (1148 likes vs. 1833, 29 shares vs. 61,78). Polls posted on the wall had on average 2259,25 votes and 52 shares in contrast to the 2291,58 interactions (1833 likes + 396,8 comments) and 61,78 shares exhibited by Pepsi posts.

The fact of being the least used strategy (only observed on 22,9% of Pepsi posts and in 9,5% of Pepsi’s Facebook page sections) together with the interactivity and multimedia content exhibited makes this practices less intrusive than traditional market research methods.

Unlike conventional questionnaires, surveys or focus groups, market research on Pepsi’s fan page is less time consuming. Fans chose freely where, when and how to participate and in some cases, when access to profile information is permitted, active participation of fans is not even required.

Pepsi exhibited three types of research:

- **Customer profiling**: the most observed type of research, 50% of the cases, it involved questions regarding music/films preferences and personality.
- **Brand awareness and perceived image**: the second most observed type of research, 27% of the cases, it involved brand related questions such as brand history or opinion regarding TV advertisements
- **Consumption patterns**: the least observed type of research, 23% of the cases, it involved questions regarding location, time or supplement preferences.

**Community building**

Developing authentic relationships with customers is the second most used strategy performed by Pepsi on Facebook. Two way interactions between fans and the brand were observed on the wall, events and notes sections of Pepsi’s fan page. 34,7% of fans comments on the wall were replied by the brand. Pepsi’s responses were mainly statements of gratitude for fans comments and/or support (54,5%), apologies and explanations for different situations (30,3%) and conduct warnings (15,2%). Pepsi’s apologies and explanations were more extensive and in some cases included links to external websites for further support or information. It was also observed that in some cases Pepsi “liked” fan’s posts. Pepsi allowed fans to comment the events created by the brand and takes part in the dialog however, the richer interactions with fans, were observed on the notes sections of the website. This feature was used to make announcements and generate debate. Pepsi always initiates the debate; fans are not
allowed to post topics on this section, they can just comment. Both Pepsi and fans contributions were found to be the most extensive observed on the whole website. Pepsi messages on the notes section had an average length of 6.7 lines in contrast to the 1.46 lines used on wall posts. Fans responses change from an average length of 1.42 lines observed on the wall to 3.25 lines on the notes section.

Pepsi attempts to avoid loss of control by not allowing fans to upload or tag multimedia content (photos and videos) but still allow fans to express themselves through comments on the wall giving more importance to listening rather than talking. This listening approach was also observed on the videos and photos where fans contribute with comments but Pepsi barely interacts.

The following community building practices were observed:

- **Impression management**: an authentic, modern, young, and stand out of standards image of the brand is broadcasted to the fan base by means of the Pepsi icons. The selected icons pertain to the music industry; they are actual, famous and head lines generators with an enormous audience. Quotes, photos, music videos and news are shared with Pepsi fans on the website.

- **Foster conversations**: open ended and non brand related status updates were used by Pepsi to generate conversations on the page.

- **Feedback & new ideas**: fans are encouraged to contribute with ideas, opinions and requests on the notes section.

- **Built sense of membership**: fans photos, terms of use, acknowledgments on fans comments and exclusive Facebook deals are the ways chosen by Pepsi to build a sense of community among their fan base.

**Promotion**

Pepsi’s conduct on Facebook relies primarily on promotion; within the promotional mix, sponsorships and sales promotion, in this order, were the two most observed tools though the use of advertising and publicity was also recorded.

**Advertising**

The wall is where the advertising practices conducted by the brand occurred. This together with Pepsi’s almost 7 million followers, makes advertising online highly broadcasted. Products like cups, shirts or bags with the brand’s logo and name were subject of advertisement rather than Pepsi beverage itself. **Multimedia content**, most likely a picture, was included in 83.3% of Pepsi’s advertising posts. Indirect advertising of the brand was observed by means of a **rich visual experience** while navigating through the site. 45.5% of the sections available on Pepsi’s fan page exhibited images of Pepsi products, brand name and logo as well as a colour theme based on the company’s corporate colours (blue, red and white).

**Sales promotion**

Of all the possible ways of sales promotion **driving traffic to other websites** is Pepsi’s priority on Facebook. Links to external websites were included in 47.5 % of Pepsi’s wall posts and on 72.7% of the page tab sections available on Pepsi’s corporate page. In
75% of the cases these links redirected fans to Pepsi owned websites such as Pepsi shop, Pepsi sound off or Pepsi refresh projects. The remaining 25% of the links redirected fans either to partners’ websites, Pepsi’s presence on other social media (YouTube channel and Twitter) or other content of interest. Pepsi drives in store traffic by means of deals and offers, the brand exhibits one whole section of its Facebook page (Pepsi deals) exclusively dedicated to this matter. No online games within Pepsi’s Facebook page were observed; instead links to downloadable mobile applications were included.

**Sponsorships**

Pepsi’s promotional efforts on Facebook focus heavily on sponsorships. It dedicates two page tab sections exclusively for these purposes the “Xfactor” and “Feeding America” sections. Moreover 69,2% of the photo albums, 50% of the videos and all of the events analyzed are held under the category of sponsorship purposes. 2 out of 3 sponsorship announcements refer to brand related events while the remaining one refers to social performances conducted by Pepsi.

**Publicity**

Facebook itself promotes the spread of news and comments related to Pepsi by allowing the sharing of content (photos, videos, polls and status updates) between users and the generation of feeds with each action conducted by fans on Pepsi’s Facebook page. Pepsi reinforces this by means of e gifts which allow fans to share Pepsi related gifts (can, glass or a cup) with their social network.

### 5.2.2 EMPIRICAL DATA REGARDING RQ2

In this section data is presented regarding how customers use Pepsi’s Facebook page. Data with reference to the motivation behind engaging with Coca Cola online, the main participation forms and involvement levels exhibited is presented.

#### 5.2.2.1 FOLLOWING BRANDS

A purposive analysis of 90 wall posts and 20 album, 20 video and 20 notes comments was perform observing the following motivations that push fans to follow Pepsi on Facebook.

**Personal enjoyment**: gratification derived from being the firsts to comment content posted by Pepsi and/or contributing with general or nonsense comments.

**Concern for other consumers**: desire of helping other to make better purchase or brand decisions by highlighting and criticising bad practices perform by Pepsi in areas such as health issues, partnerships, planning. Fans also exhibited concerns for other fans by providing advice and recommendations regarding Pepsi products.

**Share of experiences**: positive feeling experienced by fans from the share of intentions, product preferences, addiction/consumption patterns or expression of love for Pepsi and Pepsi products.
Economic incentives: no explicit references to coupons, discounts or offers were observed among Pepsi fans.

Platform assistance: report of unpleasant experiences regarding Pepsi products, need of obtaining explanations regarding Pepsi actions.

Helping the company: contribution of new ideas, suggestions, feedback regarding Pepsi’s practices or support messages on Pepsi’s Facebook page

Provocation: satisfaction obtained from instigating and inducing rage to Pepsi fans with allusions to other brands such as Coca Cola

Self promotion: the amount of Pepsi followers makes Pepsi Facebook page a perfect place where to promote oneself as it ensures reaching a big audience. Promotion Facebook pages or content such as videos on YouTube were the observed practices

Requests: Pepsi’s page on Facebook is the fastest and easier way of delivering request to the company. The reintroduction of old products and informational request were the two main forms observed.

Figure 5.16 exhibits the top terms mentioned on Pepsi’s fan page giving insights of the motivation behind customer’s use of the site

![Image: Pepsi Conversation Cloud]

Sample: N=105 comments

FIGURE 5.16: PEPSI CONVERSATION CLOUD

Figure 5.17 displays the importance attached to each purpose in terms of the number of times it was observed. Fan’s motivations on a normal day are shown in light blue, dark blue bars on the other hand reflect the change of mood experienced by customers during the Iraq can scandal. During this atypical period, most of the messages consisted on critics and blames (concern for other customers), explanation requests (platform assistance), and support messages (helping the company).
5.2.2.2 PARTICIPATION FORMS
The following forms of interaction were observed among Pepsi followers:

_Viewing:_ Pepsi fans can come in contact with Pepsi content either _directly_ by navigating through the different sections in which the fan page is divided or _indirectly_ through the feeds generated each time Pepsi posts content. A rich variety of content was observed on Pepsi’s fan page such as posts, notes, photos or videos. Figure X displays the average number of interactions obtained by each type of content showing fans’ preferences.

Figure 5.18 displays the average number of interactions obtained by each type of content showing fans’ preferences.

Interaction = nº likes + comments + shares (votes + shares on polls)
**Forwarding:** two forms of forwarding content were observed on Pepsi’s Facebook page; *sharing* and *links*. The former allows fans to share Pepsi content (posts, videos or images) with their social network; the latter on the other hand are included by fans on their comments and posts. Pepsi’s wall posts presents the higher sharing rates (61,78) followed by polls (52,5), pictures (15,92) and photo albums (6,92). No sharing was observed on Pepsi’s videos. Links were only observed in 7 out of 90 fans’ wall comments and in 2 out of 20 video comments analyzed.

**Commenting:** written remarks associated to content such as Pepsi’s or fans’ posts on the wall, albums, photos, videos, events or notes. The average comment is 2,11 lines long, which increases up to 3,25 in the case of notes comments. Pepsi posts exhibit the higher nº of comments (396,81) followed by notes (137,67), photo albums (72,77), videos (59,85), pictures (39,31) and other fan’s posts (0,68). English is the language used in comments on the 96% of the comments analyzed. It was observed that females are more participative than males with 80% 60 % and 55% of comments on albums, notes and videos respectively.

**Creating:** no development of rich and elaborate content was observed among fans due to the fact that Pepsi do not allow them the upload of multimedia content.

**Moderating:** fans in Pepsi’s fan page can report content and comments appearing in the site. All type of content can be reported. When reporting content the user must specify what has motivated his or her decision.

**Arbitrating:** was identified to be a type of comment rather than a participation form itself within Pepsi’s fan page.

**Creating:** no development of rich and elaborate content among fans was observed due to the fact that Pepsi do not allow them upload multimedia content.

**Posting:** written remarks shared with other fans on Pepsi’s wall section the average post has a length of 1,42 lines and receives and average of 0,22 likes and 0,68 comments. English is the language used in comments on the 93,3% of the posts analyzed. Females show slightly higher participation that males (53,3% of the posts). Posts were observed all day long, only four blank hours, with an average of 1,7 posts per hour. During the Iraq can scandal the number of post on a day increased from 45 up to 1140 becoming the tone much more negative. Posts also increased in length (3,44 lines) and number of likes (3,86) and comments (6,55) received.

**Liking:** an easy and quick way of expressing positive feelings towards something seen on the site. Liking an item (post, comment, photo or video) generates a mini feed on the fans’ profile, liking a Facebook page is the way Facebook users have of connecting with that page. From the moment a user clicks the like button on Pepsi’s fan page, Pepsi will appear on the likes & interest sections of the fans’ profiles together with a mini feed and content posted by the brand will appear on the fans’ news feed. Liking rates are higher than the commenting and sharing rates in all the cases. Pepsi’s posts...
receive the higher number of likes (1833) followed by photo albums (674,69), notes (604,92), videos (564,63), pictures (104,69) and others fans’ comments or posts (0,4).

Responding: result of Pepsi’s use of the polling feature, it consists on clicking on the desired option in a given poll question. Poll posted on the wall exhibit 34 times more responses than those questions posted on different tab sections

5.2.2.3 INVOLVEMENT
Considering the motivation behind following Pepsi on Facebook and the different actions conducted by fans online, Pepsi followers can be categorized in:

Low status members: are inspired by personal enjoyment, provocation and/or self promotional purposes. They are passive observers that come in contact with Pepsi content in an indirect way, through the new feeds generated by the brand’s activity. This kind of fan either contributes by liking content or shows no active participation adopting a spectator role.

Middle status members: seek the share of experiences/requests and/or platform assistance. They actively gather and engage with Pepsi content, like and leave comments on the content uploaded by the brand and post messages on the wall.

High status members: are middle status member who additionally exhibit concern for other customers and willingness to help Pepsi. They are more critic and engage at higher levels by responding to polls, commenting on notes, forwarding content, commenting other fans’ contributions and/or attending to events.
CHAPTER SIX

DATA ANALYSIS
6. DATA ANALYSIS

In this chapter the empirical data resulting from the case studies conducted will be analyzed. Research questions have been analyzed separately. For each concept a within-case analysis followed by a cross-case analysis is performed. Patterns are indentified through the comparison of data with previous theory while similarities and differences between cases emerge from the cross-case approach.

6.1 ANALYSIS OF RQ1

In this section data regarding Coca Cola’s and Pepsi’s usage of the tools available on Facebook as well as the brands’ online strategies is analyzed.

6.1.1 TOOLS

Table 6.1 summarizes Coca Cola’s and Pepsi’s usage of the different tools at disposal on Facebook, differentiating between expected observations and new findings not included on the conceptual framework.

TABLE 6.1: FACEBOOK TOOLS ANALYSIS

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Theory Concept mentioned?</th>
<th>Coca cola Concept observed?</th>
<th>Pepsi Concept observed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>News feeds</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Mini feeds</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Chat</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Wall</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Multimedia</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Events</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Ads</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Connect</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Applications</td>
<td>Yes</td>
<td>Similar</td>
<td></td>
</tr>
<tr>
<td>Mall</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Polls</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Page tab sections</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**News feeds**

Data confirms Piskorski et al (2010) findings regarding the use and functioning of this tool. Facebook do not allow brands to modify how news feeds are generated consequently no differences between Coca Cola’s and Pepsi’s use or deviation with the theory was observed.
Mini feeds
According to Piskorski et al (2010) mini feeds are used to display firms’ individual actions on Facebook, both Coca Cola and Pepsi verify this affirmation. Additionally it was noticed, in both case studies, that brands use mini feeds to display fans’ friends’ actions on their pages (Friend activity section).

No differences were observed between Coca Cola and Pepsi with respect to the mini feeds generated on the Friend activity section, Facebook do not allow page owners any modification in the behaviour of this section. However when referring to firms’ individual actions, Coca Cola shares more information (Posts, comments and informational updates) with their fan base than Pepsi (Posts and comments).

Chat
Piskorski et al (2010) theories regarding the use of Facebook’s chat feature could not be tested as no use of this tool was observed in any of the case studies. Chat messages are delivered as Facebook internal mails when fans’ are offline, being notified the next time the user logs in to the platform. Therefore it can be stated that neither Coca Cola nor Pepsi made use of this tool during this investigation.

Wall
Coca Cola’s use of the wall feature supports Piskorski et al (2010) vision of the wall as a bulletin board where fans can also contribute with multimedia content and posts. Pepsi, in contrast, partially supports this statement as they do not allow their fan base to upload any multimedia content on the wall.

Similarities between Coca Cola’s and Pepsi’s usage of the wall were found in terms of both being the landing tab, having same filtering options, exhibiting similar fans’ comments and sharing rates (considering the number of fans each site has), similar posts’ length and preferences regarding the week days for posting (working days). However Pepsi shows higher posting rates on weekends and receives greater likes rates than Coca Cola. Differences were also perceived in the choice of language and use of multimedia content as well as links. Pepsi posts English status updates to its whole fan base while Coca Cola targets most of their posts by location using the corresponding language (Spanish in this case as the researcher’s location on Facebook was set to Spain) although also using English for not targeted status updates. Coca Cola’s posts usually incorporate multimedia content, photos and videos in the same proportion, in contrast to Pepsi’s posts which do not rely as much on multimedia content and opts for photos rather than videos when it does. Status updates including links are more frequent on Pepsi than Coca Cola.

Figure 6.1 compares the amount of daily status updates posted by both companies during a one month period (December 2011).
As it can be inferred from figure 6.1 Pepsi is more active than Coca Cola, and posts at least once a day. In relation to the preferred time for posting, figure 6.2 compares Coca Cola’s and Pepsi’s preferences.

Both Coca Cola and Pepsi are more active on the afternoons; however Pepsi also posts at night and tends to post at the same time each day.

**Multimedia**

According to Piskorski et al (2010) Facebook allows the upload of photos and pictures which can be shared with others. In both case studies the used of videos and pictures was observed therefore confirming Piskorski et al (2010) statement. Coca Cola dedicates two separate sections on their fan page, one for each type of content, while Pepsi uses one single section for all its multimedia content.
On average Coca Cola’s photo album included more individual photos than Pepsi’s albums, however, the latter received higher likes, comments and sharing rates. Coca Cola is more likely to include an album description and shows a more international approach in their choice of language, usage of seven different languages was observed in contrast to Pepsi which only used English. Figure 6.3 shows the differences between companies in album uploading rates over a 3 year period.

As it can be observed Coca Cola is much more active being the second half of 2011 the period of greater number of album uploads. Opposite to what happened in albums, Pepsi was more predispose to include a photo description and also received higher engagement rates. Pepsi did not allow tagging contrary to its competitor. Coca Cola showed the brand logo in higher percentage of pictures. Pictures sizes and the frequency in which core offers or slogans were included in the photos were similar in both case studies

Regarding video content, Coca Cola’s videos are more elaborate in terms of music, special effects and animation than Pepsi videos. Despite this and their larger average duration, Coca Cola videos have less liking and comments rates than Pepsi’s videos. Pepsi tends to end videos with the brand logo while Coca Cola relies more on the brand’s name and a core offer or statement. Both brands allow tagging and use English descriptions on the majority of their videos.

**Events**

Data collected on Coca Cola’s and Pepsi’s fan pages support Piskorsky et al (2010) theories regarding the use of Facebook events in terms of privacy settings (set by creator), information disposal (basic information regarding the event) and users actions (comments, upload of multimedia content and attendance).

Similarities between Coca Cola and Pepsi events were observed regarding events’ display (sorted by month, week and day), browsing, sharing and export (either to a calendar application or email). All of these areas have been defined by Facebook and do not allow any kind of customization. Neither of the brands allowed the upload of multimedia content tough Pepsi did allow fans to comment. Pepsi events’ description
length and fans’ response rates were higher when compare to those shown by Coca Cola events which display a greater duration. With reference to the language used in the event description, Coca Cola exhibits a more international approach with descriptions in English, French and German while Pepsi only uses English. Figure 6.4 compares the number of events created by both brands per month during 2011.

![Events Distribution](chart.png)

**FIGURE 6.4: COCA COLA & PEPSI EVENTS DISTRIBUTION**

As shown in figure 6.4 Coca Cola is more active than Pepsi, and its efforts are distributed all over the year with only two blank months. Pepsi on the other hand concentrates its effort in only 4 months from May to August both included.

**Facebook Ads**
Piskorski et al (2010) studies reflected precisely the reality with respect to Facebook ads in terms of targeting and publicity, however no ads were observed. Ads can be targeted by location, language, education, work, age, gender, birth, relationship status, likes & interests or social graph, therefore the non observation of Facebook Ads does not imply that Coca Cola and Pepsi are not using this tool.

**Facebook Connect**
Pepsi makes use of the three main functionalities provided by Facebook connect as enunciated by Piskorski et al (2010); use of Facebook credentials to log in, interactions with Facebook in the context of external websites, broadcast of fans’ activities conducted on the external website to their Facebook social network. Per contra, Coca Cola do not make use of this tool on their external websites

**Applications**
The use of this feature as referred by Piskorski et al (2010), games or applications available and integrated on the Facebook page, was only spot on the case of Coca Cola with its “never ending dance of happiness” game application. Pepsi on the other hand (and also Coca Cola) made used of applications though they were downloadable mobile applications not integrated on the Facebook platform. Coca Cola uses specific sections for their mobile applications while Pepsi includes links to these apps on sections not design exclusively for that purpose.
Mail
No Facebook mail messages were observed while conducting this research making comparison with theory impossible. Mail messages are store and notified on fans’ profiles, as a result it can be confirmed that none of the brands did use this feature.

Polls
Polls are a new feature introduced by Facebook, not included on Piskorski et al. (2010) work, which were exclusively observed on Pepsi’s fan page. They allow the page owner to pop a question, set the different choices of answers and to target them to a specific group of people.

Page tab sections
The page tab is a feature used by major brands present at Facebook which was not mentioned in Piskorski et al. (2010) study. It allows the page owner to develop and customize new sections on the brand’s fan page. Facebook provides 6 default sections when creating a corporate page; wall, info, photos, events, notes and videos. Any other section on the page must be implemented using the page tab section feature.

Both Pepsi and Coca Cola make use of this tool, however the latter is more prolific on its use (27 sections) than the former (7 section). Facebook page sections are created as individual websites and later integrated on the fan page, this gives the page owner more freedom in the process of planning and developing a Facebook page section. These new sections presented more elaborate layouts, by using brand logo and name as well as a colour theme base on the brands corporate colours. Digital media such as photos, videos, gift images or hyperlinks together with interactive elements like polls, maps, direct downloads, or games, enhance user experience while navigating through the websites. Both brands exhibited elaborate layouts on their sections and varied digital media. Polls were only observed in Pepsi’s fan page while photos and direct downloads were only included in Coca Cola’s page (Pepsi redirected fans to external websites when following a download link). Coca Cola’s page was found to be more interactive in its design than Pepsi.

6.1.2 STRATEGIES

Following Schau et al (2009) online strategies division Table 6.2 reflects the findings regarding Coca Cola’s and Pepsi’s usage strategies, differentiating between expected observations and new findings not included on the conceptual framework.

**TABLE 6.2: COCA COLA & PEPSI USAGE STRATEGIES ANALYSIS**

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Theory Concept mentioned?</th>
<th>Coca cola Concept observed?</th>
<th>Pepsi Concept observed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market research</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Community building</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Promotion</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Schau et al (2009) delimitation of online strategies into three categories (market research, community building and promotion) was found to reflect the reality of Coca Cola’s and Pepsi’s efforts online. Figure 6.5 displays the brands’ usage intensity of each of the strategies.

**FIGURE 6.5: COCA COLA & PEPSI ONLINE STRATEGY**

**Market research**

Table 6.3 presents the findings in regards to Coca Cola’s and Pepsi’s market research practices, differentiating between expected observations and new findings not included on the conceptual framework.

**TABLE 6.3: MARKET RESEARCH ANALYSIS**

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Theory</th>
<th>Coca cola</th>
<th>Pepsi</th>
</tr>
</thead>
<tbody>
<tr>
<td>new approaches</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>customers facilitate process</td>
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<td>Yes</td>
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</tr>
<tr>
<td>less intrusive</td>
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<td>Yes</td>
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<td>less time consuming</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>types of research</td>
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<td>No</td>
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</tbody>
</table>

*New approaches* for conducting market research on Facebook were observed just as Cooke et al (2008) anticipated on their study. Pepsi made use of interactive surveys, access requests to fan’s profile information, status updates (open ended or explicit questions) and online polls. Coca Cola in contrast only used the access requests to fan's information.
In accordance with Cooke et al (2008) theories, customers facilitated the research process by granting permission to access their profile information and the share of public information. In the case of Pepsi, fans exhibited a strong willingness to participate from the market research practices performed by the brand and the fact of leaving traces of their actions (on the friend activity tab or on their profile) or redirecting content encouraged other people and fans to participate from these practices.

Market research was the least used strategy in both case studies and fans control over market research practices conducted by brands (fans can chose whether to grant/deny access to their personal data or take part in polls, surveys and status updates) confirm Kozinets’ (2001) statement of market research online being less intrusive than traditional methods. This idea is further supported by the interactivity and multimedia content observed on Pepsi’s market research practices.

Kozinets (2001) argues that with the appearance of internet, market research has become less time consuming than before. The data obtained during this investigation subscribes this idea due to the fact that fans are able to decide where, when and how to participate in this practices and no active participation is required when allowing brands to access profile information is permitted.

Neither Cooke et al (2001) nor Kozinets (2001) included references on their studies to the main areas of research that were identified in the case study of Pepsi; Customer profiling, brand awareness and perceived image, Consumption patterns.

**Community building**

Table 6.4 presents the findings in regards to Coca Cola’s and Pepsi’s community building practices, differentiating between expected observations and new findings not included on the conceptual framework.

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Theory Concept mentioned?</th>
<th>Coca cola Concept observed?</th>
<th>Pepsi Concept observed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two way interaction</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Loss of control</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Listening rather than talking</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Impresión management</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Foster conversations</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Feedback and Ideas</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Sense of membership</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**TABLE 6.4: COMMUNITY BUILDING ANALYSIS**
Hale (2010) suggest that social networking sites allow businesses to connect with their target market in a direct way, without any intermediaries. Interactions between fans and brands observed in both case studies corroborate Hale’s (2010) assertion.

Pepsi is more active than its competitor in this matter. Two way interactions were observed on the wall, events and notes sections of the fan page while in the case of Coca Cola were only observed on the wall and discussion sections. Pepsi’s responses were mainly statements of gratitude, apologies, explanations and conduct warnings. In some cases Pepsi also “liked” fan’s posts. Coca Cola responses were in all of the cases apologies, explanations and information provision for the different requests or problems shared by customers. Fans’ wall posts obtained higher response rate from Pepsi than from Coca Cola, however Coca Cola messages exhibited a greater length and use of links.

According to Parent et al (2011) firms that push content to their online community are ceding the control over to customers. Coca Cola proves Parent et al (2011) idea by allowing fans to upload, comment, share and tag multimedia content. Pepsi tries to keep some control by disabling the uploading and tagging options.

The fact of letting fans express themselves through comments and posts on the wall exposes Coca Cola’s and Pepsi’s commitment to listening rather than talking, something that for Barwise et al (2010) is critical for brands present in online communities.

For Deighton et al (2011) brands that are involved in community building practices rely on impression management and foster of conversations. Data is consistent with this affirmation and additionally two community building practices not mentioned in Deighton et al theories were identified; foster of feedback & ideas (only on Pepsi), built sense of membership.

Regarding impression management, Coca Cola tries to display a personal and intimate image through their page creators while Pepsi relies on music icons to project a modern and out of the standards corporate image. Both brands use status updates with the aim of fostering conversations. Coca Cola goes one step further and encourage fans to share their opinions on the discussion and ‘mis razones’ section. Sponsored status update, screen savers and wall paper downloads and fans highlights are the tools used by Coca Cola to build a sense of community among their fan base. Pepsi on the other hand relies on acknowledgments on fans comments and exclusive Facebook deals. Pepsi also encouraged fans to contribute with ideas, opinions and requests on the notes section.
**Promotion**

Table 6.5 presents the findings in regards to Coca Cola’s and Pepsi’s promotional practices, differentiating between expected observations and new findings not included on the conceptual framework.

TABLE 6.5: PROMOTION ANALYSIS

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Theory Concept mentioned?</th>
<th>Coca cola Concept observed?</th>
<th>Pepsi Concept observed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Rich visual experience</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Multimedia content</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sales promotion</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Online games</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Coupons, offers, deals</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Drive in store traffic</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Drive traffic to other webs</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Social performance</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Brand related events</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Publicity</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

As stated by Mangold et al (2009) it was observed that Facebook can play an important role in each of the components of the promotional mix. Within promotion, sponsorships were the main focus of both companies followed by advertising in the case of Coca Cola and sales promotion in the case of Pepsi.

**Advertising**

According to Gangadharbatla (2008) advertising on Facebook is highly broadcasted as it allows brands to reach an enormous audience. The high number of fans exhibited by Pepsi and specially Coca Cola together with these fans’ friends provide fan pages with a huge reach scale therefore supporting this idea.

Both brands displayed a high reliance on multimedia content providing their fans with a rich visual experience just as stated by Lacho et al (2010). Regarding the multimedia content, Coca Cola advertising efforts made use of photos and videos in a similar proportion while Pepsi clearly opted for photos. Again both companies enhanced users’ visual experience by displaying the brand name, logo and using colour themes based on the company’s corporate colours on a high number of sections (Coca Cola more than Pepsi).

Considering the number of followers each brand has on Facebook, Coca Cola advertising efforts reached a bigger audience than Pepsi. The wall was where most
advertising efforts conducted by Pepsi were observed while Coca Cola focused more on the photo and video sections. Cups, shirts or bags with the Pepsi logo and name were subject of advertisement rather than the beverage itself. Per contra, Coca Cola focused on persuading fans to consume their products.

**Sales promotion**

According to Hale (2010) brands can monetize fans’ presence on Facebook through coupons, deals and special offers. Harris et al (2007) is in the same line of thought and adds that sales promotion can drive traffic to external websites and in store traffic. Mangold et al (2009) also suggest that games and applications are a natural setting for engaging and entertaining while promoting a product or service. Data confirms the theories of these three authors as all of the mentioned forms of sales promotion were observed on the case studies.

Both Coca Cola and Pepsi focus their sales promotional efforts on driving traffic to other websites, mainly to brand owned ones or other social media were they have presence. Again, both companies drive in store traffic through deals and offers however Pepsi is more active in this matter and uses a dedicated section of their fan page providing fans with an interactive map were the closest deals are indicated. Online games were only observed on Coca Cola’s fan page although both Coke and Pepsi provide links for the download of mobile applications.

**Sponsorships**

According to Mangold et al (2009) supporting causes or issues that are important to customers increases brand consideration. However, Schau et al (2009) points that this support and efforts can also be directed to brand related events. Announcements referring to brand related events and social performances conducted by the companies were observed in both case studies verifying Mangold et al (2009) and Schau et al (2009) theories. Both Coca Cola and Pepsi dedicate more efforts to brand related events than to social performances. Pepsi exhibits higher social involvement than Coca Cola as it dedicates a whole section to this matter (Feeding America section) and displays organizations and causes supported by the brand on the like and interests section of the fan page.

**Publicity**

Mangold et al (2009) suggests that Facebook can provide firms with the chance of influencing the conversations that customers have with one another. Facebook promotes the spread of news and comments related to brands through sharing options and fans’ feeds therefore supporting Mangold et al (2009) affirmation. Both brands reinforce Facebook’s efforts by allowing fans to share brand related e-gifts with their social network.
6.2 ANALYSIS OF RQ2

In this section data regarding how customers use Coca Cola’s and Pepsi’s Facebook pages is analyzed. Motivations behind engaging with firms online, the main participation forms and involvement levels are the three areas of analysis.

6.2.1 FOLLOWING BRANDS

Table 6.6 condenses the observed motivations that push fans to follow Coca Cola and Pepsi on Facebook, differentiating between expected observations and new findings not included on the conceptual framework.

TABLE 6.6: FANS MOTIVATIONS ANALYSIS

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Theory Concept mentioned?</th>
<th>Coca cola Concept observed?</th>
<th>Pepsi Concept observed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal enjoyment</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Concern for other customers</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Share of experiences</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Economic incentives</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Platform assistance</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Helping the company</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Self promotion</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Requests</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Scam</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Provocation</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Personal enjoyment**

Data contradicts Valck et al (2009) theory regarding the nature of personal enjoyment as a reason for following brands on Facebook. Navigational schemas on fan pages differ very little from that of Facebook's profiles. Official corporate websites exhibit a bigger amount of utilities and applications as well as a higher degree of interactivity and visual richness than fan pages. Therefore, gratification resulting from the use of utilities and applications on Facebook fan pages should not be considered as a major motivating factor contrary to Valck et al (2009) thoughts.

Satisfaction derived from being the firsts to comment content uploaded by brands and/or contributing with general or nonsense comments were found to be, in both case studies, the personal enjoyment motivating factors driving customers to follow and engage in conversations with Coca Cola and Pepsi on Facebook.

**Concern for other consumers**

Valck et al (2009) refer to this motive as the desire of helping others to make better purchase decisions. Both case studies conducted were consistent with Valck et al
(2009) line of thought and additionally two ways of influencing other fans in their purchase process were identified; highlight and critics of bad practices perform by brands, advice provision and recommendations.

**Share of experiences**
Coca Cola and Pepsi fans exhibited a strong willingness to share of experiences with the brands and other fans, therefore supporting Valck et al (2009) theory. The share of intentions, product preferences, addiction/consumption patterns and expression of love for the brand and its products were the main experiences shared by Coca Cola and Pepsi fans on Facebook.

**Economic incentives**
Fans’ references to coupons, discounts and offers were not observed on Coca Cola and Pepsi fan pages though being available practices which engagement could not be measured. As a result the suitableness of Valck et al (2009) inclusion of economic incentives as a motivation for Facebook members to follow Coca Cola and Pepsi online could not be tested.

**Platform assistance**
The data collected during this investigation perfectly adjust to Valck et al (2009) study, which refers to this motivation as the need of solving problems and doubts regarding products and services.

**Helping the company**
During this research contribution of ideas, suggestions, feedback and support messages by Coca Cola and Pepsi fans were observed therefore confirming Valck et al (2009) theory which states that fans can follow brands online to get involved in the development process in order to achieve a better satisfaction of their needs.

**Self promotion**
Observed motivation, not included in Valck et al (2009) study, exhibited by both Coca Cola and Pepsi fans. Refers to the importance attached to promoting oneself on a platform which ensures reaching a big audience such as Coca Cola and Pepsi fan pages. Promotion of Facebook pages or content (i.e. videos on YouTube) were the observed self promotion practices observed on Coca Cola and Pepsi fans.

**Requests**
Observed motivation, not included in Valck et al (2009) study, exhibited by both Coca Cola and Pepsi fans. Facebook fan pages are a fast and easy way of reaching brands and delivering request. The reintroduction of old products and informational request were the two main petition forms recorded.

**Scam**
Observed motivation, not included in Valck et al (2009) study, exhibited only by Coca Cola fans. Refers to the attempts of obtaining personal information of other fans under the premise of rewards and prizes
**Provocation:**
Observed motivation, not included in Valck et al (2009) study, exhibited only by Pepsi fans that seemed to obtain satisfaction from instigating and inducing rage to other fans with allusions to Coca Cola’s bigger fan base and better taste.

Figure 6.6 compares the importance attached to each purpose by Coca Cola and Pepsi fans in terms of the number of times it was observed.

![Motivations Chart](image)

**FIGURE 6.6: COCA COLA & PEPSI FANS’ MOTIVATIONS**

### 6.2.2 PARTICIPATION FORMS

Table 6.7 displays the observed forms of interaction among Coca Cola and Pepsi fans differentiating between expected observations and new findings not included on the conceptual framework.

**TABLE 6.7: FANS PARTICIPATION FORMS**

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Theory Concept mentioned?</th>
<th>Coca cola Concept observed?</th>
<th>Pepsi Concept observed?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Viewing</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Forwarding</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Commenting</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Creating</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Moderating</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Arbitrating</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Posting</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Liking</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Responding</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
**Viewing**
According to Parent et al (2011) fans can come in contact with content either directly or indirectly. Observations confirm this theory. Coca Cola and Pepsi fans can gather content by navigating through the different page sections available in the fan pages or come in contact with it through the feeds generated each time the brands upload content. A rich variety of content (posts, photos and videos) was observed in both case studies.

**Forwarding**
For Parent et al (2011) fans following a brand online can participate actively by redirecting content or information to their social graph. Three forms of forwarding content were observed on Coca Cola’s and Pepsi’s Facebook pages; *sharing, tagging and links*, therefore confirming Parent et al (2011) statement.

Sharing and links were options available for fans in both fan pages, however tagging was only allowed by Coca Cola. Brands posts presented the higher sharing rates in both case studies. No sharing was observed on Pepsi’s videos. Regarding links, both Coca Cola and Pepsi fans included links on their comments in a similar proportion.

**Commenting**
According to Parent et al (2011) commenting, understood as evaluations of other’s contributions is one of the participations forms that fans can conduct when engaging in conversations with brands online. Data obtained from Coca Cola and Pepsi fans support this idea, in both case studies fans are allow to comment any content uploaded on the fan page.

Pepsi fans contribute with longer comments than Coca Cola fans. In both cases English is the most common choice of language for comments, however many Coca Cola fans write in Spanish as well. Pepsi posts exhibit the higher nº of comments received while on Coca Cola they fall to the third place behind videos and pictures. Males participate more than females in the case of Coca Cola while in Pepsi is the opposite.

**Creating**
This participation form referred by Parent et al (2011) as the development of rich and elaborate content which is shared with the public, was only exhibited by Coca Cola fans due to the fact that Pepsi do not allow fans to upload multimedia content. Content was not as elaborated as expected, most of the videos upload were recordings of daily situations and pictures show little editing.

**Moderating**
Coca Cola and Pepsi fans have the option of reporting content and comments from the fan page. This is consistent with Parent et al (2011) study which maintains that users can take action in order to ensure cordiality and non abusive behaviours in the interaction process. All type of content (posts, comments, photos, videos, events or the fan page as a whole) can be reported. When reporting multimedia content the user has to specify what has motivated his or her decision by picking one of the following options: Spam or scam, nudity or pornography, graphic violence, attacks individual or group, hate speech or symbol, illegal drug use or intellectual property.
Arbitrating
Data from both case studies contradict Parent et al (2011) theories which recognize arbitrating as a participation form itself. Observations suggest that arbitrating should be considered as a type of comment rather than a participation form as it makes use of the feature as comments do.

Posting
Observed participation form, not included in Parent et al (2011) study, exhibited by both Coca Cola and Pepsi fans. It is the action of sharing written remarks with other fans and the brand on the wall section. Coca Cola fans contribute with slightly longer posts than Pepsi fans, however the last ones receive higher number of likes and comments. Pepsi fans write predominantly in English in contrast to Coca Cola fans that show preference for Spanish. In both case studies, females showed higher disposition to post than males.

Liking
Observed participation form, not included in Parent et al (2011) study, exhibited by both Coca Cola and Pepsi fans. It is an expression of positive feelings towards something seen on the site through clicking on the like option available under the content. Fans from both companies exhibited a higher disposition to like content rather than to comment or share it. Coca Cola fans’ engage more, in terms of number of likes, with brand’s videos while Pepsi fans prefer Pepsi posts’. In both cases videos and photo albums had higher liking rates than pictures on their own. Other fans’ comments or posts received the fewer liking rates in all the cases.

Responding
Observed participation form, not included in Parent et al (2011) study, exhibited only by Pepsi fans. It consists on clicking on the desired option in a given poll question which can have been posted on Pepsi’s wall or on a separate page section.

Figure 6.7 compares the average number of interactions obtained by each type of content on each case study showing fans’ preferences.

![Interaction graph](image)

**Interaction** = nº likes + comments + shares (votes + shares on polls)

**FIGURE 6.7: COCA COLA & PEPSI FANS’ INTERACTIONS**
6.2.3 INVOLVEMENT

Table 6.8 displays the observed involvement levels among Coca Cola and Pepsi fans differentiating between expected observations and new findings not included on the conceptual framework.

TABLE 6.8: FANS PARTICIPATION FORMS

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Theory</th>
<th>Coca cola</th>
<th>Pepsi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low status members</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Middle status members</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>High status members</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Low status members**

Iyengar et al (2009) definition of low status members as those who show little interaction with others is supported by the data collected which further identifies the motivations and actions performed online by this group of fans. Coca Cola and Pepsi low status followers either show no active participation adopting the role of spectators or contribute by liking or posting inspired by personal enjoyment, provocation (only Pepsi fans), scam (only Coca Cola fans) or self promotional purposes. In both cases these fans come in contact with content indirectly through the feeds generated by the brands’ activity.

**Middle status members**

Iyengar et al (2009) definition of middle status members as members showing reasonable activity on the page is supported by the data collected which further identifies the motivations and actions performed online by this group of fans. Coca Cola and Pepsi middle status followers seek the share of experiences/requests and/or platform assistance. They actively gather and engage with brands’ content and contribute by liking, tagging (only exhibited by Coca Cola fans) and leaving comments on the content uploaded by the brand.

**High status members**

Iyengar et al (2009) definition of high status members as very active users that engage at higher levels is supported by the data collected which further identifies the motivations and higher level actions performed online by this group of fans. Coca Cola and Pepsi high status followers are middle status members who additionally exhibit concern for other customers and willingness to the brand. They are more critics and contribute by creating multimedia content or discussion topics (only Coca Cola fans), forwarding content, commenting other fans’ contributions, attending to events, responding to polls (only Pepsi fans) and/or commenting on notes (only Pepsi fans).
CHAPTER SEVEN

FINDINGS AND CONCLUSIONS
7. FINDINGS AND CONCLUSIONS

In this chapter deductions and implications based on data analyzed are presented giving answer to the research questions posed in the introduction chapter. Following managerial and theoretical implications are suggested. The chapter will end with a future research section that provides directions for future studies.

7.1 HOW CAN THE USE OF FACEBOOK BY COMPANIES BE DESCRIBED?

From this investigation it can be concluded that Facebook fan pages are a radical innovation in the way brands interact with their customers. Facebook pages are used by brands as a bidirectional, memory channel part of a broader social media strategy (constant allusions to brands’ presence on other social media such as Twitter or YouTube were observed).

The huge number of followers interacting and engaging with brands on Facebook, 37 million Coca Cola fans and 7 million for Pepsi, allows firms to:

- **Identify in real time and in a continuous way, through implicit market research**: The correlation between the different types of fans and:
  - Their response to brands’ stimuli (news feeds, promotions, events, apps etc.)
  - Their brand and product perception
  - Their consumption patterns
  - Weak signals, threats and opportunities extracted from fans’ opinions.

- **Engage on real time, bidirectional conversations with their customers, about their**:
  - Experiences
  - Preferences
  - Informational needs
  - Complaints
  - Suggestions & ideas

- **Gain customers insights regarding products, brand perception, promotional campaigns etc. through explicit market research such as polls, surveys or direct questions**

- **Broadcast brand related events as well as their contribution to society by supporting social causes and showing civic involvement (i.e. Pepsi’s support to the Feeding America cause or Coca Cola’s reasons for believe in a better world initiative)**.

1. Market research practices which do not require active participation of customers and can be conducted through the observation and analysis of fans behaviours and data.

2. Market research practices in which the brands ask directly for customers’ feedback.
Create a brand controlled and monitored habitat were fans can reach other customers and share:
- Experiences
- Concerns
- Creations (videos and photos)
- Suggestions
- Events

Increase brand awareness by using a colour theme based on the corporate colours and displaying the brand logo on the different sections of the fan page

Target their efforts (based on gender, ages, locations, interests etc.) and measure the impact of their campaigns in real time.

Regarding the strategies conducted by Brands on Facebook, this investigation uncovers two main approaches online:

- Medium – Long term strategy: development of authentic, long lasting relationships and honest relationships with fans through community building.

- Short term strategy: attracting new customers by means of promotion with the aim of enhancing sales and at the same increase the fan base.

Coca Cola clearly opts for a medium – long term strategy while Pepsi focuses on a short term strategy based on promotion. Market research is possible regardless of the approach used; implicit in the case of Coca Cola, explicit in the case of Pepsi.

The identification of different usage strategies, exposes the enormous flexibility of fan pages which despite using the same structural elements and features (wall, photos, videos, events, notes) allow different forms of usage (managerial options) and customization (page tab feature). This flexibility on the usage not only makes these strategies complementary but also makes them benefit from each other. In the case of Coca Cola, the great growth exhibited by the fan page (28 times higher than the growth experienced by Pepsi) thanks to community building provides the brand with a huge amount of data for implicit market research and at the same time allows promotional and explicit market research practices reach a bigger audience. In the case of Pepsi the brand’s promotional efforts bring new fans to the online community and facilitate the research process.

Likewise, this study identifies three different community management methodologies:

- Low level of intervention: Coca Cola case study. Fans are granted with a high degree of freedom allowing them to contribute with comments, wall posts, and sharing of multimedia content
Middle level of intervention: Pepsi case study. Fans have a middle degree of freedom and are allow to contribute with wall posts and comments on the brand’s content.

High level of intervention: Fans exhibit a very low degree of freedom and are only allowed to comment on the brand’s content and posts.

Granting fans with a high degree of freedom does not guarantee customer participation; Pepsi exhibits higher participation rates among their fans than Coke. In the case of Coca Cola is difficult to determine if their low level of intervention is a result of Coca Cola’s social media principles or has to do with how the fan page was originated³.

This investigation suggests the existence of a relationship between the dominant strategy and the use that brands’ make of the tools and features available on Facebook. Coca Cola with their community building strategy display more sections on their fan page and has a higher event rate than Pepsi. Most of their posts are targeted by location providing fans with a sense of exclusivity. The photos and video sections are very active and now explicit marketing research was conducted. Per contra, Pepsi focuses more on the use of polls and offers and exhibits a higher posting rate while denying fans the upload of content.

Facebook is a fast moving domain in constant evolution and improvement (new features, changes of look etc.) that force brands to adapt to changes. The appearance of new fan page sections and the removal of old ones, the erratic upload of content and organization of events or the lack of posting patterns suggest that brands on Facebook are still on a learning curve trying to identify what best works for them.

Additionally, this study reflects that brands are not taking advantage of all the possibilities offered by Facebook:

- Little crowd sourcing: contests, polls or brainstorm are not frequent practices on fan pages
- Lack of call to action: fans arrive to the wall by default where due to the overwhelming amount of comments is difficult to identify what do brands want from their customers
- Failure in owning the space: fan pages are far behind corporate websites in terms of customization, functionalities, visual experience and interactivity.
- Deficient user experience: few games, quizzes, applications or dynamic content which can help keeping fans on the fan page for longer periods of time

³ Coca Cola’s fan page was created by Dusty Sorg and Michael Jedrzejewski outside the control of the brand. Once the page reached 1 million fans, Facebook reported this phenomenon to Coca Cola. Due to the success of the site, Coke decided to continue with Dusty and Michael’s approach who became the administrators of the fan page but now working for Coca Cola on a free-lance basis
o **Misuse of tools:** the use of the chat or mail features was conspicuous by its absence. Moreover other tools were used with little innovation i.e. only in person events

o **Poor content:** often related to past events, little creativity.

From the previous discussion, empirical data and the analysis conducted on the previous chapter the following can be concluded regarding how brands’ use Facebook pages:

o **To catch up its competitor and in order to gain attention #2 in the market will:**
  - Use a bigger set of tools
  - Be more active than #1 in terms of posts and responses to fans
  - Post at a clearly defined time-window to create expectation
  - Restrict fans’ actions to conserve a greater control of the fan page
  - Actively ask for customer feedback with the use of polls, explicit questions and open ended status updates
  - Decline the use of targeted status updates with the aim of reaching as many as possible

o **On the other hand #1 in the market will:**
  - Focus on targeting as a result of their bigger fan base
  - Use a more international approach than #2 with status updates, videos, photo descriptions and/or events in different languages
  - Rely more on multimedia content than on written messages on their wall posts
  - Grant fans with more freedom than #2 in terms of actions fans can conduct online
  - Show higher event rates than its competitors
  - Be more prolific than other brands on the use of page tab section

o **Facebook tools can be categorized in the following groups**

**TABLE 7.1: FACEBOOK TOOLS CATEGORIES**

<table>
<thead>
<tr>
<th>Primary</th>
<th>Secondary</th>
<th>Tertiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wideley used</td>
<td>Used by some brands</td>
<td>Not used</td>
</tr>
<tr>
<td>Wall</td>
<td>Polls</td>
<td>Chat</td>
</tr>
<tr>
<td>Multimedia</td>
<td>Applications</td>
<td>Mail</td>
</tr>
<tr>
<td>Events</td>
<td>Connect</td>
<td></td>
</tr>
<tr>
<td>Page tab sections</td>
<td>Facebook ads</td>
<td></td>
</tr>
<tr>
<td>News/Mini feeds</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Primary and secondary tools are also ranked in terms of updates (higher position equals higher updates)
The different online strategies are ranked as following, considering their use by brands:

1. Promotion
2. Community building
3. Market research

Brands on Facebook will always have a predominant online strategy:
- Community building in the case of #1 in the market
- Promotion in the case of #2 in the market

The choice of strategy is influenced by the brands’ goal online:
- Drive engagement in the case of #1 in the market
- Increase fan base in the case of #2 in the market

Number 2 in the market will make use of the different strategies at hand unlike #1 who will focus mainly on Community Building

Within Market research #1 will focus on implicit market research in contrast to #2 that will focus on explicit market research being customer profiling, brand awareness/image and consumption patterns the main areas of research

With respect to community building, #2 in the market will:
- Show higher degree of gratitude to fans than its competitor through liking and commenting both negative and positive fans’ posts
- Be more active on the “two way interaction” process with customers than its competitor
- Foster customer feedback and ideas
- Broadcast a modern and out of the standards corporate image to their fan base

Per contra, #1 in the market will:
- Focus on information provision and support
- Respond only to negative posts
- Built sense of membership
- Broadcast an intimate and personal corporate image to their fan base
- Foster upload of multimedia content

Promotional practices are ranked as following, considering their use by brands:

1. Sponsorships
2. Advertisement / Sales promotion
3. Publicity

Number 1 in the market will centre its advertising efforts on the multimedia sections while #2 will open the scope by also using the wall for these purposes

The most important Sales Promotion practice for brands online is driving traffic to external websites

Number 2 in the market will exhibit a higher social involvement than its competitor
7.2 HOW CAN THE USE OF FACEBOOK BY CUSTOMERS BE DESCRIBED?

Facebook fan pages are public profiles with extra features and greater degree of customization from which businesses can benefit. They are independent websites integrated on Facebook forcing fans and brands to sign in and register an account. As a result brands’ fans at Facebook are advanced users of the platform who are familiar with the functionalities, look and navigational schemas.

Facebook’s social nature, fan pages’ similarities in terms of layout and behaviour with personal private profiles, together with the fact that fan pages, originally called like pages, appeared in November 2007 when the platform already had over 50 million registered users explain, as concluded by this investigation, why fans of brands on Facebook exhibit behaviours and usages of brands’ fans pages which resemble to that exhibited on their own profiles and personal interactions on the platform. Being the only substantial difference the nature of the content, brand related, with which they interact on these corporate pages.

The advent of Facebook corporate pages entails a radical innovation in the relationship and interaction model of customers with their favourite brands. Corporative websites were the first step towards this innovation, however due to their design philosophy and strategy they were not used as a preferential communication channel with customers in contrast to Facebook’s fan pages.

More specifically, the present study reveals the following uses among customers:

- **Public and personal declaration of conformity with a brand or product through the liking of the page.**

- **Communication channel from where to:**
  - Voice and share personal experiences and perceptions of the brand itself, brands’ products and content uploaded
  - Evaluate others’ contributions
  - Share interests
  - Voice concerns or problems regarding brand’s practices or products
  - Contribute with ideas and suggestions
  - Forward requests
  - Highlight or criticise brand’s practices
  - Instigate or scam other users

- **Platform from where to:**
  - Engage and redirect brand related content
  - Engage with games and applications
  - Obtain deals and offers
  - Express creativity through the creation and upload of content
  - Report bad practices or abusive behaviour
- Participate from the brands' market research practices such as polls, questionnaires, questions or notes.
- Promote themselves or other causes
- Seek information or advice regarding brands’ products or services

With regards to multimedia content, customers following brands on Facebook show a strong preference for video content rather than photos, resulting in higher number of interactions, being likes the preferred participation form followed by comments and shares. Additionally, this study reveals that:

- Women are more likely to post on the wall than men
- Users’ contributions on fan pages are not based on the creation of content

Furthermore, this investigation suggests a strong willingness to participate from the innovation and product development process among fans. When conducted, market research practices such as polls, questionnaires or open ended status updates engage fans at higher levels than multimedia content.

From the previous discussion, empirical data and the analysis conducted on the previous chapter the following can be concluded regarding how customers’ use Facebook’s fan pages:

- The motivations that push fans to follow brands on Facebook are ranked as following (being the first one the most common motivation and the last one the less common motivation)
  1. Share of experiences
  2. Platform assistance
  3. Personal enjoyment
  4. Concern for other customers
  5. Helping the company
  6. Self-promotion
  7. Requests

- The higher the fan base,
  - the more scam practices occur
  - the more elaborate fans’ contributions are regarding length

- The lower the fan base, the more provocative wall posts occur

- Regarding the forward of content, sharing is the preferred way followed by posting of links and tagging

- Fans’ prefer to upload photos rather than videos
o Fans’ contributions receive higher number of likes and comments on smaller online communities than on larger ones

o Liking is more popular among brands’ fans than commenting or posting

o Regarding the type of content fans exhibit higher preference for wall posts, videos and polls than for photo albums or other fans’ contributions (the less valued)

o The different actions conducted by fans online are categorized as following, taking into consideration the degree of involvement

### TABLE 7.2: ACTIONS CONDUCTED

<table>
<thead>
<tr>
<th>Low status</th>
<th>Middle status</th>
<th>High status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liking</td>
<td>Commenting</td>
<td>Sharing</td>
</tr>
<tr>
<td>Posts motivated by:</td>
<td>Tagging</td>
<td>Responding</td>
</tr>
<tr>
<td>Personal enjoyment</td>
<td>Posts motivated by:</td>
<td>Participating from notes</td>
</tr>
<tr>
<td>Provocation</td>
<td>Share of experiences</td>
<td>Commenting fans’ content</td>
</tr>
<tr>
<td>Scam</td>
<td>Platform assistance</td>
<td>Posts motivated by:</td>
</tr>
<tr>
<td>Self promotion</td>
<td>Requests</td>
<td>Concern for other fans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Help the brand</td>
</tr>
</tbody>
</table>

### 7.3 MANAGERIAL IMPLICATIONS

Based on the empirical data, analysis and conclusions drawn during this investigation the following lessons for marketers arise:

- **Facebook’s fan pages are not a temporary trend, they are here to stay:*** the growing rates exhibited by both Coca Cola and Pepsi years after their appearance on Facebook supports this idea.

- **Fan pages offer a richer communication channel:** the use of all types of multimedia content is allowed.

- **The flexibility of fan pages allow different usage strategies:** fan pages are based on the same structural elements however these tools allow different ways of usage
• **The different strategies online can benefit from each other:** promotion can benefit from the fan based obtained through community building and the insights gained through market research. But at the same time it can attract new fans for a better market research and higher sense of community.

• **Granting fans with a high degree of freedom does not guarantee customer participation:** Coca Cola fans are less participative than Pepsi fans even though they have greater freedom on the fan page.

• **Do not be afraid to ask:** the responding rates of Pepsi’s polls, explicit questions and notes show that fans are willing to become an active part on the brand’s product development and innovation areas.

• **Continuous engagement is needed:** fans participate on fan pages all day long, outside working hours the site still exhibit great activity.

• **Post every day:** Pepsi case study reflects how posting everyday increases engagement rates

• **Multimedia content is not crucial:** status updates with no multimedia content attached receive equal or even higher fans’ response than those with multimedia

• **Photos are not working:** pictures of brand sponsored events receive the lowest amount of likes, comments and shares by fans. In contrast elaborate video content engage fans at a higher level

• **Own the space:** Facebook fan pages are far behind corporate websites in terms of design and interactiveness

• **Set a home tab as default:** using the wall as the default landing tab exposes fans’ to an overwhelming amount of information

• **Innovate:** features like Facebook mails and chat have not been tested yet for business purposes

• **Include more games / applications / deals:** brands on Facebook displayed a significant weakness in this area which could increase the amount of time spent by customers on the Facebook pages.
• **Relevant content**: photo albums and events display the lowest fans response of all the tools. Sponsored events though being an important part of the brands strategy on Facebook has turned to be not attractive enough for fans.

The present investigation also uncovers the following lessons for customers:

• **Voice your concerns on Facebook**: brands are using fan pages as a CRM tool providing information and support to those fans that request it.

• **Use fan pages as a hub to find brands’ presence on other social media**: Brands are using fan pages as part of a broader social media strategy and provide fans with links to Twitter, YouTube and the corporate website.

• **Fans pages are the best place to find likeminded people**: brands are using fan pages to provide customers with a place where they can interact with each other.

• **Use Facebook pages to stay tuned**: fans and brands participate on the fan pages all day long, outside working hours the site still exhibits great activity.

• **Influence brands through Facebook**: the Iraq can scandal observed in the case study of Pepsi shows how a huge group of dissatisfied fans can collapse a fan page with their comments and content forcing the brand to change its online and offline strategy.

• **Use fan pages if you want to reach brands**: firms are using fan pages to engage on bidirectional conversations with customers like never before.

### 7.4 THEORETICAL IMPLICATIONS

The overall purpose of this study was to provide a better understanding of how Facebook is used strategically in a business context. Previous academic research on Facebook has focused mainly on identity presentation, privacy concerns, social capital or the functioning of virtual communities. Per contra, this investigation fills a gap in the literature by:

**Exploring** a new area with notable lack of research; the use of Facebook for business purposes.

**Describing** and providing the reader with an image of how brands and customers are using Facebook pages.
Explaining through the drawn of conclusions the causes of the patterns identified on the analysis of the collected empirical data

And contributes to knowledge by marking the steps towards the development of a comprehensive model that explains and addresses the use of Facebook in a business context from both the brands’ and customer’s perspective.

7.5 FUTURE RESEARCH

This investigation was influenced by the following set of unavoidable limitations; time limit, analysis tools, sample selection, qualitative approach and data collection method. To address these limitations, future research may:

- Repeat the present study:
  - Collecting data over a longer period of time, achieving a better historical perspective
  - Using a quantitative approach and/or different data collection methods
  - Focusing on different business sectors such as automotive, clothing or footwear.
  - Focusing on different social media platforms such as Twitter or Google+

- Investigate areas which remained unstudied such as:
  - Brands self-presentation techniques
  - Which brands are more likely to benefit from the use of Facebook
  - How do brands evaluate the success of their efforts on Facebook
  - The benefits perceived by companies on Facebook
  - Customers’ expectations regarding fan pages
  - Customers intensity of use regarding fan pages
  - Customer service on Facebook
  - Objectives with Facebook fan pages
  - Viral potential of corporate Facebook pages
  - Influence of social media on market research

- Investigate new areas such as:
  - Tools for analysis of customers on fan pages
  - Influence of demographics on the customers’ use of Facebook fan pages
  - Legislation with regards to customer’s data protection and the impact on the market research practices conducted by brands
  - Comparison between corporate websites and fan pages
  - Usage of fan pages by small businesses
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## APPENDIX A: Observation checklists

### FACEBOOK TOOLS: OBSERVATION CHECKLIST

<table>
<thead>
<tr>
<th>Tool/Tab/Feature</th>
<th>Language</th>
<th>Links</th>
<th>Multimedia</th>
<th>Visual Experience</th>
<th>Description</th>
<th>Used</th>
<th>Not Used</th>
<th>Total Observation Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>News feeds</td>
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<td>Wall</td>
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<tr>
<td>Videos</td>
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<tr>
<td>Events</td>
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<tr>
<td>Ads</td>
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<tr>
<td>Facebook Connect</td>
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<tr>
<td>Applications</td>
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<tr>
<td>Mail</td>
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<tr>
<td>Other</td>
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<td></td>
</tr>
</tbody>
</table>
# Facebook Usage Strategies: Observation Checklist

Company: ____________________ Observation dates: ____________________ Total observation hours: __________

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Concepts</th>
<th>Identified?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market research</td>
<td>New approaches</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customers facilitate the process</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less intrusive</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Less time consuming</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community building</td>
<td>Two way interaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loss of control</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Customer centred</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impression management</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Listening rather than talking</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Foster of conversations</td>
<td></td>
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<tr>
<td></td>
<td>Foster fan base increase</td>
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<td>Promotion</td>
<td>Advertising</td>
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<td>Broadcasted</td>
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<tr>
<td></td>
<td>Rich visual experience</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Variety of multimedia content</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sales promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Online games</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coupons, offers, deals</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Drive in-store traffic</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Drive traffic to other website</td>
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<td></td>
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<tr>
<td></td>
<td>Sponsorships</td>
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<td>Social performance</td>
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<td>Brand related events</td>
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<tr>
<td></td>
<td>Publicity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personal selling</td>
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<td></td>
</tr>
</tbody>
</table>
# Customers' Usage of Facebook: Observation Checklist

**Company:** ___________________________  **Observation dates:** ___________________________  **Total observation hours:** ___________________________

<table>
<thead>
<tr>
<th>Research area</th>
<th>Concepts</th>
<th>Identified?</th>
<th>Comments</th>
</tr>
</thead>
</table>
| **Follow brands** | Concern for other customers  
Social and self enhancement  
Advice seeking  
Economic incentives  
Platform assistance  
Helping the company | | |
| **Involvement** | Low status members  
Middle status members  
High status members | | |
| **Forms of participation** | Viewing  
Forwarding  
Commenting  
Creating  
Moderating  
Arbitrating | | |
### Appendix B: Content analysis worksheets

#### Comments Analysis

<table>
<thead>
<tr>
<th>Creator</th>
<th>Date</th>
<th>Time</th>
<th>Gender</th>
<th>Language</th>
<th>No of Lines</th>
<th>No of Likes</th>
<th>Links</th>
<th>Tone</th>
<th>Purpose</th>
<th>Comments / Findings</th>
</tr>
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<tbody>
<tr>
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<td></td>
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<td></td>
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</table>

#### Wall Posts Analysis

<table>
<thead>
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<th>Time</th>
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<th>No Shares</th>
<th>No Comments</th>
<th>Purpose</th>
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#### Album Analysis

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<tr>
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<th>No Likes</th>
<th>No Comments</th>
<th>No Shares</th>
<th>Description Included</th>
<th>Description Language</th>
<th>Purpose</th>
<th>Comments / Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Album 1</td>
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<td></td>
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# PHOTO ANALYSIS

Company: ___________________ Observation dates: ___________________ Total observation hours: ___________________

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<thead>
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<th>General characteristics</th>
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# Video Analysis

**Company:**

**Observation dates:**

**Total observation hours:**

## General Characteristics
- Video title
- Duration (sec)
- Context
- Colour
- Purpose
- People tapped
- Music
- Speech
- Narration
- Special effects
- Live action
- Background noise
- Animation
- Actors
- Emotional tone
- Appeals to
- Brand logo
- Brand name
- Slogan/Core offer

## Editing Options
- Description included
- Description language
- # tags

## Fans Response
- # likes
- # comments
- # shares

## Notes
- Comments / Findings
# DISCUSSION BOARD ANALYSIS

Company: ___________________ Observation dates: ___________________ Total observation hours: ___________________

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# EVENTS ANALYSIS

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