



Open your mind. LUT.

Lappeenranta **University of Technology**

School of business

International business

Bachelor's thesis

Facebook marketing tactics in marketing the online store

Case: CTRL Clothing

Facebook markkinoinnin keinot verkkokaupan markkinoinnissa

Case: CTRL Clothing

5.1.2015

Aada Suomela

Supervisor: Anssi Tarkiainen

Opponent: Salla Lukkari

TABLE OF CONTENTS

1	Introduction	1
1.1	Background of the Study	1
1.2	Research Problems, Objectives and Limitations	2
1.3	The Research Methodology	3
1.4	Literature Review.....	3
1.5	Theoretical Framework and the Structure of the Study	4
1.6	Key Concepts of the Study	5
2	Electronic Marketplace	7
2.1	E-commerce behind E-tailing	7
2.2	E-tailing	8
2.2.1	Online Store versus Traditional Store	10
2.2.2	Successful E-tailing.....	11
2.3	E-Marketing	13
2.3.1	How to do E-marketing?	14
3	Facebook Marketing	16
3.1	What Facebook Offers as a Marketing Channel?	16
3.2	How to use Facebook for Marketing?	17
3.3	Facebook Marketing Goals.....	20
3.3.1	Customer Buying Decision.....	20
3.3.2	Implications for Facebook Marketing	21
3.3.3	The Importance of WOM.....	23
4	The Research Methodology and Research Material	26
4.1	Research Methodology.....	26
4.2	Data collection method.....	26
4.3	Introducing the case company CTRL Clothing	27
4.4	Reliability of Research Results.....	28

5 Empirical Research	29
5.1 How CTRL Clothing uses Facebook?.....	29
5.1.1 Functions of marketing.....	31
5.1.2 Marketing Communications Style.....	33
5.2 Main purpose of Facebook for CTRL Clothing	35
5.3 Conclusions of Functions used on Different Purposes	37
6 Summary and Conclusions	39
6.1 Development Ideas for CTRL Clothing	41
REFERENCES	43

ATTACHMENTS

Attachment 1. Interview questions

TABLE OF FIGURES

Figure 1 Theoretical Framework	5
Figure 2 Web 2.0 (Adapted by Constantinides & Fountain 2007)	6
Figure 3 The impact of an online store to the delivery chain (Lahtinen 2013, 19).....	9
Figure 4 E-MARKPLAN (Krishnamurthy 2006)	14
Figure 5 Customer buying decision-process.....	21
Figure 6 The buying process in Facebook and online store environment.....	23

LIST OF TABLES

Table 1 Comparing online and traditional store.....	10
Table 2 Drivers and Impediments of e-commerce Success	12

1 Introduction

This research examines single company's Facebook marketing tactics for their online store. The study is case study examining one Finnish clothing company. The introduction of the paper includes background of the study, research problems, objectives and limitations. In addition literature review, theoretical framework, the structure of the study and methodology are shortly presented. In the end of the introduction the key concepts of the study are explained.

1.1 Background of the Study

The importance and meaning of social media in marketing is growing all the time. Cheap access to the internet is in a major role of opening up social media marketing and reaching out directly millions of customers worldwide in a way that was not previously possible (Hansson, Wrangamo, Søylen 2013, 114). Internet and electronic commerce are changing the way to do business in general (Quaddus & Achjari 2005, 127). Participating in Web 2.0 through for example a website, LinkedIn, Twitter or a Facebook page is done by most brands, but it is not sufficient simply having a presence there (Gamboa & Goncalves 2014, 2). As use of different kinds of social media platforms increases exponentially, even business firms and governmental organizations are joining and use them as a communication tool (Kim & Ko 2011, 1481). It is vital for companies to know how to use social media because through these consumers get more power and influence over the brand (Gamboa & Goncalves 2014, 2).

Mark Zuckerberg invented the social network Facebook at Harvard University in 2004 (Hansson et al. 2013, 112). The term "Facebook" is resulted from publications that display the names and photographs of students at many American colleges who attend an institution for promoting social interaction (Dekay 2012, 289). Hansson et al. (2013) present that Facebook marketing is a well-functioning concept that enables companies to achieve branding and marketing goals at a relatively low cost. Rather than individual member profiles, business organizations can create product pages in Facebook

allowing users to join (or to be invited) in order to follow the products (Coulter & Roggeveen 2012, 879). Coulter and Roggeveen (2012) refer to a “Product Network” as the collection of users who have decided to join some product page.

E-commerce is changing the business environment and new possibilities for both consumers and companies are increasing all the time. While channel selection (Kaplan & Haenlein 2010) is the fundamental element of e-commerce success, it is a difficult task for marketing practitioners (Kiang, Raghu & Shang 2000). New tools of marketing, as social media, require new skills and approaches (Schmidt & Ralph 2011, 37). Companies had still not fully exploited the power of internet marketing (Kiang et al. 2000, 384).

1.2 Research Problems, Objectives and Limitations

This study includes one main research question and three sub-questions which aim to give a comprehensive view of the main research question. These issues also give a basis for the framework of the study. The topic of this paper is examined through the main research question:

“How Facebook is used in marketing the online store?”

And through sub-questions:

“How Facebook supports the online store?”

“What are the goals of Facebook marketing?”

“How different stages of customer decision making process are considered in Facebook marketing?”

The main objective of this study is to find out how a single company uses Facebook as a marketing channel. The study is done in order to describe effective Facebook marketing ways and eventually analyze what functions of Facebook are used for different purposes, for example later explained different stages of customer decision making process. The aim is to find improvements to Facebook marketing. Review of

marketing channels is limited only to Facebook and only to online store aspect. Emphasis is on social media (i.e. Facebook) and on e-tailing. Also only electronic environment is taken into account.

In this paper one company is taken under closer analysis: CTRL Clothing. It is a Finnish clothing company which is established in 1995. Online store is company's only distribution channel at the moment. Subject of this paper was chosen because CTRL has opened new websites and launched new collections this year (2014). The paper is done because of the case company's need to deeper analyze Facebook marketing tactics. Because of the new websites using Facebook as a marketing channel is quite new for them. The purpose is also to reflect theory part to empirical part. The meaning of marketing in social media is growing all the time so the subject is topical also in general aspect.

1.3 *The Research Methodology*

This research is qualitative and the empirical part has been made through interview. Case company's representative who answered to interview questions is responsible of Facebook marketing. The interview was done face-to-face in company's office and interview was recorded and transcribed. Interview questions are attached to this paper (see attachment 1). The target is to get a comprehensive idea about company's Facebook marketing tactics. More about research method in chapter 4.

1.4 *Literature Review*

Different studies considering social media marketing or Facebook marketing can be found. Most of them are done in the 21st –century (e.g. Dekay 2012; Pereira, Salgueiro & Mateus 2014; Kabadayi & Price 2014; Hansson et al. 2013; Gamboa and Goncalves 2014; Kim & Ko 2012; Kaplan & Haenlein 2010)

Pereira, Salgueiro and Mateus (2014) studied the role of Facebook in establishing relationship between brands and consumers and what drivers users to connect with the brand. Kabadayi and Price (2014) bring an interesting study about factors affecting

liking and commenting behavior of consumers on Facebook brand pages. Hansson et al. (2013) suggest different ways for optimizing Facebook marketing and identifying options offered by Facebook and which of them customers prefer. Gamboa and Goncalves (2014) come up with a clothing store aspect by using Zara and its fans and non-fans measuring customer loyalty. De Bruyn and Lilien (2008) bring an aspect of word-of-mouth to electronic marketing whereas Coulter and Roggeveen (2012) add the effect of word-of-mouth to online social networks.

Pereira et al. (2014) used both online marketing specialists and a group of participants who follow at least one brand in Facebook. Others (Kabadayi & Price 2014; Hansson et al. 2013; Gamboa & Goncalves 2014) studied the matter only through customers and people who use Facebook.

Chosen models for customer purchasing decision stages in this study are from Lavidge and Steiner (1961) and Kotler and Keller (2006). Latter one present five stage model of customers' buying decision process while the other suggest seven steps which customers pass from advertising point of view. Lavidge and Steiner (1961) concentrated more on what pure advertising actions should be considered in different stages of their model while Kotler and Keller (2006) give a more comprehensive view of the whole marketing actions towards different phases. Combining these two form an exhaustive prospect to the matter. These implications are analyzed in the conclusions.

There were no studies especially studying Facebook marketing tactics towards online store and all in all e-commerce and social media marketing were rarely studied together. Also this study brings presumably relevant information to company that has not really analyzed its Facebook marketing tactics.

1.5 Theoretical Framework and the Structure of the Study

Figure 1 illustrates in a simplified way the theoretical framework of the study. Based on customer buying decision models presented in previous chapter the researcher combined these two to a unique model for this study. Facebook marketing is analyzed through different stages of customer buying decision. Different stages need different

kind of marketing and eventually lead customers to go to the online store. Word-of-mouth is essential; it affects customer buying process and in this study's context can be seen happening in electronic environment, in Facebook.

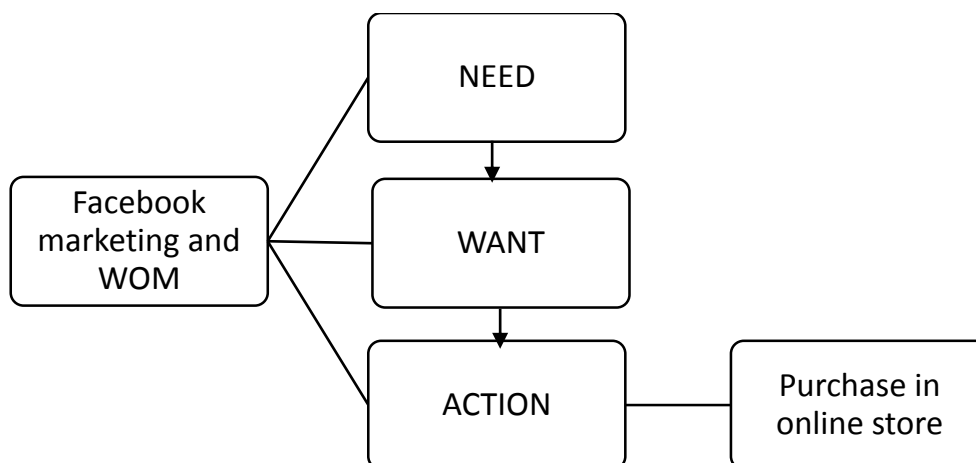


Figure 1 *Theoretical Framework*

The structure of the study is formed aiming to follow a logical pattern. That means, after introduction theory of e-tailing and e-commerce in general and marketing in social media are presented in order to better understand empirical part of the study. Empirical part shows how Facebook marketing is used in case company. Methodology and empirical results are therefore examined after theory part. At the end of the paper is conclusions and discussion of the issue.

1.6 Key Concepts of the Study

E-tailing: Electronic retailing, online retail sales. This makes it possible for manufacturers cut out the intermediary and sell directly to customer. Online store, or electronic store, is a single company's Web site where products (or services) are sold. (Turban & King 2003, 45, 95)

Web 2.0: Constantinides and Fountain (2007) represent one definition suggesting that Web 2.0 is a collection of interactive, open-source and user-controlled online applications, which expands the experiences, market power and knowledge of the

users as a part of business and social processes. Figure 2 below illustrates the term as an “umbrella term” for different platforms in World Wide Web.

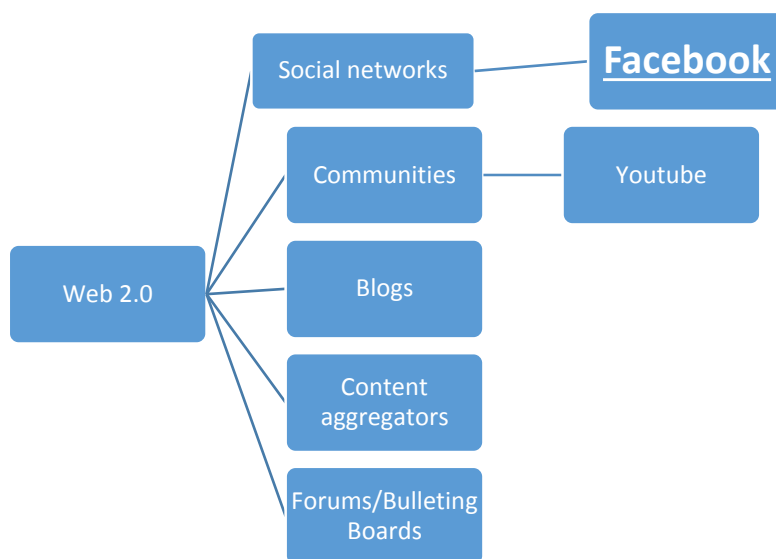


Figure 2 Web 2.0 (Adapted by Constantinides & Fountain 2007)

Social media: Kaplan and Haenlein (2010) sees web 2.0 as a basis for the evolution of social media. In order to better understand the meaning of social media, one concept must be explained shortly. User Generated Content (UGC) sums all the ways in which people use social media. Term is usually applied to describe the different forms of media content that are available publicly and are created by end-users. Thus social media, a group of Internet-based applications, allows the creation and exchange of UGC build on the ideological and technological foundations of web 2.0. (Kaplan & Haenlein 2010, 61)

E-commerce is based on using Internet or Web to ease and to speed up commercial transactions and is transactional by nature. It exists in three types: business-to-business, business-to-consumer and consumer-to-consumer. What should be distinguished from e-commerce is **e-marketing**. E-marketing gestures the use of Internet/web and related information technologies to carry out marketing activities. (Krishnamurthy 2006, 51-52)

Word-of-mouth, WOM, is marketing communication channel dominated by consumers who are independent of the market (Brown, Broderick & Lee 2007, 4).

2 Electronic Marketplace

This study concentrates only to online store as a sales channel and therefore electronic retailing is discussed in this chapter. This chapter explains more specifically the idea behind e-tailing and discussion considering e-commerce. E-commerce discussion is often related to e-tailing because partly they refer to the same thing. Later explained better e-tailing can be seen as a one area in e-commerce, but the terms are used interchangeably. E-marketing is discussed as well since it forms a basis for marketing in social media and belongs to electronic environment.

2.1 *E-commerce behind E-tailing*

Explained earlier e-commerce is using Internet or Web to ease commercial transactions and in this study only business-to-consumer aspect is under consideration. It might seem that e-commerce and e-tailing refers to same thing; exchanging ownership or rights to use goods and services via electronic devices that communicate interactively within networks (VanHoose 2011, 7). Nevertheless, what can be seen distinguishing these two terms is *where* transaction happens; according to Krishnamurthy's study (2006) business-to-consumer transaction specifically refers to online retailing (see also Kamari & Kamari 2012, 126). Therefore, e-tailing can be seen as a part of e-commerce.

What should be disassociated from e-commerce is electronic business (e-business). Latter is a catchall term for the use of computer conveyed networks which work within commercial firms and non-profit organizations (VanHoose 2011, 7; Nurmilaakso 2008, 370; Krishnamurthy 2006, 51). Processes in e-business are for example coordinating decision-making or implementing organization's production and also establishing organization's own electronic-communication networks, called intranets (VanHoose 2011, 7). Thereby e-commerce is transaction of goods and services while e-business can be almost anything done in the Internet.

It is critical for e-commerce sites to design a platform of technologies that delivers very relevant results and structured content to the end user in order to offer a more

streamlined user experience in shopping related research (Zhang, Mukherjee & Soetarman 2013, 289). Success or failure of e-commerce is argued that it is largely defined by the ability to minimize impediments and to maximize the drivers (Quaddus & Achjari 2005, 129). They divide impediments into internal (financial, risks and expertise) and external (customer's expense, delivery time, transaction risk and access) factors. Also drivers are divided to internal (cost leadership, reputation, market and business entry) and external (product pricing, time spent, convenience and external relationship) factors.

2.2 E-tailing

Traditional stores are no longer only option for customers as e-commerce has grown quickly over the last years and online shopping has become more and more popular (e.g. Yoo, Lee, Park 2010, 89; Zhang, Mukherjee, Soetarman 2013, 289; Grewala, Iyerb, Levy 2004, 703). This has changed customers' shopping patterns. The internet adoption enables enterprises to access new markets by extending the geographic reach (Gutowska, Sloane & Buckley 2009, 820).

Web is increasingly being viewed as a place to offer better service and improved consumer relationships (Wang & Head 2007, 115). Carter and Sheehan have earlier (2004) said that e-tailing keeps evolving to better fulfill the needs of its intended users. Also Grewal et al. (2004, 710) studied the impacts on markets of internet retailing and mentioned the competition increase as one of them. When consumers buy products increasingly from internet competition fosters and result in economic efficiency and greater choices. After all consumer welfare increases.

Wang & Head (2007) studied consumer's intention to form a relationship with an online retailer. Two stages in building a customer base online can generally be seen: acquisition and retention. Acquisition stage means attracting customer to visit retailer's Website whereas retention stage begins when customers return to a Website after having satisfactory experience. (Wang & Head 2007, 115) In forming the relationship it is vital to have trust. In every e-commerce activity trust is a fundamental factor (Kamari & Kamari 2012, 130). Websites created for sales intention are very often

simple in design and functionality and don't create trust at first glance (Gutowska et al. 2009, 820). Wang and Head (2007, 116) point out that more important than attracting consumers is to retain them. If there is no trust it is harder for companies to retain its customers.

When talking about distribution channels, online stores have remarkably big influence to shortening it. Figure 3 below illustrates the distribution channel change from traditional to online store (Lahtinen 2013, 19).

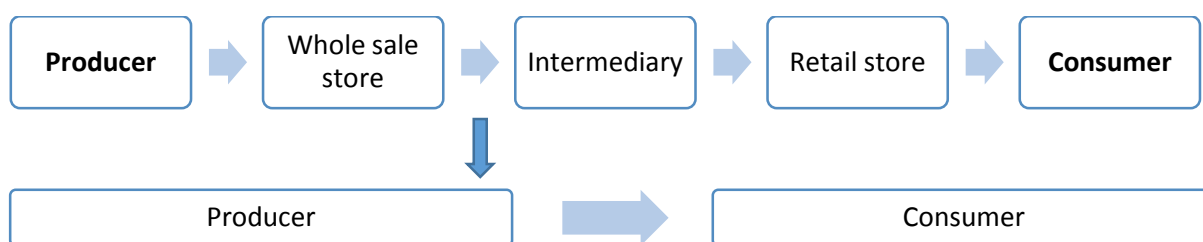


Figure 3 The impact of an online store to the delivery chain (Lahtinen 2013, 19)

The simplest distribution channel is selling directly to customer. Online stores are generally seen as a possibility to shorten the distribution channel, like in figure 3, when better cost effectiveness is reached by minimizing the middlemen. Grewal et al. (2004, 710) point out that the effects of internet in distribution channels cause channel conflicts. The threat of increased intertype competition and disintermediation face the existing retailers when internet is added as a channel (Grewal et al. 2004, 710).

In strategy planning of the online store it is imperative to analyze typical distribution channels in the industry and also to understand why these channels have formed the way they are. After that own online store can be repositioned in optimal way compared to distribution channels as a whole. (Lahtinen 2013, 18, 22) Considering the case company's industry, clothing business, both physical stores and online stores are big distribution channels. As internet has grown its meaning online stores have become a great part of clothing retailing. Also retailing through a whole sale store, where other labels are sold as well, can be seen as a one distribution channel. As Grewal et al.

(2004, 710) mention, customers options for channel choices also increases bringing them more power.

2.2.1 Online Store versus Traditional Store

In this chapter online stores and traditional stores are compared in order to better understand the differences between these two distribution channels. The aim is to get a quick look of the attributes of both options. Table 1 demonstrates the attributes of stores and “X” means that the presence of the feature is higher. Table 1 is based on following references: Li & Gery 2000, 49-50; Alba et al. 1997, 40; Yoo et al. 2010, 89; Enders & Jelassi 2000, 543; Grewal et al. 2004.

Table 1 Comparing online and traditional store (e.g. Alba et al. 1997; Yoo et al. 2010; Li & Gery 2000)

FEATURE	ONLINE STORE	TRADITIONAL STORE
Flexibility	X	
Face-to-Face interact		X
More product categories and alternatives, ability to compare	X	
Local reach only		X
Delivery immediately		X
Physical shopping experience (i.e. touching, trying out, feeling)		X
High investment on physical infrastructure		X
High Scalability	X	

Consensus between researches (e.g. Li & Gery 2000, 49-50; Alba et al. 1997, 40; Yoo et al. 2010, 89; Enders & Jelassi 2000, 543) is quite clear: Online stores are more flexible (opening hours, number of alternatives and customer reach) and offer a rather

inexpensive way to do business. However, traditional stores can offer customers the experience of trying out, feeling the product and getting personal service while still being pretty rigid way to do business. Traditional stores are place attached and can reach customers only locally. Trust is a key element for both stores but especially online stores, while customers may require high-trust persuasive interaction which is limited in online stores (Grewal et al. 2004, 707).

2.2.2 Successful E-tailing

The key factor for effective communication with customer is interactivity and effective communication leads to successful business. While the physical salesperson doesn't exist on online store, consumers might find it difficult to get quick responses from e-tailers. E-tailers naturally have more restriction interacting with customers compared to offline ones. (Yoo et al. 2010, 89) Earlier mentioned study (Quaddus & Achjari 2005, 129) divided success of e-commerce into impediments (limiting the business) and drivers (fostering the business). Interactivity can be seen to belong to drivers while good customer relationship naturally has positive effects (table 2).

Grewal et al. (2004, 705) brought out enablers and limiters of internet retailing. Some of these matters are already handled in preceding chapter but they are now brought to success perspective. Enablers are e.g. product category, information availability, accessibility and convenience whereas limiters are lack of trial, customer service issues, high shipping costs, lack of experience, lack of interpersonal trust, loss of privacy and security. Integration to Quaddus and Achjari's study (2005) can be seen from table 2. Enablers can be seen as synonym to drivers and limiters to impediments.

In the study of Wang and Head (2007) building online relationship was discussed. Building relationships online is naturally more difficult while the interpersonal trust mostly lacks (Grewal et al. 2004, 707). As many times emphasized, trust is an essential element in relationships (Kamari & Kamari 2012, 130). Wang and Head (2007) divides consumer market perceptions into perceived consumer power, perceived relationship investment, perceived interaction and perceived shopping risk. Mediating factors to

relationship formation are perceived switching cost, satisfaction and trust. These are integrated into Quaddus and Achjari's (2005) drivers and impediments in table 2.

In table 2 internal/external drivers are expected benefits in using e-commerce while internal/external impediments are possible limitations or obstacles in using e-commerce (Quaddus & Achjari 2005).

Table 2 Drivers and Impediments of e-commerce Success (e.g. Quaddus & Achjari 2005; Grewal et al. 2004; Wang & Head 2007)

	DRIVERS	IMPEDIMENTS
INTERNAL	Product category, information availability, interactivity, reputation, cost leadership	Customer service issues, high shipping and handling costs, lack of experience, expertise
EXTERNAL	Accessibility, convenience, financial, product pricing, perceived consumer power, perceived interaction and relationship investment.	Lack of trial, lack of interpersonal trust, loss of privacy and security, delivery time, transaction risk, perceived shopping risk

Gutowska et al. (2009) come up with a solution to uncertain electronic environment where no physical presence is possible and thus creating uncertainty for consumers. They suggest that reputation system (collects, distributes and gathers feedback about services and products) could assist consumers in decision making in such environment. Yoo et al. (2010) on the other hand found that bi-directional interactivity as well as synchronicity are the most influencing aspects to perceived value. They suggest that to enhance these attributes e-tailers must for example ease more two-way facilities like instant chatting. In Wang and Head's (2007) study it can be seen that perceived shopping risk and perceived relationship investment have most effect on trust whereas satisfaction forms from perceived interaction and relationship investment.

2.3 E-Marketing

Changes in business environment after World Wide Web and Internet are the greatest ones seen in the marketing function (Krishnamurthy 2006, 51). Companies use these information technologies to build brands, share relevant information and to provide customer services just to mention few of them (Krishnamurthy 2006, 51). The quick development of online computing technology forces businesses to seriously consider the Internet in order to avoid losing competitive advantage (Kiang, Raghu & Shang 2000, 391).

The Internet as a marketing channel has both unique characteristics and those that are shared with other marketing channels, for example the ability to affordably store huge amounts of information at different virtual places, the availability to distribute, search and organize such information powerful and inexpensive and the ability to provide information on demand and interactivity (Peterson, Balasubramanian & Bronnenberg 1997, 333). It is important to observe that electronic statements differ from their non-electronic equivalent in two remarkable ways: 1. it's electronic by nature, no face-to-face interaction and 2. Statements are sent also to recipients who weren't looking for information and therefore not exactly willing to pay attention to them (De Bruyn & Lilien 2008, 152). Hansson et al. (2013, 120) study also shows that optimal way for marketing is divided into two: other half is strictly against company's activity while the other half supports this. Therefore it is almost impossible to channel the marketing only those who are willing to pay attention to them.

Understanding better electronic marketing and why and how it can be effective, it is vital to be aware of its pass-along process and its ultimate mechanisms of influence (De Bruyn & Lilien 2008, 152). Peterson et al. (1997) suggest that marketing activity takes place in three types of channels: distribution channels, transaction channels and communication channels. On the distribution channel (physical exchange of products/services) Internet cannot only reduce delivery cost essentially, but also offer instant delivery of products and services (Kiang, Raghu & Shang 2000, 386). Transaction channel (sales activities) intermediaries therefore enable sellers to interact with individuals and potential buyers efficiently because of the Internet (Peterson et al.

1997, 334). Communication channel (inform buyers about the features of seller's product/service offering) is probably the most affected channel by the Internet; information delivery is more efficient and connectivity is boosted (Peterson et al. 1997, 334). A remarkable feature of Internet marketing is the ability to serve as a both transaction and physical distribution medium for specific goods (Kiang et al. 2000, 386).

2.3.1 How to do E-marketing?

While few are realizing the Internet as an extremely different form of communications device combining many elements of earlier forms, many are trying to mold the Internet into a new form of mass communication. Cyber reality, combined with the one-to-one personal nature of the medium, offered by the Internet makes a vastly powerful device which capabilities we have not yet even begun to explore. (Nicovich & Cornwell 1998, 23-24) It is also essential to consider the suitability of the internet marketing for the characteristics of a specific product (Peterson et al. 1997, 334).

Too often is e-marketing considered parallel to two actions; Internet advertising and designing a web site. They are, of course, elements of e-marketing but it would be wrong to assume these two to cover all of e-marketing. It can be summarized shortly that marketers must adapt their marketing approach to the attributes of the medium so that e-marketing can be successful. (Krishnamurthy 2006, 52) Like Peterson et al. (1997) earlier presented, marketing occurs in three different channels.

Krishnamurthy (2006) presents E-MARKPLAN that aims to provide managers a comprehensive, actionable and practical methodology to plan, implement and analyze e-marketing activities. Figure 4 demonstrates the five actions of this plan.



Figure 4 E-MARKPLAN (Krishnamurthy 2006)

In order to apply E-MARKPLAN management team must first form proper short- and long-term goals. Strategy planning is essential to any market actions and in online environment as well (Pereira et al. 2014). After that the team has to name the best actors for the process. The next step is the most important: identifying the application places where online marketing will take place. Managers must identify places where they dominate and where they have a presence. Kaplan and Haenlein (2010, 65) pointed out that being able to run your core business as well, you can't participate in them (application places) all. Then actions taken in different places needs to be identified and finally outcomes are regularly measured and judged in relationship goals. (Krishnamurthy 2006, 56) Activities, e.g. in social media, must be aligned with each other (Kaplan & Haenlein 2010, 65). E-marketing planning can be seen as a basis for social media marketing planning as well, as next chapter represents.

3 Facebook Marketing

In this chapter marketing and more specifically Facebook marketing is under closer analysis. Approach to the matter happens through two different models of buyer purchasing decision process. Before that some basic theories about Facebook and topics considering it are explored. Models of buying processes are presented in order to analyze Facebook's role in marketing of different phases of customer decision making process. Different research theories about Facebook as a marketing channel are compared to different stages in customers' buying process and therefore analyzed which type of marketing ways are used in different phases. These are suggestions from researcher.

3.1 What Facebook Offers as a Marketing Channel?

Facebook's mission is to make the world more connected and open by giving the people the power to share, also enabling connecting with friends and family, and to discover what's going on in the world (Facebook 2014). What differentiates Facebook from other networks is its way to welcome businesses, open the platform to users through applications, passing through websites via social plug-ins and converting itself into a privileged marketing channel enriched with social ads (Pereira et al. 2014, 696). Corporations are now able to have a two-way conversation with customers (Schmidt & Ralph 2011, 38).

In June 2014 there were 829 million active users daily and 654 million active mobile users. Active users are approximately 81, 7% outside the US and Canada. (Facebook 2014) In the end of 2013 revenue was 7,872 million \$ and rose by over 2 million \$ compared to year 2012 (Facebook annual report 2013, 34). A study shows that 82% of research group visited Facebook several times a day and attitudes towards Facebook marketing was 34% positive (52% had no opinion) (Hansson et al. 2013, 119). Facebook's coming has made companies react to it with enthusiasm and profiles of brands have increased correspondingly (Pereira et al. 2014, 696).

In their annual report (2014, 5-6) Facebook identifies how they create value for marketers. Benefits they offer are targeted reach, engagement, Facebook ads, Facebook ad system and ad measurement. In Facebook's annual report ads are promised to offer marketers the opportunity to deliver their messages to consumers and to channel them to web pages and Facebook Page. Facebook's marketing potential is enhanced by useful demographic data which is provided to corporates and that way advertisements can be customized by gender, age, geographic location and interests (Dekay 2012, 290). Purchased ads can appear either in the right-hand side of most page types or in the News Feed on personal mobile devices and computers. Ad system provides marketers with ability to specify their marketing objectives and the types of people they want to reach. Maximum price paid for the ad and maximum budget are indicated as well. (Facebook annual report 2014, 5-6) It is still noticeable that companies must carefully plan their Facebook activities in order to stimulate fans (Gamboa & Goncalves 2014, 716).

Gamboa and Goncalves (2014, 709) suggest that Facebook may also act as a vehicle for customer loyalty achievement by integrating Facebook into marketing strategy and communicating more with customers. Companies today have a possibility to quickly deliver information and communicate with many customers at the same time and this enables the establishment of long-term relationships (Kaplan & Haenlein 2010, 64). The view of Facebook as a medium for mainly achieving brand awareness is too narrow (Gamboa & Goncalves 2014, 709). Social media offers many new opportunities for brands to gain value from existing and potential customers, like receiving feedback and suggestions from consumers more easily, enhance offerings and provide better service (Kabadayi & Price 2014, 204).

3.2 How to use Facebook for Marketing?

Defining goals and forming a strategy is the very first step when planning marketing activity (Krishnamurthy 2006). Company cannot form a successful Facebook presence without strategy of brand profile upkeep (Pereira et al. 2014, 698). Krishnamurthy (2006) presented his idea of effective planning in figure 4. Pereira et al. (2014, 698-701) suggest three main practices to take into account in order to define an effective

strategy: 1. Joining Facebook; whether or not to be present on Facebook 2. Following and participating; careful planning of content to encourage interactivity 3. Sharing the content: connection with the content is most important factor for sharing. Joining Facebook can be seen related to “spaces” choice in Krishnamurthy’s (2006) method and “actions” are step two in Pereira et al. (2014) model.

When thinking about marketing in social media it is important to consider the target group. Facebook is preferred for business-to-consumer relationships and can be seen as a most advanced medium in terms of gender and age. For companies it is most challenging to create a personal relationship with the customers beyond the commercial focus. (Gamboa & Goncalves 2014, 712) When determining how a company wants to be present on social networks they must identify their target group carefully because of the diversity of users (Pereira et al. 2014, 696).

Interaction in Facebook usually happens through the “Wall”. It is a component of Facebook page that all the registered individuals and organizations have. (Dekay 2012, 290) A study shows that marketing in the form of “status update” is considered to be the most valuable or important when considering Facebook marketing (Hansson et al. 2013, 120). Dekay (2010) suggest five types of entries corporations usually post to their Wall: 1. direct marketing of products and services 2. Sponsored events promotion 3. Surveys 4. Informational notifications and 5. Postings of “fun” topics, such as upcoming events etc. What is pointed out is that relevance of the content is important as nobody wants to see only advertisements from the brand, other posts like funny things and suggestions for the weekend are important (Gamboa & Goncalves 2014, 716). Contests on Facebook didn’t gain much appreciation according to Hansson et al. (2013) study.

While being so rapid-moving, active domain companies must set rules that can be applied to every form of Social Media. Being active is crucial as well. Keeping the content fresh and up to date and responding to the customers is a necessity. (Kaplan & Haenlein 2010, 65-66) Transparency is held as a priority and brand’s identity must be reflected by brand’s Facebook profile. A Study shows also what motivates fans to assemble around a brand on Facebook; connection with the brand, content

significance, dynamics and interactivity. (Pereira et al. 2014, 698-701; Gamboa & Goncalves 2014, 715-716) Hansson et al. (2013, 120) propose that a well-designed company profile was proposed to be extremely important or critical for marketing as well.

Different types of companies use Facebook for different meanings. Taking an example of food industry, Finnish bakery "Vaasan" posted a recipe using their famous ryebread. Food industry is a good contrast for the case company while food is not usually sold through the internet which makes also the advertising a bit different. Being on social media is vital for any industry today (Gamboa & Goncalves 2014, 709; Kim & Ko 2012) and like said earlier every company must think their industry and what kind of marketing suits for them.

There is also the possibility for the negative comments, and dealing with those has presumably great impact on word-of-mouth. A huge failure is caused by not providing timely answers to fan's criticisms and questions (Gamboa & Goncalves 2014, 712). Dekay (2010, 292) presents an interesting study of the matter. In his study the findings were following: many organizations deleted negative comments or even said that no negative feedback will be published. Only one company even responded to the negative comments but the feedback was not necessarily coming from the company's representative but "fans". Like Hansson et al. (2013) point out the major advantage of Facebook, customer's ability to tell a company about one's needs and wants, should also negative comments be taken into account while it informs about customer's preferences.

These actions reflect two phenomena: being so rapid moving and recent trend companies do not know its impacts on customers and do not know what to do. Also traditional characteristics in organization form an obstacle when they do not know or do not want to know and do not allocate appropriate resources for brand presence managing. (Gamboa & Goncalves 2014, 712) Dekay (2010, 294) proposes that some negative comments are "trolls" or "haters" and answering on comments like "You suck" is no useful since the comments are not necessarily intended to be resolving or constructing.

3.3 Facebook Marketing Goals

Determining and evaluating goals is the beginning and the end when analyzing marketing activities (Krishnamurthy 2006). It is important to consider what kind of thoughts consumers have before making the buying decision. One of the possible outcomes of Facebook marketing is loyalty. Satisfaction is the key to loyalty as satisfied customer tends to buy more and have positive opinions about brand (Gamboa & Goncalves 2014, 713). Loyalty affects customer buying process and in the best scenario leads to final purchase. In order to better understand the decision making process two models for customer buying decision making are presented. After all it can be concluded that knowing the customers in different phases leads to more effective marketing and therefore buying decision.

3.3.1 Customer Buying Decision

There have been many models developed to describe the steps a consumer may take from not knowing the company to purchasing behavior (Coulter & Roggeveen 2012, 880). According to Coulter and Roggeveen (2012, 880), the next one presented is perhaps the best known of these models. Approaching the advertising may be thought through seven steps, which recipients pass through, developed by Robert J. Lavidge and Gary A. Steiner (1961, 59): 1. Unawareness 2. Awareness 3. Knowledge 4. Liking 5. Preference 6. Conviction 7. Purchase. This is a model for setting and measuring advertising objectives. Also Kotler and Keller (2006, 191) present a model for the buying decision process. This five-stage model suggests that consumer passes through five steps: first problem recognition, then information search and evaluation of alternatives, next purchase decision and last one is postpurchase behavior. Figure 5 illustrates the customer buying decision-process used in this study based on two of these models.

Increasingly, the number one goal of marketing is to develop deep, long-standing relationship with all the people or organizations that could affect the success of the firm's marketing activities directly or indirectly (Kotler & Keller 2006, 17). Advertising should be considered as a force which drives people to move up these steps perceived

in figure 5 (Lavidge & Steiner 1961, 59). Facebook marketing goals are to direct customers to buy their products. There are several steps, as can be seen from figure 5, and different stages need different kind of marketing.

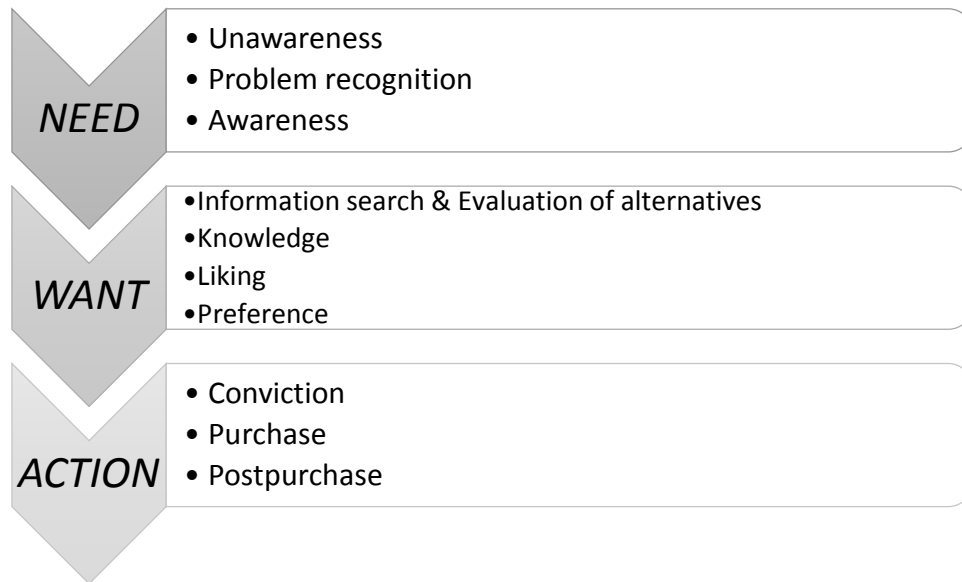


Figure 5 Customer buying decision-process

Evaluating the effectiveness of advertisements can be formed in order to provide measures of movement on a flight of steps. The different steps of the figure 5 are not necessarily same distant but a potential purchaser may take several steps at the same time. For example in some cases the interval from awareness to preference can be very subtle, whereas the interval from preference to purchase is huge. (Lavidge & Steiner 1961, 59-60) Kotler and Keller (2006) also emphasize that consumers don't always pass through all of these steps, for example in a case of buying everyday groceries.

Under the light of this model implications for Facebook marketing are presented. Each step is proposed with different marketing actions.

3.3.2 Implications for Facebook Marketing

In the very beginning of the buying process is *NEED*. It can be either consumer's own need or created by marketers (Kotler & Keller 2006, 191). Brand's profile on Facebook

must reflect what it wants to say to its customers in order to wake customer's interest. Lavidge and Steiner's (1961, 60) example of advertising new cars clarifies this phase; when new model is brought out emphasis is on the lower steps. Advertiser's first job is to spread knowledge of the new product for customers. They also suggest relevant ways to advertise; announcements, slogans, teaser campaigns etc. At this phase "buy now" ads cannot be very effective. Earlier Dekay (2012, 290) suggested five types of entries corporations usually post to their Wall. According to this postings of "fun" topics, such as event suggestions etc., could be relevant to this situation. Consumers are getting to know the brand and postings of for example events tell the consumer something about the brand. That way consumer might either interest or reject the brand.

After recognizing the need consumer creates a *WANT*. The most effective information comes from independent sources, i.e. word-of-mouth (Kotler & Keller 2006, 192). When customer has evaluated alternatives in order to create a want for something, it often reflects attitudes and beliefs (Kotler & Keller 2006, 193). Brand's Facebook profile's transparency and reflection of brand identity is therefore important (Pereira et al. 2014, Gamboa & Concalves 2014). Lavidge and Steiner (1961, 60) suggest to use so called image ads, status and glamor invoke and competitive ads in this stage. Therefore direct marketing as well as postings of fun topics could work in Facebook.

Finally customer carries out *ACTION*. In this phase customer probably does not need information anymore but stimulation to immediate purchase (Lavidge & Steiner 1961, 60). According to Dekay's (2012, 190) classification direct marketing of products and services could fit to this. Also "last-chance" offers or retail store ads can be effective (Lavidge & Steiner 1961, 60). Also, when talking about online store, a link to online store is crucial in this stage. Of course link is important at any stage but especially when consumer wants to buy a product it must be easy for her/him to go to store. The marketer's job does not end after purchase while marketing communications should offer beliefs and evaluations to strengthen the good feel about the brand (Kotler & Keller 2006, 198). Figure 6 is a suggestion on Facebook marketing activities leading to online store with the effect of WOM.

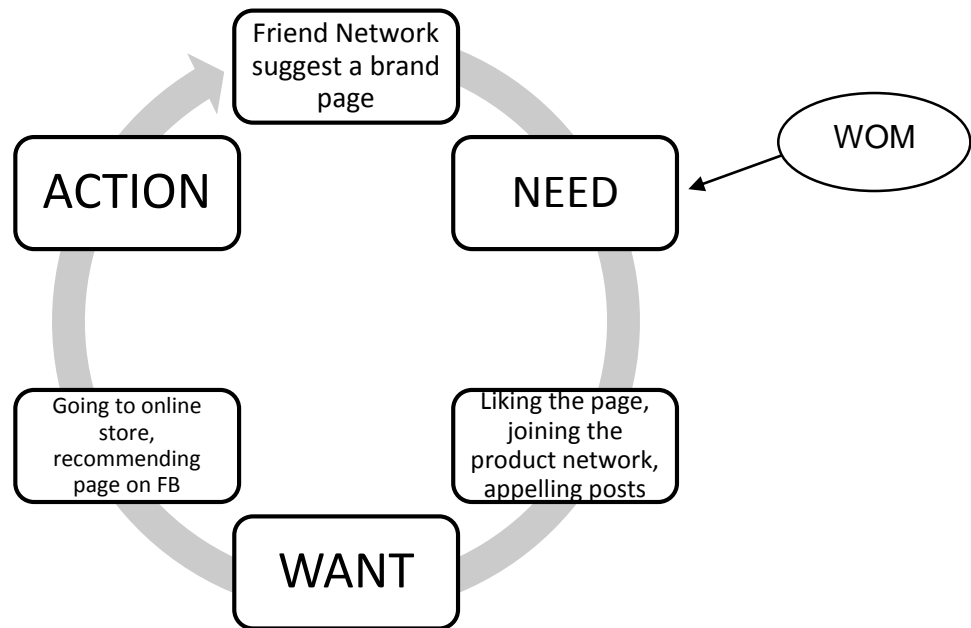


Figure 6 The buying process in Facebook and online store environment

WOM can be seen located at a rather early stage, *NEED*. Later said, what others do in Facebook strongly affect what one does as well (Hansson et al. 2013). It can be assumed, also according to Coulter and Roggeveen (2012, 882), that awareness is reached by word-of-mouth. That is why WOM especially has effect on creating the need in Facebook environment.

3.3.3 The Importance of WOM

Networking sites, including Facebook, MySpace, LinkedIn etc., has become more and more popular which changes the way word-of-mouth (WOM) effects have to be contemplated (Coulter & Roggeveen 2012, 878). Because information can be shared between users on the internet and Facebook the fact is that it works like WOM marketing (Hansson et al. 2013, 114). The distinguishing factor of social networking sites compared to other more generic web-based communities is that word-of-mouth communication usually takes place between individuals who already have some kind of personal relationship with each other, because both share the same Friend Network (Coulter & Roggeveen 2012, 878- 879). A member of the same friend network liking or commenting some Facebook group can immediately be seen on the newsfeed of

that person's friends and this way affecting the friend's attitudes towards the company (Hansson et al. 2013, 115).

De Bruyn and Lilien (2008) and Coulter and Roggeveen (2012) studied the effect of word-of-mouth in the customer buying decision process. The buying behavior of customers' is highly affected by traditional WOM and can be seen increasingly affecting also in social media (Hansson et al. 2013, 115). In *NEED* (see figure 5) stage customers decide whether they want to become aware of company's advertising content or not, and in this stage the only cues about the brand are e.g. familiarity of the brand's name and relevance of the content (De Bruyn & Lilien 2008, 153). Coulter and Roggeveen (2012, 880) identify how word-of-mouth takes place in social network sites; awareness of the product is achieved when a site member receives communication about some product either from somebody within user's friend network, somebody outside the friend network or in the form of advertisement. Knowledge-sharing of products through these networks is increasing the awareness (Hansson et al. 2013).

Customers in *WANT* (figure 5) stage already are aware of the purpose of advertising content and are able to develop further interest or choose to learn more. At this stage similarity of both parties' tastes and sender's expertise (Coulter & Roggeveen 2012, 882) may offer additional cues about possible benefits of the introduced product. (De Bruyn & Lilien 2008, 153) Interpreting and perceiving the message is affected by factors like the source and the channel (Hansson et al. 2013, 115). In the case of social networks consumers are affected by what others like and networks they have joined (Hansson et al. 2013, 115).

In the final stage, *ACTION*, consumers have collected enough information about the product and make buying decision based on these cues (De Bruyn & Lilien 2008, 153). Occurred purchase may be indicated by activities like postings ratings, product photos or comments (Coulter & Roggeveen 2012, 881). Though earlier said that postpurchase behavior could be classified as WOM is true, it is definitely not the only stage where WOM matters. But based on purchase and how consumers perceive it,

like the definition of WOM says (Brown et al. 2007, 4), consumers will tell about it either in a positive or negative way, or decide not to tell. In figure 6 the effect of WOM is seen.

Gutowska et al. (2009) presented the earlier mentioned reputation system for online store. It could be a good source for WOM if integrated in Facebook environment. That way the reputation system could reach even more customers, even those who haven't yet gone to the online store. This could also enhance the bi-directional interactivity mentioned by Yoo et al. (2010). Most importantly, these could enhance trust and support the online store.

4 The Research Methodology and Research Material

This chapter discusses about the research methodology and research methods which are used to collect empirical data. The case company of the research is introduced in order to better understand the results. At the end empirical data is analyzed by its reliability.

4.1 Research Methodology

This research is qualitative and the basis lies on describing “real life”. This includes the idea of diversity of reality and the object is described as comprehensive as possible. The aim is to find or reveal facts rather than prove already existing claims. (Hirsjärvi, Remes & Sajavaara 2004, 152) In qualitative research, it is possible to start from a clean table without any preconceived ideas or definitions. In qualitative research, it is often talked about matter, based on analysis that roughly means building the theory based on empirical data. Although hypothesis are not necessarily made, it is desirable to make some so called “work hypothesis” as a guess of what analysis might bring. (Eskola & Suoranta 2008, 19-20) In this research there were no prejudices of the issue while the aim is to find and reveal facts.

When dealing with the data in qualitative research the most simplified meaning is that the data is expressed with text. Text can be born with or without dependence on the researcher, for example interviews and observation are depending on the researcher while personal journals and biographies as a data don't depend on the researcher. In qualitative research focus is usually on rather small cases and analyzing them as comprehensive as possible. Criteria for scientific nature of data is not quantity but quality in coverage of conceptualization. (Eskola & Suoranta 2008, 15, 18) Also in this research the aim is to lead generalized results from small data.

4.2 Data collection method

In this research only one company is under closer analysis. All the data collected is from the case company. The main collection method of the data is interview in this

study. It is also the most common way to collect data in qualitative researches. The aim of the interview is to find out what someone has in mind. Interview is interaction where both parties affect each other. (Eskola & Suoranta 2008, 85) Benefit of the interview is adjusting data collection and flexibility required by the situation (Hirsjärvi, Remes & Sajavaara 2004, 194). Compared to question form, interview is far more comprehensive method and gives a more thorough picture of the matter (Hirsjärvi & Hurme 2001, 37).

When carrying out interviews the aim is to mediate interviewee's thoughts, views, experiences and feelings. Interviewer's idea of reality defines how she/he approaches task. (Hirsjärvi & Hurme 2001, 41) There are different types of interview methods. The one used in this research is half-structured interview. In half-structured interview questions are similar to everyone but there are no given answers. (Eskola & Suoranta 2008, 86) Thus, in half-structured interview some aspect to the matter is predetermined but not all (Hirsjärvi & Hurme 2001, 47).

In this study questions are made beforehand and based on theoretical part of the study. All the questions were handled but there was possibility to add comments related to similar topics as well. Interview was conducted face-to-face in company's own office and there were no other people around. Interviewee was chosen by the knowledge of company's Facebook marketing and she is also responsible of it. Questions were sent beforehand to the interviewee. Interview was recorded and transcribed. Interview question are attached to the end of the paper (attachment 1).

4.3 Introducing the case company CTRL Clothing

CTRL Clothing, also in this study CTRL, designs and sells street wear clothing and was first founded as a skateboard clothing company. CTRL is a pioneer on the industry of street wear clothing in Finland and has also reputation overseas. The company is oldest one in its market sector. CTRL has gathered quite loyal customer base back then but recent years, approximately from 2011, has been quiet. Recently CTRL has focused only on online store and it doesn't have a physical store or other retailing at the moment (2014). Online store and new websites were launched spring 2014 and

CTRL has been showing some signs of getting back to business. That's why it is also critical to emphasize on marketing.

Target group of the company is urban, young men and women aged between 13 and 30. Although company was originally set as boys clothing, clothes have always been designed as unisex and nowadays CTRL has put more emphasis on girls as well. For example many bloggers collaborating with CTRL are girls. Also many Facebook campaigns are designed exactly to girls. CTRL as a brand is unique, easy-going and original. CTRL relates strongly to skateboarding scene and it can be seen from their Facebook site as well as websites.

Today (2014) there are three steady employees in the company. Company has many coming projects and for example expanding to Japan. CTRL has previously collaborated with famous Finnish artists, last one was collaboration collection with rap-artist Gracias. CTRL collaborates a lot with skateboarders and has recently sponsored girl skateboarding as well.

4.4 Reliability of Research Results

In qualitative research reliability is depending on the researcher itself and therefore evaluating reliability must be done throughout the process. Researcher must continuously think the decisions she/he makes and thus consider at the same time the coverage of the analysis and reliability of the work. (Eskola & Suoranta 2008, 208-210) Reliability also means that when examining same person two times, both times give same result. Transcription is also critical; when it is done as quickly as possible after interview it is more likely to be good quality. Good basis for interview questions and preparation for interview are also crucial for the reliability. (Hirsjärvi & Hurme 2001, 184-186) The research results of the study can be held rather reliable because another person doing exactly same questions would result in same. Also the transcription was made immediately in the same day after interview and interview was well prepared.

5 Empirical Research

This chapter explains the case company's Facebook marketing tactics in comparison to theory part. Empirical part aims to answer interview questions attached to this study (attachment 1). This chapter concentrates mostly on questions made about Facebook marketing tactics. All the marketing actions mentioned happens on Facebook. Case company has been active on Facebook since spring 2014 so time line is concentrated on marketing actions made after spring 2014. The results of the interview are also compared to the previously presented customer buying decision model (see figure 5). All the straight quotations are cursive and within quotation marks.

5.1 How CTRL Clothing uses Facebook?

Case company of the paper uses Facebook ads mentioned in chapter 3. They have set a budget which is normally 30€ per one ad, but also smaller or bigger amounts are used. The ads appear on Facebook News Feed, i.e. in the first page which opens when someone logs in Facebook. When creating an ad, advertiser can choose age range, gender, how many days it will show, interests (e.g. skateboarding, some other brand, magazines, stores) and location (in which countries it will show). Usually there is some photo uploaded and www-address to website.

A study shows that respondents split half when asking about how company should act on Facebook; those who want lots of activity by the company and think "more is better" and those who don't and think marketing should be short, simple and coherent (Hansson et al. 2013, 121). Company's representative says that posts are made weekly, about 3-4 times and paid advertising is done approximately 4 times a month. Based on this, company seems quite silent especially on advertising.

"Facebook is used for advertising, of course, advertising posts, content delivery, and kind of brand related content messages."

“It feels like the communication there [Facebook] has changed into a more complicated, in order to reach audience the post must be advertised and paid, and that’s how you get more likes.”

Not all the posts on their “Wall” are boosted (i.e. paid advertising). Facebook is used for informing about brand and its content, says company’s representative. She describes that Facebook is mostly used side by side with Instagram, which is an application for photo sharing owned by Facebook. They upload same material to both mediums mostly, though Facebook can be seen as more of an advertising channel. The representative mentions that links that lead to the online store are easy to put on Facebook posts. She notes that Facebook seems quite “official” nowadays what comes to marketing. Facebook also needs more context it refers to, she says. She compares Facebook a lot to Instagram and according to her experiences Instagram seems quicker and easier to upload content.

“Well, actually we upload there [Facebook] the same material maybe as to Instagram. I think the roles have changed a bit; on Instagram it is easy and quick to add pictures but the meaning of Facebook is more advertising-like.”

The representative says that they don’t have a clear marketing strategy or defined goals for Facebook. She says she hasn’t paid much attention to different statistics Facebook offers from fans’ actions. According to researchers (e.g. Hansson et al. 2013; Pereira et al. 2014, Krishnamurthy 2006) strategy is critical for social media success. The company’s representative emphasizes that for them Facebook’s first mission is to form a basic knowledge of the brand and the effects of marketing can be seen maybe after a long time. Advertising should not be planned to produce immediate purchases and mostly effects of advertising are long-term (Lavidge & Steiner 1961, 59), so company’s idea about effects of Facebook ads seems quite relevant.

“Anyway it can be seen that our strategy in marketing is to produce as little as possible pure marketing, more like interesting actions what can be seen as a marketing. Of course economic situation affects this.”

5.1.1 Functions of marketing

Posts/ads, which are the main marketing communication function for the company, are used either paid (i.e. boosted) or free. Like the representative mentioned CTRL posts material on Facebook about 3-4 times a week. Most of them are pictures or video clips, and according to Hansson et al. (2013, 120) study pictures are seen by 72% absolutely critical or very important and video clips by 51%. Status updates, which are seen as the most important marketing function (Hansson et al. 2013, 120), are quite rarely used without any pictures.

Different functions of marketing, like contest, video clips, links, events, likes, shares etc. are used in the company. The representative says that CTRL may share for example some interesting artists' posts, events, links, video clips or music related videos. Skateboarding videos have recently been published many times and she says that they have been rather popular what in Facebook world means lots of likes and perhaps some comments or shares. CTRL relates strongly to skateboard scene so it seems convenient to posts skateboarding videos. According to the results of a study (Pereira et al. 2014, 698-701), fans are motivated to assemble around a brand if they connect with the brand, page has significant content and the company is dynamic and interactive.

“We share photos, links, advertising and status updates. All our ads appear only on the Wall. Posts we do mostly at the moment.”

“...and of course there [Facebook] is material that reflects the brand, in the case of CTRL some skateboarding material.”

What comes to events, the Flow-festival last summer in Helsinki was part of CTRL's marketing. They had this campaign “take a photo of your flow-style” and some of these photos received prizes. Flow belongs strongly to same lifestyle scene as CTRL so it seemed like excellent idea combining these two. CTRL posted on Facebook every day for three days (during the festival) artist recommendations at Flow as well. (The representative of the company 2014)

Contest they've had are when page reaches specific number of likes. For example the 5000th fan of the page receive some price. Or allotment between all who have shared some photo on their personal wall. Also the "style inspiration" photo campaign is a good example of contest though that one was mainly channeled to Instagram. "Style inspiration" represents in earlier chapter mentioned girl focus. For boys thus skateboarding videos seem more relevant and interesting. These are different kind of "edges" in CTRL's marketing communication. (The representative of the company 2014)

"Content must be thought through the target group...in addition there is concrete product advertisements and discount campaign messages to lead customers to online store."

After purchasing something from the company, e.g. in this case clothes, customers can post pictures of them using these clothes to confirm the satisfaction of the product (Hansson et al. 2013, 115). This is exactly what one of CTRL's own campaign "style inspiration" has been aiming; posting a photo where one wears a piece of clothing from CTRL. Some of these photos are then rewarded. Interesting way to lead customers to online store is that using right hashtag on the photo taken with some CTRL clothes on, appears below the product in the online store. Hashtags are unfortunately not working very well on Facebook, though they can be used, so most of these kind of competitions must be on Instagram. Photos may still appear also on Facebook if a customer chooses so. This is an example of a contest they have been doing. (The representative of the company 2014)

When talking about how these functions seem to work and affect customers, the representative says that it hasn't been increasing customer flow to online store that much. Again, she says that marketing effects haven't been studied or statistics offered by Facebook are not used. Results are unclear. What she knows is that on Facebook there is not so much liking of posts compared to Instagram. She says that when there is some campaign going on the marketing is more logical and regular but at the

moment there is not. Now main target is to stay active in social media and therefore post something on weekly basis.

“What I noticed myself was that the users don’t get automatically all the posts but they must click some button in order to get these posts. This certainly affects the liking percent and feels complicated. ”

5.1.2 Marketing Communications Style

A successful integration of social media by the brand makes customers feel like they belong to a specific interest group (Hansson et al. 2013, 114). The idea of customers belonging to a common interest group can be seen in CTRL’s Facebook marketing vision; the representative emphasizes strongly that they specifically want to reflect belonging to a certain scene and create an image of easy-going street style and skateboarding brand as a core message. She notes that even though making some pure advertising posts they have to be “hidden” under what the brand reflects; some CTRL style jokes, pictures, funny and interesting things, some “catch” in every ad they do.

“In my opinion Facebook feels nowadays pretty official; context has to be clearly thought and you always need something to refer to, some context.”

Kaplan and Haenlein (2010, 66-67) points out five steps of being social; 1. Be active, social media is all about being active by sharing and interacting so ensuring that content is fresh and you engage with your customers in discussion is crucial. 2. Be interesting, first you must find out what customers want to talk and hear about and plan your post content from that basis. 3. Be humble, find out about how application should be used and basic rules before participating. 4. Be unprofessional, avoid too professional content, blend in with others. 5. Be honest and respect the rules of this game. Based on this view it can be seen that, according to the representative of the company, CTRL tries to be active, reflect customer lifestyle (e.g. skateboarding videos, event suggestions) and is quite informal and laid-back what comes to marketing. She

says that it even feels weird to do advertising for CTRL if it is not easy-going and “unprofessional”.

“...as little as possible thought, pure advertising...”

Previously mentioned “edges” in marketing communication are formed in order to serve different audiences. Girls are perhaps more into creating outfits and boys become inspired by skateboarding videos. Besides concentrating on reminding that CTRL is back and there is something going on, it is important that when there is no specific campaign or new products etc. to keep the interest. Eventually when some new products are launched, e.g. this winter’s caps, there are some people actually receiving the message and who have stayed interested in the brand. (The representative of the company 2014) Like Kaplan and Haenlein (2010) earlier said, being active and updating content is necessary to customer engagement.

De Bruyn and Lilien (2008, 152) present an important aspect on electronic marketing as earlier written. The nonexistence of face-to-face interact as well as sending statements also to recipients who weren’t looking for information are important to take into account. In Facebook, whether you have liked a page (i.e. joined to that product network) or not, sometimes on your news feed comes commercials also from the companies you haven’t “liked”. That’s why it is important to plan ads keeping those customers in mind who perhaps haven’t already joined your page. The fact that communication in electronic environment is no face-to-face doesn’t mean you don’t have to take immediate responsibility of the content; contrarily it defines your company and customers base their image of the brand by the way they communicate.

CTRL has not yet received any negative feedback via Facebook. In Dekay’s study (2010) the findings were that most organizations deleted or didn’t publish negative comments. CTRL’s representative said that in a case of negative feedback they would take responsibility of the matter and answer as good they could to create an image of transparent and responsible company.

5.2 Main purpose of Facebook for CTRL Clothing

The representative says that Facebook is nowadays a must for every company. She mentions that it would be weird if some brand was not in Facebook. What is also remarkable is that their target group is in social media. It would be silly if CTRL was not there where its customers are, she says. Facebook and Instagram are their main marketing channels at the moment, but also e-mail advertisements are used.

“I feel like Facebook is very general communications channel which reaches lots of people, the big audience and the most people are there, it is like essential to be for a company nowadays”

The representative of the company tells that main purpose of Facebook is spreading the knowledge of the brand in order to create customer flow to online store and reach their target group. Nevertheless, Gamboa and Goncalves (2014, 709) stated that the view of Facebook for mainly achieving brand awareness is too narrow; company should consider also customer loyalty and the key factor for that is customer satisfaction. The representative suggests that customer loyalty may be achieved through reliable and relevant content to the target group what aims to satisfy customers.

“Maybe increasing knowledge and interest of the target group of our brand, and of course it is important that it activates movement towards online store. Maybe Facebook’s first mission for us is exactly creating interest and knowledge, or activating the target group.”

CTRL has been pretty quiet last few years and with the new webstore and websites it has a new coming. What the representative emphasis is that it is important to inform customers, new and old, that CTRL is back. Brand’s Facebook page also wants to reflect the brand identity, street style scene and form an overall picture what the brand is, she says. She thinks it is crucial to form an idea that around the brand there is more than just marketing and selling. She mentions that street style and lifestyle labels all in all bases on specific culture. It is important that customers who are interested in this

kind of scene also to receive material of subjects related to the brand in order to fulfill their needs, she says.

“I would say it is important that there [Facebook] is other content as well, not only advertising, because it creates the image of the brand more comprehensive and gives an image that the brand is part of definite scene.”

Facebook as a marketing channel has one major advantage: customers are able to communicate with the company about their wants and needs. Marketing through social media has the opportunity to influence the customer service's quality. (Hansson et al. 2013, 114) The representative notes that when the only sales channel is online, Facebook could fill the hole in face-to-face interact. There is no clear idea about how, but for example customer service and the feeling about brand, what may mostly come in the physical store, could happen through Facebook.

“When customer cannot try and feel the products in buying situation it needs faith in product and company to make the purchase. This unfortunately drives off doubtful customers and only the ones knowing the brand are left.”

As Wang and Head (2007, 115) earlier presented, two stages in customer relationship formation in online store can be seen: acquisition and retention. Especially acquisition stage requires that customers are informed about brand and their selling channel so that customers find to the online store. In this stage Facebook could act a major role; a straight link beside an interesting post directs customers to online store. The representative says that CTRL's should strengthen more the link between Facebook and online store.

On Facebook customers have asked whether some piece of clothing or accessorize is still available and that way expressed their wants and needs, she says. That way also others who have been thinking the same question get an answer and the company can gain knowledge of these matters.

5.3 Conclusions of Functions used on Different Purposes

How CTRL then utilizes different functions on different customer decision making stages in order to create deep and long-standing relationship with customers? (See figure 5 and 6).

When thinking the steps of Lavidge and Steiner's (1961, 60) model they say that each step are not equidistant. They mention an example of high economic commitment compared to less serious commitment taking longer time to bring customer up these steps while every step is also more important. In the case of CTRL Clothing commitment is positioned in the middle; not very cheap but neither expensive. The representative stated that CTRL has a strong brand identity and have (at least had) strong customer base, though not very big. Such relationships, as trust in quality and brand, may show as an important element in consumer decision making in online stores, when the Internet does not offer the opportunity to touch and feel the products (Wang & Head 2007, 115).

According to the theories (e.g. Dekay 2012; Kotler & Keller 2006; Pereira et al. 2014) different stages are now analyzed from CTRL's point of view. Unawareness or problem recognition, *NEED*-stage consumers are getting to know the brand, maybe they have seen some of their friend network liking CTRL's page. The representative suggested that problem recognition could be seen as a desire to belong to a certain reference group. That way one creates a need for a specific kind of clothing; to represent certain lifestyle. She says that Facebook must represent the desired style in Facebook in order to get the customers join. Reflecting brand identity and informing about products are crucial. Customer wants to look like one in the CTRL's skateboarding videos.

Evaluation, preference and finally liking actions, *WANT*-stage (i.e. joining the product network) need the brand profile to be transparent and to reflect brand's identity. That is exactly what the representative has emphasized throughout the interview; to offer material related to the skateboarding and street style scene. She mentions that they should consider more the actions which make the brand image stronger on Facebook

and how the content on Facebook should be created. She acknowledges the challenge of making interesting content.

ACTION -stage needs direct marketing and straight links to the online store. The representative said that direct marketing is also done and links to the online store are attached to the posts as often as possible. In this stage can be applied also one thing the representative says; the customer wants to support specific brand. This is naturally result of satisfaction, good marketing and brand management which may have been enforced through Facebook, or at least maintained. In conviction it can be seen that posts related to actual buying process, e.g. “free shipping cost for every purchase over xxx amount”, “get a t-shirt delivered straight to your home door” or “free stickers with every order”, might confirm the customer to actually do the purchase.

The postpurchase behavior and WOM, are in a big role inside the brands like CTRL, the representative says. When customers make the purchase they want to give something extra and in CTRL’s case it is stickers. They hope it satisfies customers and thus create positive word-of-mouth and customer loyalty. It should be taken into account that Facebook works like WOM marketing, like Hansson et al. (2013) stated. All the content in Facebook should be thoroughly thought in order to serve the customers the best possible way.

6 Summary and Conclusions

This study examined Facebook marketing tactics in single case company. Internet has changed the way to do business and therefore also marketing. Social media as a marketing channel has increased its meaning but companies seldom know how to utilize these new opportunities successfully. Online stores are as well increasingly becoming important retailing channels but also strategy for online stores must be thought. Theoretically it can be summarized that e-tailing needs to be planned and reflected to the market area company is operating in. Marketing also needs a proper strategy, thoroughly thought target group and right choice of platform.

“How Facebook is used in marketing the online store?” was the main research question. Based on theory there were lots of different kind of suggestions what is effective marketing, e.g. Hansson et al. (2013) study. Mostly it can be seen that marketing in the form of status updates that appear on the “wall” of personal Facebook site is the most common way to use Facebook. The content of advertisements therefore varies; the content should reflect the brand’s identity but also be interesting and lead customers to online store. The case company exactly emphasized throughout the interview that the brand must be reflected in every marketing action they do. Based on empirical part, the research question answer is that Facebook is used to reflect the brand, wake customer’s interest and satisfy target group’s needs in order to lead customers to retail store. However, in online store’s point of view customer loyalty and trust should be enhanced while the physical element is missing, based on theories considering e-tailing.

“How Facebook supports the online store?” was the first sub-question. Based on theory part it can be summarized that increasing two-way communication, customer satisfaction, different kind of data in order to target the reach and ability to receive feedback and be interactive are possibilities offered by Facebook. Based on theory of e-tailing, especially the need for interpersonal contact and creating the trust were seen as a lacks of online stores. Thus, different possibilities offered by Facebook can offer a way to enhance these possibilities. Facebook could act as a completing part to online store in order to support it. Options that Facebook offers are not systematically used

said the company's representative. As she also mentioned, they don't have a clear strategy for Facebook. By using all the possibilities in Facebook, e.g. statistics of fans, ability to offer customer service and interactivity with customers, could the company's Facebook page support its online store. The importance of WOM should also be taken into consideration since Facebook offers a basis for that. By enhancing positive WOM are customers more likely to get a positive image of the company and therefore even consider making a purchase.

"What are the goals of Facebook marketing?" was the second sub-question. Theory part suggest that for example customer satisfaction leads to customer loyalty, so it can be seen that one of the goals is to increase customer satisfaction. Other issues mentioned were interactivity and reflecting brand's identity. Nevertheless, it was also emphasized that Facebook should not be seen only to increase brand awareness. The case company stated that their first mission of Facebook is to create interest and knowledge in order to lead customers to online store. This part has a small discrepancy; the representative of the company didn't mention that the main goal would be interactivity with customers or increasing customer loyalty, the goals weren't seen as wide as they maybe should be seen.

"How different stages of customer decision making process are considered in Facebook marketing?" sub-question was made in order to form a more comprehensive view and go a bit deeper in Facebook marketing in practice. Figure 5 made for this study illustrated the different stages. Theory considering different marketing actions done in different phases suggested that the *need*-stage there must be a brand profile that reflects what the company wants to say to its customers, spreading the knowledge, maybe postings of "fun" topics or even creating the need altogether. It can be summarized as "soft" marketing, not so persuasive. The case company's representative brought out that the need could be the desire to belong to some reference group. That way Facebook must represent the certain style in order to get customers join their network.

In *want*-stage customers are already able to develop further interest. This needs basically more emphasis on the content while the preference is made based on these

cues. The content of Facebook site really should be considered carefully. The company's representative said that they should consider more the actions which would make the brand image stronger, now making interest content is difficult and posts are mostly the same. Empirical and theoretical part has conflict in this situation as well. *Action*-stage customer needs stimulation and straight links to retail store. Shopping should be made easy and effortless. The case company does make direct advertising and adds links to almost every post. The representative mentioned that the actual purchase may be also a result of wanting to support a specific brand.

It can be concluded that the case company doesn't really pay attention to different kind of customers, i.e. new and old, but mainly follow the same posting style. Reflecting the brand can be seen in a very centric role and material considering the brand is in a big role as well. They have ideas and recognize the possibilities of Facebook as a marketing channel but the practice is lacking.

It would be interesting to study the same matter in the perspective of customers and compare it to company's point of view. Also the meaning of Instagram compared to Facebook would be interesting to study. The statistics and facts about the real customer flow caused by Facebook to online store would be interesting to research as well.

6.1 Development Ideas for CTRL Clothing

Based on theories considering the Facebook marketing and e-commerce, the researcher suggests development ideas for CTRL Clothing. First of all, strategy. It is the main thing that comes up when reading about the subjects. Defining the target group and visualizing what CTRL really wants to message through their marketing. In the case of online store, trust and the lack of interpersonal communication should be considered if they could be reinforced by using Facebook.

The representative mentioned the edges in their marketing communication style considering girls and boys. As can be seen, the customer base no longer includes by great part boys. Nowadays it is almost half girls and half boys. In empirical part

mentioned “style inspiration” contest was seen mainly channeled for girls and skateboarding videos for boys. What can be suggested is that the edges could be even clearer. For example making the co-operation with girl bloggers more visible by providing interesting outfit photos, making the own “hashtags” for pictures for boys and girls and value both target groups.

It is a bit contradictory that CTRL wants to make as little as possible “thought” marketing. Even though it is important to reflect the brand’s identity, and in CTRL’s case it is easy-going, laid-back skateboarding style, the content in Facebook should be properly considered. It doesn’t mean it has to be stiff and matter-of-fact but better fulfill the customers’ needs. Like the representative mentioned, creating interesting CTRL-like content is difficult. Maybe that’s why the beginning should be making a proper, long-term strategy and defining the goals. Suggestion is also to make inquiries or so in order to better survey the customer’s needs and wants. That’s also what theory part has brought up; Facebook’s ability to offer companies two-way communication and interactivity. As a summary, utilizing Facebook’s all possibilities from statistics to actual customer interaction.

REFERENCES

Alba J., Lynch J., Weitz B., Janiszewski C., Lutz R., Sawyer A. & Wood S. (1997) Interactive Home Shopping: Consumer, Retailer and Manufacturer Incentives to Participate in Electronic Marketplaces. *Journal of Marketing* 61, 3, 38-53.

Brown J., Broderick A. J., Lee N. (2007) Communication within Online Communities: Conceptualizing the Online Social Network. *Journal of Interactive Marketing* 21, 3, 2-20.

Carter J. & Sheehan N. (2004) From competition to cooperation: E-tailing's integration with retailing. *Business Horizons* 47, 2, 71-78.

Constantinides E. & Fountain S. J. (2007) Web 2.0: Conceptual foundations and marketing issues. *Journal of Direct, Data and Digital Marketing Practice* 9, 3, 231-244.

Coulter K. S & Roggeveen A. (2012) "Like it or not" Consumer responses to word-of-mouth communication in on-line social networks. *Management Research Review* 35, 9, 878-899.

De Bruyn A. & Lilien G.L. (2008). A multi-stage model of word-of-mouth influence through viral marketing. *Intern. J. of Research in Marketing* 25, 151-163.

Dekay S.H. (2010) How large companies react to negative Facebook comments. *Corporate Communications* 17, 3, 289-299.

Enders A. & Jelassi T. (2000) The Converging Business Models of Internet and Bricks-and-Mortar Retailers. *European Management Journal* 18, 5, 542–550.

Eskola J. & Suoranta J. (2008) Johdatus laadulliseen tutkimukseen. 8. p. Tampere, Vastapaino.

Facebook. (2014) Annual report 2013. Washington, Facebook Inc.

Facebook newsroom (2014a) Company Info [www document]. [Accessed 23.10.2014]. Available <http://newsroom.fb.com/company-info/>

Gamboa A.M. & Goncalves H. M. (2014) Customer loyalty through social networks: Lessons from Zara on Facebook. *Business Horizons* 1-9.

Grewala D., Iyerb G. R. & Levy M. (2004) Internet retailing: enablers, limiters and market consequences. *Journal of Business Research* 57, 703 – 713.

Gutowska A., Sloane A. & Buckley K. A. (2009) On Desideratum for B2C E-Commerce Reputation Systems. *Journal of Computer Science and Technology* 24, 5, 820-832.

Hansson L., Wrangmo A. & Søylen K. (2013) Optimal ways for companies to use Facebook as a marketing channel. *Journal of Information, Communication and Ethics in Society* 11, 2, 112-126.

Hirsjärvi, S. & Hurme H. (2001) Tutkimushaastattelu. Helsinki, University Press.

Hirsjärvi, S., Remes, P. & Sajavaara, P. (2004) Tutki ja kirjoita. 10th ed. Helsinki, Tammi.

Kamari, F. & Kamari, S. (2012) Trust in Electronic Commerce: A New Model for Building Online Trust in B2C. *European Journal of Business and Management* 4,10, 125-134.

Kaplan A.M. & Haenlein M. (2010) Users of the world, unite! The challenges and opportunities of Social Media. *Business Horizons* 53, 59-68.

Kiang M.Y., Raghu T.S. & Shang K. H-M. (2000). Marketing on the Internet — who can benefit from an online marketing approach? *Decision Support Systems* 27, 383–393.

Kilpailu- ja kuluttajavirasto (2014). Verkkokauppa ja muu etämyynti [www document]. [Accessed 19.10.2014]. Available <http://www.kkv.fi/globalassets/kkv-suomi/julkaisut/linjaukset/aihekohtaiset-linjaukset/verkkokauppa-ja-muu-etamynti-2014.pdf>

Krishnamurthy S. (2006) Introducing E-MARKPLAN: A practical methodology to plan e-marketing activities. *Business Horizons* 49, 51-60.

Kotler P. & Keller K.L. (2006) Marketing Management. 12th ed. Pearson Prentice Hall, Upper Saddle River, New Jersey.

Lavidge R. J & Steiner G. A. (1961) A Model for predictive measurements of advertising effectiveness. *Journal of Marketing* 25, 6, 59-62.

Li Z. G. & Gery N. (2000) E-tailing- For All Products? *Business Horizons* 49-54.

Nicovich S. & Cornwell T.B. (1998) An Internet culture: Implications for Marketing. *Journal of Interactive Marketing* 12, 4, 23-32.

Nurmilaakso J-M. (2008) EDI, XML and e-business frameworks: A survey. *Computers in Industry* 59, 370-379.

Pereira H.G., Salgueiro M. F. & Mateus I. (2014) Say yes to Facebook and get your customers involved! Relationships in a world of social networks. *Business Horizons* 57, 695-702.

Peterson R. A., Balasubramanian S. & Bronnenberg B.J. (1997) Exploring the Implications of the Internet for Consumer Marketing. *Journal of the Academy of Marketing Science* 25, 4, 329-346.

Quaddus M. & Achjari D. (2005) A model for electronic commerce success. *Telecommunications Policy* 29, 127-152.

Schmidt S. & Ralph D. (2011) Social Media: More Available Marketing Tools. *Journal of American Academy of Business* 18, 2, 37-43.

Tauber E. M. (1972) Why Do People Shop? *Journal of Marketing* 36, 46-59.

VanHoose D. (2011) E-commerce Economics. 2nd ed. Oxon, Routledge.

Wang F. & Head M. (2007) How can the Web help build customer relationships? An empirical study on e-tailing. *Information & Management* 44, 115-129.

Yoo W-S., Lee Y. & Park J. (2010) The role of interactivity in e-tailing: Creating value and increasing satisfaction. *Journal of Retailing and Consumer Services* 17, 2, 89–96.

Zhang Y., Mukherjee R. & Soetarman B. (2013) Concept extraction and e-commerce applications. *Electronic Commerce Research and Applications* 12, 289–296.

Interview

Representative of the Company, CTRL Clothing. 10.11.2014

ATTACHMENTS

Attachment 1. The interview questions for the case company's representative

General information:

- Describe briefly your business model.
- What are the sales channels of your company?
- How long have these new websites been open?
- How strong connection between online store itself and websites?
- How would you define your marketing strategy?
- What are your marketing channels?
- How important is marketing for your company?
- How have you segmented your customers?
- What is your company's visio?

Online-store

- Why did you choose online store as only distribution channel?
- How do you think it has affected sales (comparing to physical store)?
- How do you think it has affected customers?

Facebook marketing tactics

- How do you use Facebook in your marketing?
- Why did you choose Facebook as a marketing channel?
- How long have you been using Facebook as a marketing channel?
- What functions of Facebook you use?
- For what purposes you use different functions of Facebook?
- How do you think these purposes are fulfilled?

- Do you have a clear Facebook marketing strategy and definite goals?
- How are these goals monitored?
- What functions work best in Facebook?
- How are these functions used?
- How you want to deliver a message, i.e. what style?
- How do you react to negative feedback in Facebook?
- What kind of image you want to give of your company via Facebook?
- How is your Facebook profile connected to your vision?

FREE WORD