

# Marketing to Millennials in Virtual Community - SME Perspective Applied

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Satu Tuomela  
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**MARKETING TO MILLENNIALS IN VIRTUAL COMMUNITY  
- SME PERSPECTIVE APPLIED**

Master's Thesis

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AALTO UNIVERSITY SCHOOL OF ECONOMICS

ABSTRACT

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This study aims to find out how Millennials, new generation of internet users perceive social media marketing conducted in virtual communities. Additionally, this study focuses on providing SMEs guidelines on how to apply marketing for this specific group of consumers. Theoretical framework has been conducted after approaching theories from three perspectives: social media, transition in marketing and consumer behavior and virtual communities.

Quantitative research methods have been chosen in order to provide generalizable results. Data was collected through a web-based survey published in Petsie.fi and received 520 completed questionnaires. Two multivariate statistical data analysis methods were applied. Firstly, factor analysis was conducted to find out similar behaviors and secondly, data was processed further with cluster analysis to form customer segments.

Results suggest that there are five distinctive customer segments in Millennials that need to be taken into consideration separately in marketing planning. Additionally, virtual communities were found out to be excellent venues for targeted marketing and provide also good platform to have required two-way conversations with the Millennials. However, trustworthiness and transparency were called for.

**KEYWORDS:** social media marketing, Millennials, virtual community, web advertising, multivariate analysis

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MARKKINOINTI MILLENNIAL-SUKUPOLVELLE VIRTUAALIYHTEISÖISSÄ  
- PK-YRITYSTEN NÄKÖKULMA

Tutkimus tarkastelee uusien internetkäyttäjien, Millennial -sukupolven suhtautumista sosiaalisen median mainontaan virtuaaliyhteisöissä. Tavoitteena on myös tarjota Pk-yrityksille ohjeita kuinka tätä uutta sukupolvea tulisi lähestyä markkinoinnin keinoin. Teoriaosuudessa on asiaa lähestytty seuraavista kolmesta näkökulmasta: sosiaalinen media, muutos markkinoinnissa ja asiakaskäytöksessä & virtuaaliyhteisöt. Näiden perusteella on muodostettu teoreettinen viitekehys jäsentämään empiiristä osuutta.

Tutkimuksen toteuttamistavaksi valittiin kvantitatiivinen tutkimus, jotta pystyttäisiin tuottamaan yleistettäviä tuloksia. Aineisto kerättiin kyselytutkimuksella Petsie.fi -sivustolla ja sillä saatiin 520 vastausta. Kahta monimuuttujamenetelmää hyödynnettiin datan analysoinnissa. Faktorianalyysillä pystyttiin identifioimaan yhteneväisiä käyttäytymismalleja, joita työstettiin lisää klusterianalyysillä asiakassegmenttien muodostamiseksi.

Tuloksena löytyi viisi erilaista Millennial -sukupolven segmenttiä, joita tulisi käsitellä erikseen markkinointia suunniteltaessa. Lisäksi virtuaaliyhteisöt ovat tutkimuksen mukaan erinomaisia paikkoja mainostaa kohdennetulle asiakasryhmälle ja tarjoavat myös mahdollisuuden kaksisuuntaiseen viestintään asiakkaan kanssa. Mainostajan tulisi kuitenkin pitää aina mielessä luottamus ja läpinäkyvyys.

AVAINSANAT: sosiaalisen median markkinointi, Millennial -sukupolvi, virtuaaliyhteisö, monimuuttaja-analyysi

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# 1 INTRODUCTION

This chapter will provide overview of the paper for the reader through introducing the study. Firstly background to the study will be discussed which is followed by introduction of the research questions. In more detail the research questions will be justified with presentation of the existing research gap. Section ends with brief commentary on structure of the paper and definition of key concepts.

## ***1.1 Background of the Study***

“Advertising 2.0” has been one of the leading concepts in the field of marketing since last decade. Shortly, it refers to facilitating marketing through the means provided by Web 2.0 technologies which goes far beyond setting up corporate home pages and web banners into world of social media. After consumers have fully internalized the use of social media, marketers have been running after them to reach for the consumers’ right where they are. At the same time, marketers are competing for an increasingly fragmented share of their customer's attention.

Traditional marketing has become substantially expensive and concurrently more inefficient. Thus, marketers are heavily interested in huge pools of potential customers registered into social networking sites that are openly sharing information on their interests and easily apt to segmentation with various demographic factors through few clicks. E.g. Facebook has over 300 million users and estimated to be gaining 5 million new users weekly, yet flooding with advertising banners, communities and groups. Increasing interest to social media marketing has however laid out two-folded issues.

Some research suggest that customer participation through social media can actually lead into increased loyalty and such virtual community induced customers would be more willing to give out feedback to marketers (e.g. Mathwick 2002). However, customers are not willing to go beyond certain point of losing privacy of which the

negative reactions against advertising system called Beacon in Facebook is an example of. Beacon violated need for transparency and common trust through non-transparency by allowing news feeds of external services without user's permission and was actually terminated through a law suit in September 2009.

Customer perceptions to social media marketing have not been widely researched even though social communities and social media itself has gained plenty of attention in examining their purpose, use and evolution for example (e.g. Kozinets 2002, McAlexander et al. 2002). There are also a lot of evidence available that the new generation of internet users, Millennials born in 80s and 90s, are rather specific group of customers that truly have distinctive needs and behaviours (e.g. Jones & Fox 2009).

Especially the research on Finnish consumers is lacking on both domains. Hence there seems to be open questions to be answered and provide means for small and medium sized businesses to execute cost and resource effective marketing plans for social media beyond Facebook. Facebook, Myspace, Twitter etc. have been in the focal point of social media discussion leaving other smaller communities without any major recognition of their opportunities in two-way discussion with the consumer and business. Thus this study is conducted in co-operation with Petsie.fi, a social networking site for pets and their owners run by small Finnish company.

Additionally, the virtual community focus provides rather interesting topic to study since it presents the concept of long tail at it's best. According to estimates by Technorati, there was already in 2002 over 133 million blogs. Undoubtedly, the amount must have been doubled by now. Thus, major social media sites such as Facebook and Youtube are only one part of the phenomenon, tip of the ice berg, since bigger mass lies in small virtual communities that are focused on the needs and interests of specific a consumer group.



## **1.2 Research Questions**

1. How the new generation of internet users, Millennials perceive social media marketing in content communities?
2. How small and medium sized businesses should tackle these opportunities in their marketing when targeting Millennials?

## **1.3 Research Gap**

Field of social media marketing is yet rather new subject to study and studied only in recent years as Facebook alongside with other social media services have grown and revolutionized the ways of marketing. Even though the Media Gap has already been addressed in 1991 by Neumann, actual tools to fill the gap have existed only a couple of years. Also internet marketing itself has been widely studied for years and been through a transition from one way communication to more co-operation with the customer through new means.

Currently the research has been focused into marketing done with big budget by MNEs in major social media services such as Facebook, Twitter, Myspace, Youtube. Yet the SME point of view with far more limited marketing resources including budgets has been neglected and research on that field is needed. There are also less research conducted on facilitating own communities than setting up advertising campaign to other sources. In addition, this research can give more insights on young Finnish consumers' attitude towards social media marketing.

Since social media marketing is such a growing topic and already widely used marketing tool, it is also necessary to take a look from customer's perspective. The new generation of internet users have been exposed to these marketing messages in emerging manner as they are the most frequent users of social media and thus they might already feel overwhelmed of "marketing spam". Also according to Fleischner,

this is the first generation to grow up completely online and thus even the marketing mix targeted to them needs to evolve. Hence it is justifiable to study how this group of consumers find the various social media marketing tools and how these tools should be employed in order to build trustworthy relationship between the user and business.

The Millennial Generation are a bunch of tough customers because these consumers have learned to find out various sides to the story told by marketer. They go online to scrutinize the product, they turn to a friend for review, they expect plenty of choice and high speed service, they want personalized items just for them and most importantly, they want to contribute to the brand (Tapscott 2008). Yet these unique characteristics and buying behaviours force marketers to think new solutions to reach for these people (and their buying power). This group of potential customers find using internet very convenient, e.g. according to Ambroz (2008) 96% of Millennials go online daily and 92% of them conduct purchases in the internet.

Last but not least, following quotes stresses the importance of the Millennials as a group of consumers:

*“Gen Y is the most influential generation for retailers because it is bigger than Baby Boomers and its members have spending power and strong opinions at an earlier age. They are more demanding and more savvy than they feel they are given credit for. In some instances, they think they know more than the person selling them something.”*

Kelly Mooney, Analyst

Harris Interactive

USA Today, 10.11.2006

*“Millennials have a special relationship to technology [and] have a unique attachment to the communications power of these new technology tools — This affinity for technology translates into new and different expectations about how to gather, work with, translate and share information.”*

Lee Rainie, Project Director

Pew Internet & American Life Project

In a speech to annual conference of Public Library Association in Boston, MA

23.3.2006

Hence, the goal of this thesis is to study more in depth the distinctive consumer attitudes towards social media marketing of the Finnish Millennials and thus to propose guidelines for small and medium sized businesses to target this special group of customers in their marketing strategy. The primary objective is to examine Millennials reactions towards various methods of social media marketing to identify the most effective means.

#### ***1.4 Thesis Structure And Method of Research***

First part will provide an introduction to the thesis and will be followed by literature review, intended to examine previous research on characteristics of social media, premises of transition in marketing from traditional media into Web 2.0, features of new generation of internet users and finally virtual communities. Fifth chapter is devoted to theoretical insights providing framework for empirical part. Yet it will be followed clarification of the methodology applied in to this paper. Empirical findings will be presented in seventh chapter and lastly, conclusions alongside implications are provided in last chapter.

Research is conducted as a quantitative study with certain limitations. A survey is executed as web questionnaire in Petsie.fi, targeted for the users of Finnish pet focused social networking site. Data will be processed further with factor and cluster analysis to accumulate understanding on the possible customer segments formed by Millennial consumers.

## **1.5 Definitions**

*Social Media:* "Social Media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content." (Kaplan & Haenlein 2010).

*Virtual community:* "Virtual communities are computer-mediated spaces where there is a potential for an integration of content and communication with an emphasis on member-generated content" (Hagel & Armstrong 1997)

*Millennials:* The Millennial generation was born between 1980 and 2000 and is generally marked by an increased use and familiarity with technology, communications and media. (e.g. Fleischner 2008)

## **2 SOCIAL MEDIA**

Purpose of this chapter is to take closer look on previous research made on social media by introducing its evolution, forms and definitions through the concepts of Web 2.0 and user generated content. Furthermore, providing also some knowledge on how companies have adapted the social media marketing today and also how the fundamental change throughout the years has affected marketing. It is actually the rise of new generation of internet users that have coerced marketers to transform into more conversational manner of advertising.

### ***2.1 Rise of Social Media***

Phenomenon of social media has taken over the internet in recent years. Pew Internet & American Life Project (2008) has been studying in more in detail growing popularity of social media in terms of amount of users. As suggested in Figure 1 below, trend in users of social networks has been going strongly upwards past few years. Interestingly, the gap between users who have ever used social media and those who have used it yesterday is relatively small which speaks on behalf of majority of social media users are staying somewhat active in virtual networks. However, the roots of social networks are way deeper than few years back.

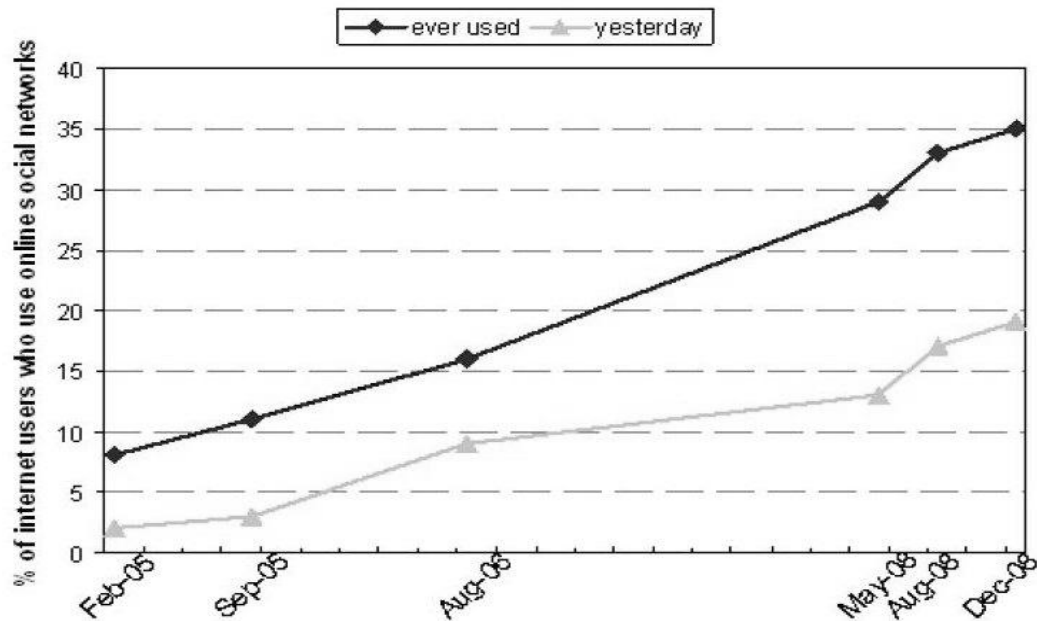


Figure 1: Growth in Use of Social Media (Pew Internet & American Life Project, December 2008, p. 4)

It is suggested that behind the rise of the new media is actually cultural revolution. (Micek & Whitlock 2008). Authors suggest that the emergence of popular talk radio 1989 was first of the driving forces. Borders (2009) go even further and proposes that social media was actually born on "line" - on the phone by "phone phreakers". It was rather popular in the 1950's among these information addicts to connect to phone network through homemade devices called Blue Boxes that enabled free calls. Even before the rise of internet in the early 1990s, Bulletin Board Systems (BBS) extended to more commercial solutions such as The Prodigy gave people even better tools for interactive communication already since 1970's (Borders 2009). In 1979 Tom Truscott and Jim Ellis published Usenet which enabled posting public messages.

Late 1990s was a true decade of boom of internet, home pages and e-commerce. Amazon.com and eBay were established in 1995 which opened doors for many businesses to transform their business model from traditional "Bricks And Mortars" into fascinating world of e-commerce. However, the burst of dot-com bubble in 2001 reversed the internet hype until the launch of Myspace (2003) and Facebook (2004) started of the term "social media". Kaplan and Haenlein (2010) describe the new era as

”The current trend toward Social Media can therefore be seen as an evolution back to the Internet’s roots, since it retransforms the World Wide Web into what it was initially created for: a platform to facilitate information exchange between users.” On the other words, social media reflect the true purpose of introduced by BBS already in 1970s and thus is far from ground breaking idea.

Stanley Milgram executed his well known experiment of ”The Six Degrees of Separation” already in 1967 which intended to learn more of the probability that two randomly selected people would know each other through other persons. Even though the original experiment was conducted with forwarding letters according to each sender's own decisions, the end result still applies in the modern world of social media. Fifth of the letters sent actually reached their destination and Milgram found out that on average it took six connections to complete the chain.

During the years Milgram's theory has also been criticized (e.g. DeVita-Raebu 2008) but also proven valid as Leskovec & Horvitz (2008) conducted study of Microsoft .NET Messenger service users and found out that average chain between contacts is 6.6. The dataset contained summary properties of 30 billion conversations among 240 million people which make it rather extensive validation of Milgram's experiment. As proposed by Adams (2007), there are actually six people standing in between of you and your most desirable contacts in the business. The only difference is that time needed to reach the end of ”Six Degrees of Separation” is way shorter nowadays and the opportunity should not be neglected.

Additionally, there is also available wide range of popular social networking sites nowadays. Figure 2 below shows the most visited social networking websites in US in November 2009. According to the data, Facebook has been able to grow as the most frequently visited social networking site. Growth from the previous year has been substantially almost 200 per cent while for example previously very popular site among US consumers MySpace has lost over 50 per cent of the visitors when compared to last year (Miller & Washington, 2010). In a matter of fact, Facebook is currently third most visited internet site right after Google and Yahoo (Compete, accessed: 2.1.2010).

However, Twitter was the fastest growing social networking site in 2009 and thus will likely perform better share of the most visited social networking sites in forthcoming years. Emarketer projects that in 2010 10 % of internet users will be using Twitter.

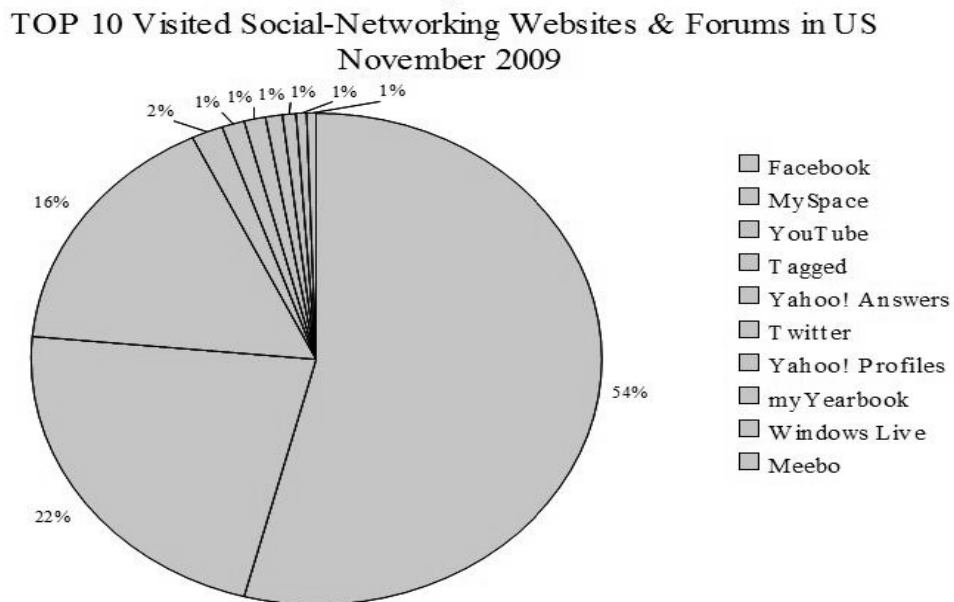


Figure 2: Top 10 most visited social media sites



## 2.2 The Media Gap

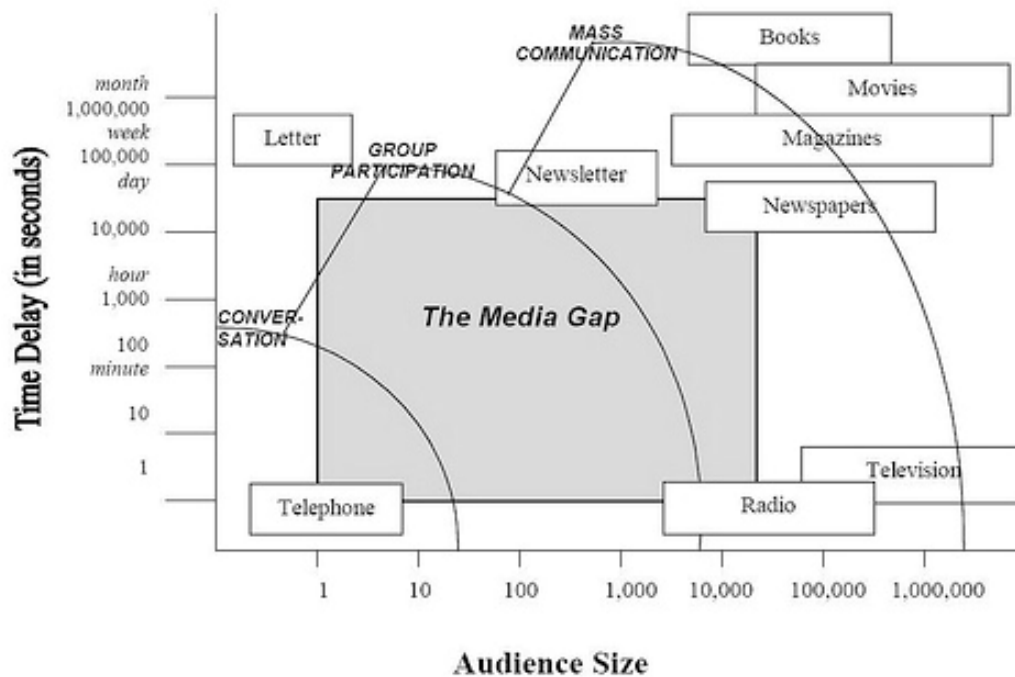


Figure 3: *The Media Gap*, Neumann (1991)

Figure above describes the essence of social media. Traditional media is bound to either timely delay on delivery or limited audience size (Neuman 1991). This conceptualization could be further extended to entail also access since traditional media have also limited access. For example those require subscription to receive the magazine or are targeted only to certain person such as making a phone call. Furthermore, it takes a day to deliver current news in the newspaper. Forms of traditional media include conversation, group participation and mass media. In between of the extremes of audience size and delay there is a gap that social media is fulfilling.

As a comparison, social media has response time of seconds and minutes. For example publishing a blog entry will make it public to reader group right away, they do not need to wait until next day to read the interesting piece of information. Additionally a blog or a chat has usually audience of one person to ten thousand people (Salmenkivi & Nyman, 2007). Therefore it is a form of group participation as presented in *The Media*

Gap theory by Neuman.

Dimension of access may also be included in the discussion since the commonness of computers has created general access for virtually everyone and therefore anybody can be part of social media despite the location. This is not applicable for traditional forms of media because for example printed media is very bound to location (despite some international magazines) and being able to watch news broadcast requires possession of television.

### **2.3 Forms of Social Media**

To fill the previously introduced Media Gap, there has been quite a bloom in birth of wide selection of different social networking sites to serve potential customers. Table 1 provides a rough categorization on which kind of needs there are for social networks and Figure 4 gives an idea of richness of available services.

	<b>Bookmarks</b>	<b>News</b>	<b>Networks</b>	<b>Tags</b>	<b>Answers</b>
<b>Examples</b>	Delicious	Digg, Reddit	Facebook, Linkedin, Myspace	Stumbleupon, Last.fm. Tagworld	Wikipedia

*Table 1: Forms of social media*



Figure 4: Different social media services, Andersson (2008)

Kaplan & Haenlein (2010) have utilized Social Presence theory of Short, William & Christie (1979) and Media Richness theory of Daft & Lengel (1986) to come up with a classification tool for different forms of social media and their characteristics (Table 2). In this paper, the focus will be on content communities where the content is produced solely by the users and main focus is on the content (pets), not on the persons behind them (users). The case company is concentrated on providing network for the users to interact with each other. Yet it is noteworthy that services aim to provide a combination of characteristics to be able to answer to multiple needs of the user but often it seems focusing on one task at time works best.

Selfpresentation / Selfdisclosure	Social presence / Media richness			
		Low	Medium	High
	High	Blogs	Social networking sites (e.g. Facebook)	Virtual social worlds (e.g. Second Life)
Low	Collaborative projects (e.g. Wikipedia)	Content communities (e.g. Youtube)	Virtual game worlds (e.g. World of Warcraft)	

Table 2: Social Media classification, Kaplan & Haenlein (2010)

According to the authors, collaborative projects present the most democratic manifestation of user generated content since it is created and modified online by the joint effort of multiple actors. It is also noteworthy from business perspective that collaborative projects are becoming main source of information for many consumers: “...although not everything written on Wikipedia may actually be true, it is believed to be true by more and more Internet users.” (Ibid. p. 62). Thus it provides a challenge for companies to stay aware what is being said and how accurate it actually is.

Blogs are defined as special types of websites that generally display time-stamped entries in reverse chronological order (OECD 2007). Contents may vary from personal diaries into summaries of relevant information of some specific field of interest. In recent years, it has become more and more popular to publish corporate blogs as well. However, Kaplan & Haenlain (2010) also remind of risky nature of blogs. First, dissatisfied customers might decide to engage into virtual complaints and pursue this protest in websites or blogs. Secondly, it is also possible the participation encouraged employees publish negative comments. Companies need to be ready to live with consequences of such scenarios.

Content communities aim to provide a platform to share media (e.g. text, photos, Power Point presentations, and video) between the users. In such communities, users

themselves do not play any major role but the key is in the media and its richness. Even though users providing the media is rather effective strategy of offering valuable content and popular among the users (e.g. Youtube serves over 100 million videos per day), it should be kept in mind that possibility of users sharing copyright-protected material is a corporate risk. Recently controlling legality of media has been quite an issue and most likely to stay as challenge also in near future. Despite setting sanctions for uploading copyright-protected material, simply the amount of uploaded data exceeds currently the capability to control that only legalized media is published. (Ibid)

Social networking sites function by providing the platform for communication between the users (ibid.). Thus, the essence of social networking sites is on the users themselves. Such sites have been growing in popularity also in corporate world since its' potential place to meet the consumers. Facebook is one example of social networking site that has enticed wide variety of businesses to set up a business profiles and some of them have been quite successes. For example, in winter 2010 Audi promised to raffle among members of the Audi Finland Facebook profile an A3 car if having enough of fans. Popularity did surprise the staff of Audi as well as other media which generated masses of free column space. Cost of giving away a car was far less than executing a traditional advertising campaign that reaches almost 60000 consumers wanting an Audi.

Finally, Kaplan & Haenlain introduce separately virtual game worlds and virtual social worlds. First one represents virtual worlds where users take form of an pre-defined avatar to interact with other users (“players”) in three dimensional worlds. One of the most popular virtual game worlds has definitely been World of Warcraft with 8,5 million subscribers. The difference between game world and social world is generally being able to act more freely, including the presence and usually without strict rules. This reflects to its distinctive benefit of having *“an unlimited range of self presentation strategies, and it has been shown that with increasing usage intensity and consumption experience, users of virtual social worlds—or “residents,” as they prefer to be called—show behavior that more and more closely mirrors the one observed in real life*

*settings*” (p. 64). Linden Lab was among the first ones to explore virtual social worlds when they launched Second Life in 2003 and since then, it has grown to host over 14 million users.

## **2.4 Definition of Social Media**

Despite the long-term existence of social media itself, there seems to be vagueness within the terms and there seems to be no widely accepted definitions. However, concepts of ”Social Media”, ”Web 2.0” and ”User Generated Content (UGC)” are often used interchangeably and hence need to be separated in terms of disambiguation. First ”Web 2.0” will be examined, secondly ”User Generated Content” will be discussed and finally drawn together under defining ”Social Media”.

## 2.4.1 Web 2.0

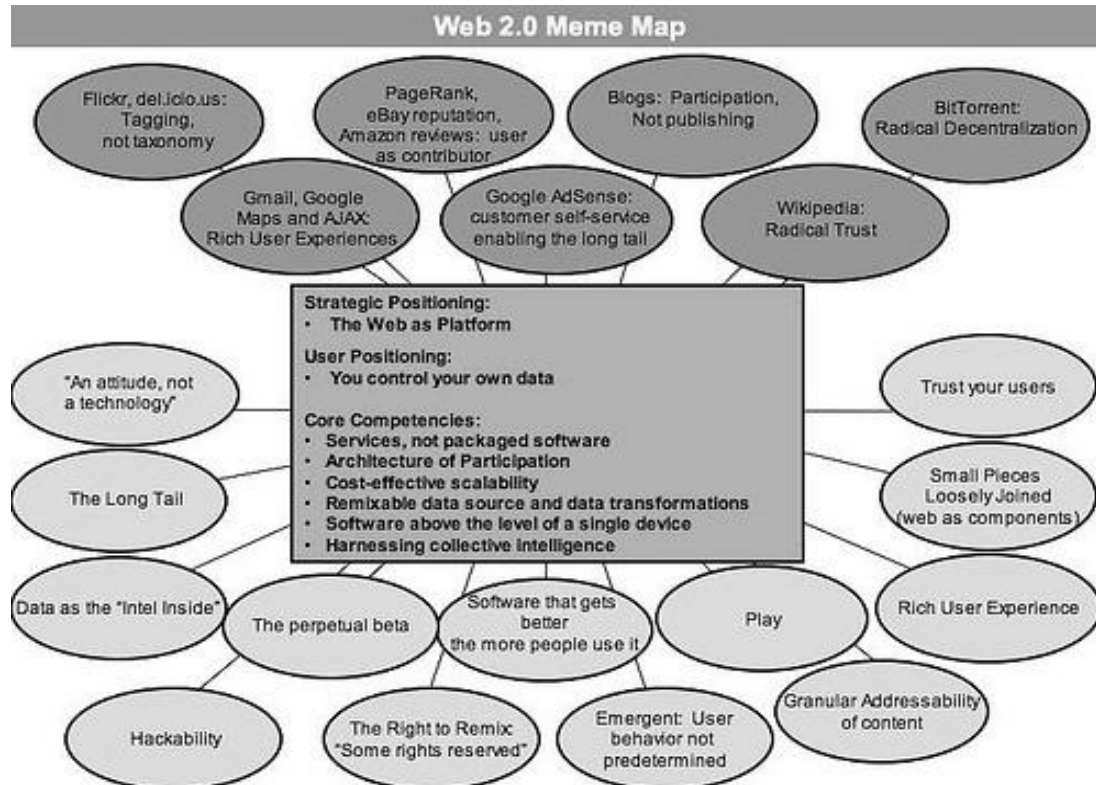


Figure 5: Web 2.0 Meme Map, O'Reilly (2005)

Tim O'Reilly introduced the term in 2004. Facilitating web as a platform that provides actually only the underpinnings for further development was the ground breaking idea and point where development was driven to more co-operative direction between business and consumer. This enables variety of characteristics that describes the essence of Web 2.0 (Figure 5). For example, focus was turned into providing services instead of fixed software and users were given free hands to develop the service to match their interest. Similar manner marketers had to step away from pushing advertisements to having conversations with the actual, potential consumer to enhance consumer experience. Originally Reilly's definition was put out as:

*"Web 2.0 is the network as platform, spanning all connected devices; Web 2.0 applications are those that make the most of the intrinsic advantages of that platform: delivering software as a continually-updated service that gets better the more people use it, consuming and remixing data from multiple sources,*

*including individual users, while providing their own data and services in a form that allows remixing by others, creating network effects through an "architecture of participation," and going beyond the page metaphor of Web 1.0 to deliver rich user experiences. ”. (O'Reilly 2004)*

JISC Technology & Standards Watch define the concept more simple terms as *”Web 2.0 refers to innovative online tools designed to enhance communication and collaboration. These include social networking sites, blogs, wikis and user-generated taxonomies or ‘folksonomies’. While potential benefits continue to emerge, Web 2.0 is already providing users with greater flexibility and access to information.”*. Furthermore, Paul Andersson (2007) suggests that it is actually formation of three layers of current manifestations as visible surface, big ideas and underlying web technologies. Author points out six important ideas that are fundamental to Web 2.0:

- *User generated content*: Low barriers of entry to create and publish
- *Harnessing power of the crowd*: ”Acting independently but collectively”, crowd sourcing empowering the amateurs
- *Data on epic scale*: ”Invisible rain of information” refers to enormous amount of data available
- *Architecture of participation*: Stressing out both words: service design facilitates mass participation and services get better through increased usage (e.g. Google)
- *Network effects*: Billion net users are linked, understanding the effects and topology is crucial
- *Openness*: Open standards, open source software, free re-use of data

The power of Web 2.0 lies within the ideas executed through the manifestations, Web 2.0 services (blogs, wikis, Youtube, Facebook etc.) that are builded upon the web technologies (broadband, XML, Flash, RSS etc.). On the other words, Web 2.0 refers to ideological and technological foundation and the platform for evolution of Social Media (Kaplan & Haenlein 2010).



## 2.4.2 User Generated Content

User Generated Content (UGC) is also known as User Generated Media (UGM) or User Created Content (UCC). Term was introduced to mainstream usage in 2005 and for example over 60% of Finnish internet users aged 16-24 are creating UGC mainly in form of forum postings and newsgroups (OECD, Appendix I). OECD (2007) has defined three core requirements for UGC:

1. *Publication requirement.* Content has to be made publicly available over the internet and thus excludes e.g. emails between two participants.
2. *Creative input.* Work needs to reflect certain amount of creative effort either in form of creating new or adapting existing material. Therefore e.g. recording and uploading a piece of entertainment provided by other parties cannot be considered as UGC.
3. *Creation outside professional routines and practices.* UGC is usually generally created outside professional contexts often without commercial market intention.

Even though UGC has existed long before anybody even mentioned Web 2.0, there are various drivers identified by OECD (2007) that provide an explanation for the rapid rise of UGC popularity among internet users. Technological drivers include increased broadband availability, availability of technologies to create, distribute & share content and decrease of costs and increase of quality of consumer technology (audio, photo and video). Social drivers are strongly associated with shift to younger generations of internet users with good ICT skills and willingness to participate online with less mistrust on sharing more personal information.

Additionally, these Millennials have the desire to express themselves in more interactive manner. During the Web 2.0 decade, these drivers have spread also beyond this core group into mainstream deeds. Moreover the effect of economical drivers is rather indisputable since lower costs of creation devices and broadband have given the

opportunity to self expression for larger population. Lastly OECD report points out the efficacy of legal drivers which on the other hand enable more flexible access to creative work and on the other providing licensing agreements that grant copyrights to users for their own content.

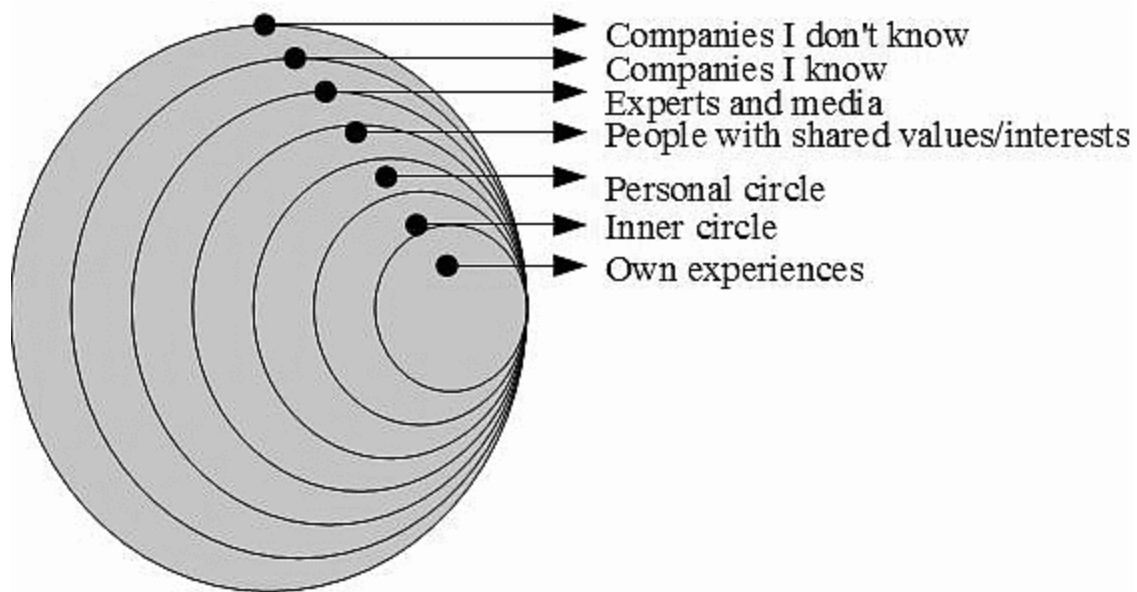


Figure 6: Degrees of Credibility, Porto (2007)

Popularity of UCG rests on its credibility. Laura Porto has published Degrees of Credibility in the annual report of Avenue A Razorfish which gives great insight on the customer credibility. According to the Figure 6 above, customers tend to trust the most on own experiences perceived. Next they find inner and personal circles of people. Yet comes the most interesting part that states trust exercised towards people who share same values and experiences is far greater than trust for experts & media and companies (and interestingly, it does not even make big difference whether the company is known or unknown by the customer). All the members of a focused virtual community share something in common and hence the members do trust more in each other than in media which puts traditional advertising far behind of social media marketing if done properly. Later the intention is to find out how Millennials perceive credibility.

### 2.4.3 Social Media Defined

Social media is rather vague term because it includes communication, collaboration, multimedia, reviews and sharing interesting online content with friends, family and complete strangers. Wikipedia is example of one form of social media and thus it is at least justified to look for the definition for "social media" also from that source. Yet it is important to keep in mind the key characteristics of Wikipedia - dynamicity – which practically means that today's definition of social media might not remain over tomorrow.

*" Social media are media designed to be disseminated through social interaction, created using highly accessible and scalable publishing techniques. Social media supports the human need for social interaction, using Internet- and web-based technologies to transform broadcast media monologues (one to many) into social media dialogues (many to many)."*  
(Wikipedia, 12.10.2009)

In addition, Wikipedia also mentions democratization of knowledge and information, transforming people from content consumers into content producers. Since it is actually the consumers behind information delivered through social media, other users tend to put more weight on the information given by other people than the companies. For example, even a medical professionals opinion is doubted by nearly 40% of Americans if it conflicts with the information given online (Kane et al. 2009). Hence it is actually rather important to notice the amount of trust social media information is given and why companies should take active role in managing the social media. However, on the basis on previous discussion and for the purposes of this paper, social media can be defined as follows:

*"Social Media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation*

*and exchange of User Generated Content.” (Kaplan & Haenlein 2010).*

## **2.5 Companies And Social Media**

Econsultancy (2009) has taken more detailed look on how US companies actually behave within the world of social networks. Their report suggests that 86% of companies are planning to raise their social media budgets in upcoming years and additional 13% are targeting to same level of budget. Numbers are aligned with Finnish companies intentions of which two thirds are planning to facilitate social media (Helsingin Sanomat 24.9.2009). This far nearly 65% of companies in US have experienced social media to some extent but have not done much leaving only small majority of companies that do not engage at all to social media marketing efforts (Econsultancy 2009).

Furthermore, companies have adapted best microblogging since it was used almost by 80% of the companies surveyed. Businesses reported most frequently that biggest obstacle in entering the world of social media marketing is actually lack of knowledge & understanding (59%) and lack of resources (54%) where also problems with senior level buy-in of such new technology was mentioned. Also some businesses found it difficult to measure the real value of social media. (Ibid)

Hence the report suggest that great majority of the businesses are with intentions to engage with social media and find it crucial & interesting but the same time very challenging. Companies feel almost obliged to enter to the world of social media even without the knowledge because that is where the customers are. It well might be possible competitors have already taken the steps or also planning to extend to social media marketing measures. Interestingly, Econsultancy survey proposes that smaller organizations are more likely to be involved with social media mainly because of their flexibility and readiness to experience new channels and technologies which should not be neglected by small and medium sized companies (SMEs). Yet SMEs should exercise their agility to react and act before the bigger competitors have gained the required

resources to follow.

Social media can be rather powerful tool in communicating with the customers. Tuten (2008, p.88) has stated: "The power comes from consumers degree of involvement and engagement in the brand's message, the sense of relationship, the interactivity and co-creation that exist between the brand and the consumer, and frequency and length of exposure to the brand's message". On the other words, social media provides a mean for the customer to participate and engage - Most importantly, voluntarily.

There are several benefits and reasons for companies to utilize social media. Some of the most important ones include (e.g. Bickart & Schindler, 2001; Tuten 2008; Micek 2008; Bughin & Hagel, 2000):

- Awareness of content
- Increases the site traffic
- Builds authority for the provider
- Develops networks of people with similar interests (networking)
- Builds links that promote search engine optimization
- Encourages and drives word-of-mouth
- Communication
- Brand recognition
- Reputation management
- Attracting new clients
- Influencing the influencers
- Trend spotting
- Managing focus groups

Hence social media marketing may be utilized in numerous of ways, providing valuable benefits for small and medium sized businesses. Social media enables the access to those tools without any major resources because the customers are to be involved in the marketing process. For example, search engine optimization (SEO) can be purchased from SEO specialized companies but it may also be handled by the happy customers

that do the linking on their own that promotes the company site on the search hierarchy. SMEs can also benefit from knowing their customers better than larger enterprises since they are often closer their customers. It facilitates easier communication and better relationships.

### **3 TRANSITION IN MARKETING AND CUSTOMER BEHAVIOUR**

Following chapter will focus on discussing the transition of marketing and customer behaviour that has taken place recently. Traditional media has begun to lost its' glory in the eyes of marketer due to its rigid nature compared to new innovations online that facilitate co-operation between business and consumer. Additionally, the consumer has changed. Consumers do not any more stand involuntarily interruptive marketing because there are technologies to avoid being exposed to advertising. Finally there are also new generation of consumers, Millennials that have distinctive features which need to be taken into consideration when approaching this specific group of young people.

#### ***3.1 Transition in Marketing***

Academics and practitioners have already in 1990s argued that internet will transform marketing (Quelch & Klein, 1996; Hamill 1997) which is in true change due to changing roles and characteristics of media. Seth Godin (1999) proposed that “marketing through interruption is dead” and thus leaves spaces for more consumer friendly ways of marketing. In addition to reformation of traditional media, there have been also new forms of media available for marketers. Key challenge is to convert marketing from solely addressing the target group into encouraging them to create own content valuable for the company. According to Salmenkivi & Nyman (2007), there are three primary drivers and reasons for the transition of traditional marketing. These are changes in consumer behaviour, digitality and interactivity & disintegrated field of media.

Traditional baselines of marketing planning such as age, sex, income and location have less of importance nowadays. For example consumer behaviour cannot be forecasted any more with income since potential buyer of luxury bag can also be a student who has been saving for the purchase. Consumers cannot be segmented solely with hard facts as purchasing behaviours are more tied to lifestyles.

Digitality has been referred as "electricity of marketing" by Salmenkivi and Nyman. Metaphor originates from the idea that key driver behind the transformation of marketing is actually digitality and interactivity. Digitality has become and will become such everyday commodity as electricity. Interactivity refers to increased dialogue between marketer and customer compared to traditional one-way communication addressed to consumer.

Potential options of media selection have also increased. In addition to digital marketing channels, there are more magazines, increased amount of television channels, more radio channels to choose from just to give an idea. On contrast to mass media, there are also wide choices of media focused to certain target groups. This leaves the marketer in middle of numerous potential options since there is no more just one media over another.

Salmenkivi and Nyman propose four changes to react to the on-going transition. Firstly, they suggest establishing marketing in the first place to be found by the customers. Generally speaking this means focusing on being found when needed instead of looking for the appropriate segment. As previously discussed, there are no more homogeneous segments relating to products and therefore it is not effective on putting all resources into limiting offerings into a small segment. Ineffectiveness of banner advertising is good example since clicking rates of potentially interested customers is only about 0,5% which in general means that only one of two hundred visitors of a web page visits the external source (Schneider & Perry 2007). Therefore it is more useful to steer the resources into delivering the only knowledge of where the information can be found when needed.

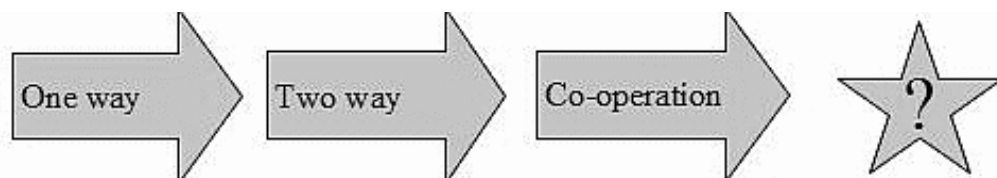
Secondly the authors claim that marketing is possible without big media budget. Starbucks is one example of utilizing their brand recognition since it has currently almost 4 million fans in Facebook. Its first instant coffee VIA Ready Brew was launched within the community and the members got to rate whether they liked the product or not. In this case advertising did not cost anything. Good example brought up



also by the authors is Marc Eckö's Still Free -campaign that included spraying Air Force One. They did not pay for any advertising space (even though had other costs related to renting a cargo 747 aircraft and painting it similar to Air Force One) but received an audience of 130 million. Key message is the content and how much marketer can actually do with the good ideas. Good ideas carry forward on their own and buy free advertising space for business. However, it is misleading to think social media marketing would be a free roll.

Thirdly Salmenkivi and Nyman want to point out that internet will become synthesis media. However, it won't replace completely traditional forms of media but strengthens its position as primary media. Other channels will be utilized as directing the potential customers into internet seeking for the information. Authors point out good example of telegraph since it is actually the only media that has been discontinued due to new forms of media. This is not likely to be the case in future because traditional media is not vanishing but changing their role and use. As much as marketing has and will change, traditional media can be effective – but it needs a social component (Fleischner 2008).

Lastly authors notify that the transition from bare narration to interactive discussion is essential. Feedback plays major role which gives opportunity for the companies to react. Feedback may take the form of given straight commentary but also the traces left from going through the campaign site can and should be utilized as one source of feedback. Furthermore, Salmenkivi & Nyman encourage marketers to use the channels, brand and content to entice the customer to function in desired manner.



*Figure 7: Transition in marketing, Salmenkivi & Nyman (2007)*

Key message is to focus on incoming messages instead of outgoing because those are

given by customers. Figure above describes the changing flow of information when current stage is often one-way monologue. The next step is to involve the customer to two-way conversation and third stage is to co-operate with the customer. Yet it is most profitable for the business encouraging the customer to create own interactive content related to the brand by co-operating which turns into final step of truly striving for same goals with mutual effort. Two-way communication appeals especially to younger consumers since they like to share their opinions (Ambroz 2008).

Adam Singer has taken more radical approach and he suggest that tangible media is slowly disappearing. In his opinion, online media nowadays provide better value for the consumer and thus traditional media loses in the game. Reasons include:

- No natively social
- Slow to distribute
- No sources/linking
- No community
- Difficult to put a face behind
- Not in the cloud
- It's impermanent
- No instant-access archives
- Unsearchable

Bernoff (2009b) also identifies the change in marketing occurring due to resource pressures set by the recession. Businesses are enforced to find out other possible marketing tools to replace costly, traditional ways of doing marketing with more innovative discussion with the customer that can be fully implemented when purses loosen up: *"As we emerge from this recession, it's that customer connection that's likely to be the real legacy of the growth of digital."* (p. 18). Author points out four arguments

that speak in favour or marketing in transition:

1. *Customer argument.* According to Forrester's North American Technographics Benchmark survey for 2009 consumers spend third of their media time in internet. Since potential customers are online, businesses want to be there too because it is more cost-effective than traditional marketing. It is also predicted by Forrester Research that digital spending will grow in United States from 12% of marketing expenditures in 2009 into 21% in 2014 (see Appendix I). Even though overall marketing budgets are declining, less expensive and more efficient online marketing will grow.

2. *Marketers taking prudent risks* which refer to extending and enhancing existing programs by involving the customer. For example, customer reviews and external linkages fall into this category. Most importantly, marketers' need to exert their true interest into listening to customers opinions and comments.

3. *Digital marketing* facilitates the marketing in all arenas. Digital marketing should be used as a support tool for other marketing activities.

4. *Long term opportunities* in digital marketing. This refers to relationship building with the customer which should have longer time frames than just single purchase.

It is important to know that transformation of the media and advertising through the 1970s to today has not been easy for marketers. Degraffenreid (2009) describes the current state from individual's point of view as "intolerant cacophony". Marketers have attempted to preserve the declining response rate with doubling up the speed and volume only taking the turn into worse. This has taken the advertisers to the wrong end of Laffer curve by meeting the "point of diminishing return". Thus the following subchapter will study the customer evolution.

### **3.2 Transition in Customer Behaviour**

*“Consumers feel overwhelmed by intrusive, irrelevant adds. The result: A backlash against advertising – manifesting itself in to growing popularity of do-not-call-lists, spam filters, online adblocking and adskipping on DVRs. Marketing campaigns of future must facilitate consumers cross-channel search of information, going beyond brand promises made in traditional advertising”*

Jim Nail (p. 3, 2004)

Yet the change in the behaviour of consumers towards marketing and advertising is evident. Especially the Millennial generation is more adept to filtering, fast-forwarding and blocking unsolicited advertising (Tapscott 2008). Previously advertisements were taken as being given part of television broadcast but internet changed also consumers perceptions of advertising when spammers found out cost effective way to reach masses.

Overload of advertising led consumers to avoid advertising exposure, for example popular TiVo system in United States enabled skipping the advertisements and AdBlocker hides all advertisements on every web page when installed to browser. Thus the consumers have the control and they are willing to exercise the power. Interestingly, according to research (e.g. Evans 2008) TiVo users actually skip the interrupting commercials and decide to watch the ones with entertainment value. This only reinforces the importance of content in spite of various devices to hamper the ads.

In addition to conscious actions taken towards advertising, passive ad avoidance has been reported by Jakob Nielsen (2007). He has discovered by facilitating e.g. heat maps and eye movement detection that people tend to focus only in the middle of the page. On the other words, they only skim through the F-shape of the page and read more carefully where they think the content actually is. This consolidates that time for

traditional or even cutting-edge findings few years back that relate to advertising are hopelessly out-of-date and other means to interact with the consumers need to be discovered.

Concepts of trust and transparency need also be discussed. For example Sony Ericsson campaign was conducted in New York in early 2000s for the new T68i phone where employees of the company pretended to be tourists where actually it was only the promotion for new cell phone. Since it was accidentally discovered but not intended to be recognized in any point as a marketing activity, negative feedback flooded in. Similarly Facebook had to close down its advertising system Beacon that inserted news feed from e.g. partnering sites of the purchases made without the user permission after a law suit and numerous members in Facebook groups insisting removal of Beacon. Consumers like good stories, they like to be entertained but they do not want to be fooled or taken advantage of.

This brings the attention into importance of trust. Evans (p. 12, 2008) states that trust is actually the central issue on which the acceptance of social media is being built. Social media marketing cannot function without trust since the customers are not to be treated as puppets. They won't be sharing positive feedback in case their opinion is tried to be changed in untruthful manner but more likely, it will backfire on the company. Another example can be drawn from game world where new computer game Madden2004 was "accidentally" leaked into internet with beta test notes on it and naturally the fans were excited to get hands on the new game early. Sega even went further and send letters to downloaders of the legal matters and claims to return the game. This only fuelled up the fuzz around the game and initially Sega admitted the intentional ploy. The reason why Sega did not get negative feedback on their hoax was because of the transparency from the beginning: the hoax was meant to come out. Additionally, fans got their hands on the game and Sega got enormously free word-of-mouth advertising. (Evans 2008)

People behind marketing and advertising are well aware that they are actually spending

more and receiving less at the very same time: The studies propose that we actually dismiss 99.9% of the advertising seen without any further considerations. Thus, Degraffenreid (2006) suggests turning the attention to the people. As a matter of fact, his contribution to social media discussion is that people are the new media. Hence, author concludes that there are actually four variables valued by modern customers that companies need to be mastered to fuel marketing in social media:

1. *Novelty*: People want to talk on new products, ideas etc.
2. *Utility*: A need must be satisfied.
3. *Dependability*: Extremely high confidence of performance or low risk of failure
4. *Economy*: Reduction of time, cost, complexity etc.

### **3.3 New Generation of Internet Users**

Even though use of social media has generalized among all groups of internet users (75% of 18-24 compared to 7% of adults 65 older), it is still heavily in the hands of younger consumers, especially the Millennials (Jones & Fox 2009). Definition of the Millennial Generation by its' age varies few years according to the source (e.g. Fleischner, Ambroz, Consumer Behaviour, PEW Internet) but generally speaking those are classified to be born in between 1980 and 2000. This group of consumers are also referred as "Generation Y", "Net Generation" and "GenTech". Yet in numbers these advertisement critical consumers account for 82 million (Consumer Behaviour, 2008), 26% of adult population and 30% of the American internet users (PEW Internet & American Life Project, 2008).

Figure 8 describes some of the typical characteristics of Millennial Generation discussed in literature that might have interest in marketing sense. These consumers prefer group achievements to personal work which is one explanation for popularity of social media providing them a platform to stay in touch. Millennials show interest on first-time products that refer their fascination to novelty. They are very likely to be

among the first ones to try and share experiences of the product or service. Interestingly, Millennials are also going green and thus appreciating companies providing them more environmental friendly products.

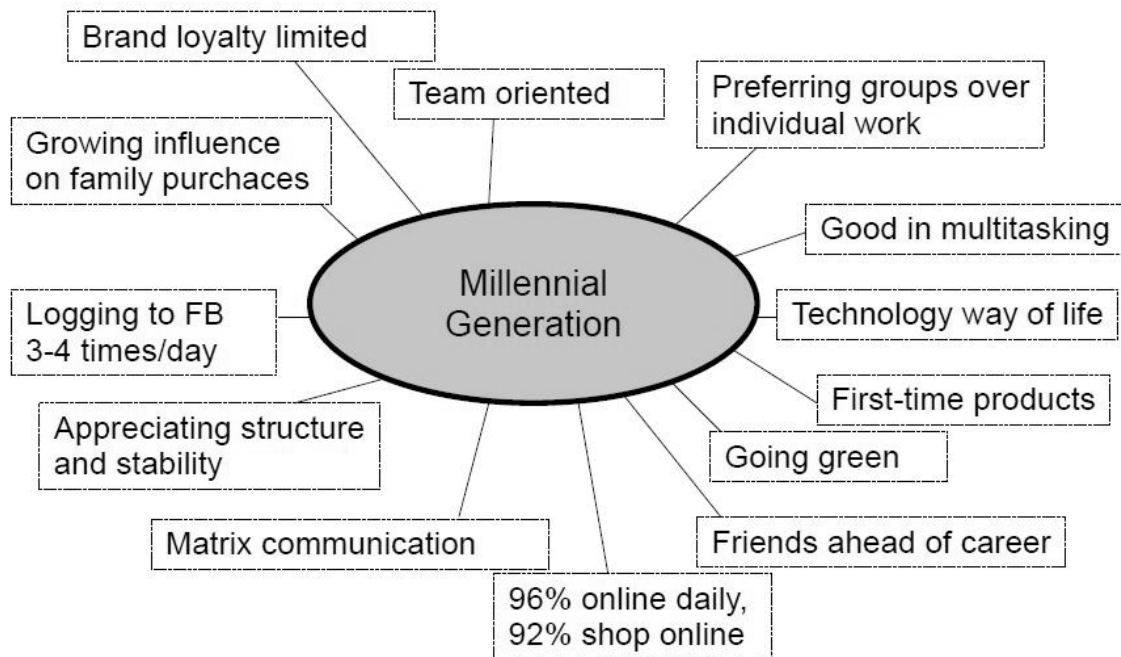


Figure 8: Characteristics of Millennial Generation (adapted e.g. Fleischner, Robinson, Event Marketing Institute, Consumer Behaviour)

Distinctive divergence in the use of internet can be identified within this specific group of consumers. According to Jones & Fox (2009), Millennials are the most likely group to use the internet for entertainment and for communicating with friends and family. Instant messaging and social networking have proven to be popular among these users. Additionally, younger generations are significantly more likely than their older counterparts to seek entertainment through online videos, online games, virtual worlds and participate in blogs, either reading, commenting or writing their own. Authors also point out that especially the use of email has decreased from 89% of teens using email in 2004 into 73% in most recent survey 2009. These are fully aligned with the phenomenon of transition in marketing which proposes uprising changes in the past fundamentals of marketing.

Hence Fleischner (2008) suggests that listening is important. Marketers are encouraged to follow events and discussions taking place throughout the internet with the help of various applications, such as Google Alerts and Technorati. He also proposes to sign up for social media services in order to be there where customers are. However, it is crucial not to be too commercial and pushy in terms of marketing in these premises. Customers are to form own opinions. This applies also to ensuring two-way communication where communication takes place on personal level instead of mass messaging. Fleischner also discusses that consistent message is relevant in order to built trust between the parties. Finally, marketers should be creative which carries the message forward on its own. Marketing should be meaningful, fun and worth sharing.

Since Millennials prefer to communicate, share the knowledge and create content in a manner never before, reaching for these consumers makes a world of difference in marketing (Lee 2006). Millennials have lived in a world of advertising and are likely to spot the sales pitch in a moment which forces to come up with more conversational form of marketing instead of pushing out one way messages. Yet this proposes whole new kind of challenges for marketers especially in industries and businesses targeting to this particular segment of customers.

To reach for this complex group of consumers, Tapscott (2008) proposes companies to rewrite the traditional Marketing Mix of 4Ps (Price, Place, Promotion, Product) into ABCDE rules that stand for Anyplace, Brand, Communication, Discovery and Experience. This refers to Millennials wanting to buy regardless of the place, they put effort into shaping the brand and two-way conversation will replace standard advertisements with lecturing tone. Furthermore, the Millennials are very aware of the price which can be investigated online before the purchase and finally, these consumers expect to undergo experience at the same time they are consuming the product.



## 4 VIRTUAL COMMUNITIES

This study will be focused greatly on the virtual communities and their users, hence theories and attributes regarding virtual communities require closer examination. Firstly, a consensus on the definitions within the literature is needed in order to proceed with key attributes. After being familiarized with the concepts, marketing activities in virtual communities are investigated.

### 4.1 Definition of Virtual Communities

Author(s)	Definition
<b>Rheingold (1993)</b>	Social aggregations that emerge from the Net when enough people carry on public discussions long enough, with sufficient human feelings, to form webs of personal relationships in cyberspace
<b>Hagel &amp; Armstrong (1997)</b>	Virtual communities are computer-mediated spaces where there is a potential for an integration of content and communication with an emphasis on member-generated content
<b>Carver (1999)</b>	Virtual communities are about aggregating people. People are drawn to virtual communities because they provide an engaging environment in which to connect with other people sometimes only once but more often in an outgoing series of interactions that create an atmosphere of trust and real insight
<b>Jones &amp; Rafaeli (2000)</b>	Virtual publics symbolically delineated computer-mediated spaces that allow groups of individuals to attend and contribute to similar set of computer-mediated interpersonal interactions
<b>Typaldos (2002)</b>	Community, as we address it, refers to the integration of the interactive services and applications, the staff and organization required to produce and manage the service, the frameworks specifying the purpose of the service, the groups for whom it is intended, and the terms under which it is offered.

*Table 3: Various definitions of virtual communities*

Table 3 describes some of most used definitions of a virtual community. Some discrepancies occur between the definitions but overall all authors are talking of various equally shared ideas. Rheingold (1993) emphasizes its social nature in internet environment. Yet another remark is public conversations that lead to networking. In this definition virtual community cannot be closed interactions with few users. One of the most popular definitions occurred within the literature is done by Hagel & Armstrong (1997). They point out the virtual nature as well as the importance of member-generated content. Thus, for example company originated material does not solely form a virtual community.

Carver (1999) brings out the same themes in his definition. Key ideas in the definition are bringing people together on the basis of interactions they prefer. It is noteworthy that author sees virtual community as a platform on which the people can have conversations. Jones & Rafaeli (2000) highlight the computer mediation that enable interpersonal conversations. Interestingly, authors also point out that contributor might be as well an individual as a group. Importantly, community does not guarantee itself any interactions but must facilitate “as a fire starter” for bringing out the conversations. It is not the platform but the outcome that matters.

To conclude, according to the definitions given above, virtual community has certain characteristics. Firstly, it is functioning in computer-mediated environment. This regards to it's non-physical nature. Secondly, IT tools are needed for access. Thirdly, the most important aspect seems to be the interactions between the people that enable networking. Communication and content creation is crucial part of virtual communities. For the purposes of this paper, Hagel & Armstrongs definition will be used.

## ***4.2 Classification of Virtual Communities***

As discussed in previous section, virtual communities are computer mediated tools for

interaction between people. However, there are various types of virtual communities with also discrepancy in the characteristics seen typical and indispensable. In the following, most commonly used classification models are presented.

Porter (2004) has defined five attributes as five P's which have been widely implemented in studies of virtual communities. These attributes are used in classifying types of virtual communities (Table 4). Firstly model presents purpose of the community. It describes the reason why users should exercise interest towards the community, for example in this study the focus will be on pet community and thus the purpose is to provide a platform for pet owners to interact. Secondly the place is defined, whether the community is located only virtually or does it have also some form of physical space. Communicating by voice is one example of physical space attached to a virtual community. Thirdly the model discusses type of platform and how fast reactions between users it contains. Synchronous platform enables immediate responses such as chat rooms and asynchronous communication can be found in forums where replies might take hours or even days.

Fourthly the pattern of interaction is to be considered. According to Porter, virtual community can have three distinctive structures. Computer mediated social networks function around certain topics, for example Petsie provides pet owners networking opportunities. Small groups are limited in size and thus relationships between the members are rather close. Hence the interactions are relatively different from virtual publics that are open to everyone where some members know each other better than others. E.g. Facebook is one good example of virtual public that has not focused to serve any certain interest groups but provides a general meeting point. Finally the profit model has to be defined whether the virtual community provides tangible value and how. Often virtual communities aim for at least indirect revenue generation through placing advertisements. Five P's supply a model to consider important aspects of communities.

<b>Attribute</b>	<b>Explanation</b>
<b>Purpose</b> (Content of interaction)	Basis of interaction in a virtual community
<b>Place</b> (Extent of technology mediation of interaction)	Virtual Hybrid
<b>Platform</b> (Design of interaction)	Synchronous Asynchronous Hybrid
<b>Population interaction structure</b> (Pattern of interaction)	Computer supported social networks Small-groups or networks Virtual publics
<b>Profit model</b> (Return on interaction)	Revenue generating (host, facilitator, owner) Non-revenue generating

*Table 4: Virtual Community Five P's, Porter (2004)*

Porter has also worked on providing typologies for virtual communities to improve the definition (Figure 9). First she proposes to divide the communities on the basis of the founder; whether it is the members or organization. Second separation has been applied to describe nature of relationships between the members. Member-initiated communities can be either open or closed for new entries and provide social or professional functions. Commercial and government targeted communities are generally open for any one interested to join where as non-profit communities might have both types of open and closed. In this particular study, the focus will be on the organization-sponsored commercial virtual community which is an important remark due to different characteristics between the community types.

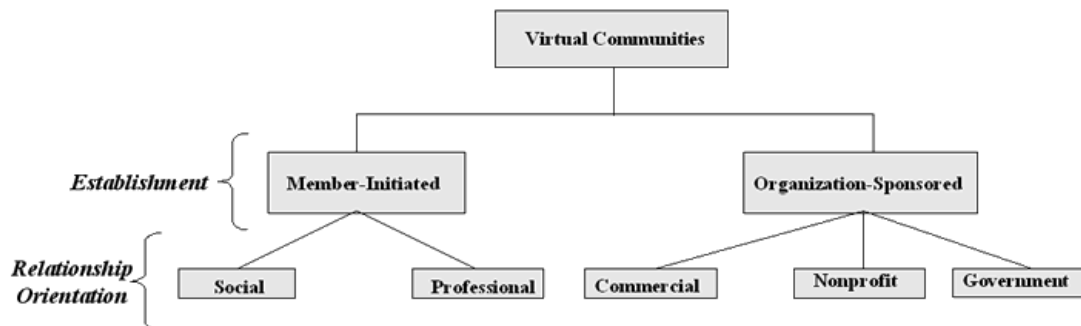


Figure 9: Typology of virtual communities, Porter (2004)

In spite of apparent effectiveness of virtual community in business purposes, establishing own social community is not the recommended primary strategy to seize the social media marketing aspect (e.g. Evans 2008). It is likely that creating own social interactions between consumers is more difficult task to do than just plan marketing to be conducted in virtual publics e.g. Facebook. However regardless of the complexity, own media platform has several benefits over utilizing existing channels. Thus the opportunities provided by own social community should not be neglected.

Generally, there are two ways to set up communities. Businesses can decide to invest into creating own social network of people which requires tight co-operation between all operations of the company. In order to choose this strategy, company needs to possess variety of resources from IT skills to marketing. If building, deploying and managing social media is not possible internally, there are also so called "white label software" available. For example Kick Apps offers complete solution in form of customizable platform that can host networking through different activities. This approach seems to be especially in the favour of companies that look for a platform for the fans & customers to interact but find using existing social networking media either inappropriate or not financially sound (e.g. Phoenix Suns, New York Rangers, US Department of Health & Human Services).

Tuten (2008, p. 87) identifies five sources of community benefits. Firstly, community created by the company enables better control over the message delivered to consumers. Intentional focus on consistent message throughout the brand experience is easier when company is in control of the whole supply chain. Secondly, companies should not forget the opportunity for data mining with own social community. This basically refers to tracking the movement of the customers in the pages, information on the connections, time spent on each particular page, paths taken in buying process etc. There are vast amount of information available with the tools of data mining that can be essential in improving the service.

Thirdly, Tuten discusses also using the social community as a source of revenue. Social channels have potential to transform from a cost center into a revenue goldmine through the effective use of the opportunities related to e.g. product sales and third-party advertising. Furthermore, fourthly social media can be exploited as a transmedia center. Branding the community accordingly facilitates unified storytelling also through multiple channels. Lastly, author points out that social media are actually the link to invite the consumer into storytelling. Consumers love stories and they are likely to internalize the marketing message when they find the content entertaining which is actually very essential in terms of ad avoidance as discussed earlier.

### ***4.3 Influencing in Social Network***

Influencing to the customer requires knowing who is speaking on the products, how information is disseminated and most importantly why (Eccleston & Griseri 2009). This is crucial since Web 2.0 makes communication far easier also for the current and potential customers and thus companies should stay aware of what's being said, where, how and why. Being able to identify previous questions is the first step for companies to manage still to full extent uncontrollable word-of-mouth communication. Despite the importance of listening to the customers voice as 62% of companies are engaged to social media find increased communication with key influencers as one of the top

benefits, interestingly, still half of the businesses in US deploy no reputation or buzz monitoring to stay aware of what is said online by the customers. (Econsultancy 2009)

However, community outreach is actually nothing new - businesses and institutions have practised it long before social media (Kane et al 2009). For example managing stakeholder pressures regarding global projects has been studied by Aaltonen & Sivonen (2009). Authors propose that there are four types of stakeholder strategies which need to be addressed in proper matter: dismissal, influence, adaptation, compromising and avoidance strategies. Transferring community outreach to online follows especially the influence strategy since its core ideas are to shape proactively the values and demands of stakeholders, sharing information and building relationships. From business perspective, it is important to recognize and address properly the influencers that opinion leaders with ability to affect purchase decisions of others.

Gladwell's (2000) main contribution to word-of-mouth buzz was to explain that there actually are causal factors functioning as key factors to cause word-of-mouth epidemics. Importantly, word-of-mouth communication can and should be managed to some extent. Furthermore, *"Web 2.0 is seen as offering new opportunities to positively influence consumers' opinions and behaviour, as well as changing the way the public are kept informed about products and/or services"* (Ecclestone & Griseri 2008). Additionally Gladwell defines that there are actually three groups of people that function as influencers: *Connectors, mavens and salespeople*. Connectors have vast social networks which makes them very valuable to have on your side. Mavens are those users with plenty of information and genuine will to share it with others and finally salespeople are equipped with charisma to really sell ideas forward. Interestingly, these all are needed in order to get anything done in social network. And all together, it is the people that matter.

Li and Bernoff (2009) propose (Table 5) that there are actually six types of people classified on how they use the social media. According to the authors, it is crucial first to identify the types before being able to address their needs and understand the

ecosystem that facilitates each type. Thus examining the representation of each type can provide strategical means to offer right kind of material to make sense for all of the audiences.

<b>Who?</b>	<b>Creator</b>	<b>Critic</b>	<b>Collector</b>	<b>Joiner</b>	<b>Spectator</b>	<b>Inactive</b>
<b>What?</b>	Publishes blogs, webpages  Uploads videos/music	Posts reviews  Comments blogs  Participates in forums	Main objective is to organize content  Uses RSS  Adds tags, votes	Owns profile in social networking  Visits the sites	Reads blogs, online forums, customer ratings  Listens to podcasts, watches videos	Neither creates or consumes social media of any kind

*Table 5: Social Technographs, Li & Bernoff (2009)*

However, it is important to recall that all previously addressed groups do not participate equally. According to Nielsen (2006), there is actually participation inequality in form of 90 – 9 – 1 rule as described in Figure 10. 90 % users are rather inactive “lurkers” that mostly only read or observe without any contribution, 9% participate time to time but find other priorities and finally 1% account for most contributions. This means 90% of postings are done from 1% of users and remaining 10% from 9% of users. Participation inequality leads to not representative system of average users when majority of the voice is consumed by only 1% of users. This is very important notification to make since the voice heard online does not necessarily represent opinion of the majority.



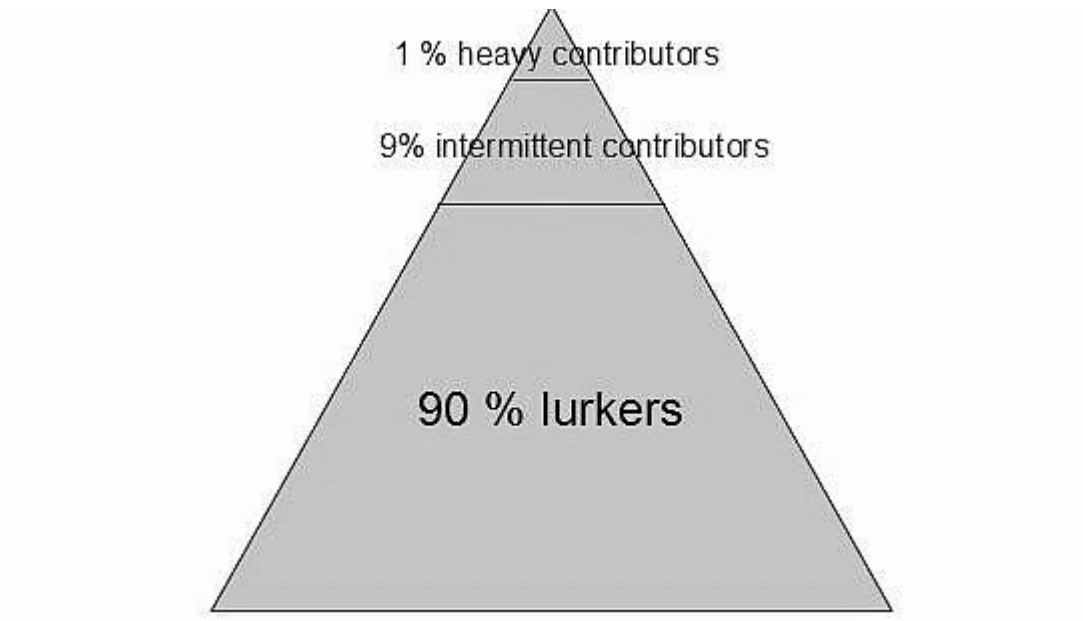


Figure 10: Participation inequality, Nielsen (2006)

Nielsen (2006) has addressed potential problems caused by the inequality. Yet these are important to knowledge in all actions taken in social media and bear in mind the large proportion of silent users.

- *Customer feedback*: Looking through web postings of customers gives unrepresentative sample
- *Reviews*: Buzz monitoring on products and services speaks on behalf of 10% of the users – at its best
- *Politics*: Politics is only one example of relying to “netroots” voice, when putting up a candidate promoted by political blogs and ending up being too extreme for the mainstream population. This might be as well applicable to other extreme propositions given from the small, active audience.
- *Search*: Search engines function on the basis on amount of links to destination. Nielsen proposes that actually 0,1% of users do most of the linking and this leads to unrepresentative share of the remaining 99,9%.
- *Signal-to-noise ratio*: STN ratio refers to the excessive amounts of consumer speak today available in the internet. Yet it becomes harder to identify the true gems from low-quality postings.

Nielssen adds that inequality among users of internet is here to stay. However, companies can alter the distribution to more favourable terms, e.g. 80 – 16 – 4 that already doubles the participation rate. First factor is definitely acknowledging the issue and finding appropriate ways suitable to each social media site to broaden the contribution. Other possible ways to better equalization according to Nielsen include:

- *Facilitate participation*: Lower the overhead, easier to take part. E.g. clicking a thumb in Facebook is more convenient way to signal agreement than writing a comment
- *Make contribution a side-effect*: Key word is zero effort. Find ways to provide feedback without any effort needed from the participant. E.g. Amazon facilitates the “who bought this, they also bought this” information sharing that is easy and good information for others.
- *Edit instead of create*: Provide templates of which the users may contribute further instead of laying out blank pages.
- *Reward participants*: Rewards might be good motivators for those who don't usually participate. Suitable rewards might be something as simple as increased ratings, notifications of novelties before others for example. However, the author also points out that finding a proper balance is essential not to give too much on the most active contributors (heavy users of 1%) to avoid more domination on their input.
- *Promote quality contributors*: Exercise reputation management that leads to highlighting the high-value contributions. This improves signal-to-noise ratio and puts out the high-quality inputs over low-quality postings.

Nielssen's findings speak on behalf of complexity of social media. Social media is not to be considered as one form of mass media even though it can reach incredible amount of potential customers. Yet the issue is to address the right people with right messages but still stay critical. However, it seems SMEs can truly benefit on being closer to their customer (compared to large MNEs for example) and knowing them better. Social

media marketing is about establishing relationships with consumers that facilitate both parties. In the following marketing aspects will be considered in more detail.

#### **4.4 Social Media Marketing in Virtual Community**

Hagel & Armstrong (1997) have listed potential implications for companies to engage with virtual communities (see table 6 below). It is noteworthy that challenges include requirement on product quality over the brand itself and delivering the top quality product on competitive price. Mastering the potential challenges may lead to incredible customer loyalty exercised by consumers who are willing to speak on behalf of marketing unit.

<b>Challenges</b>	<b>Opportunities</b>
Reduce emphasis on vendor's brand	Expand demand for product/service
Facilitate price comparisons	Increase word-of-mouth promotion
Allow comments on product/service made on public, not in confidence	Stimulate customer feedback
Increase the volume of information to be analyzed	Generate richer information on customer and market
Change the rules of advertising and promotion	Eliminate separation of advertising and transactions
	Allow advertising to be seen as helpful, not intrusive

*Table 6: Challenges And Opportunities of Virtual Communities, Hagel & Armstrong (1997)*

Moreover, Web 2.0 environment and customers are more complex equation to handle than time before social fuzzi. Previously having excellent website might have been enough to keep the customers satisfied but nowadays they have become harder to attract and retain. Weber (2007) has found out to major reasons for potential customers to turn away in virtual environment: Not enough outreach to social web and not enough entertaining content. Thus content itself does not work out and neither does having a

social community.

Tsui & Hughes (2001) point out four important aspects in marketing for Millennials. Firstly, authors suggest that end point of traditional marketing has actually become the beginning. Before the goal was to define the most cost effective mediums to reach intended customer segment, today it starts by having the venue but reaching the target and building a relationship. Secondly, authors propose that establishing common ground is essential. Marketers do need to learn their customers also when targeting the Millennials but should not alienate the other groups of consumers. Core elements of marketing strategy should be held timeless to facilitate executing “synergistic relationship”. Thirdly, leveraging internet as common nominator to reach wider population has been proven effective. Lastly, author recalls that knowing the market and underpinnings of successful marketing are a result of quantitative and qualitative insights. As stated by Kevin Coyne for the authors: *“I'd say both kinds of information-demographic and psychographic-are important today. But as we move into the future, psychographic [information] will become particularly important to understand what kinds of emotional triggers and content motivate people.”*, focus needs to be shifted towards emotional aspects that lead for the purchase and the content must have “entertain value” in order to be consumed by the picky Millennial. These both are possible to reach by social media marketing if carefully designed.

Hoon Kim et al. (2009) have studied in detail defining critical success factors of virtual community marketing. They found that trust is actually most essential concept since it actually verifies quality of the products before purchase. Additionally, trust is related to usefulness, commitment, sense of community and loyalty. Secondly, they point out that sense of community has key role in virtual community marketing because it denotes emotional connection between the customer and the company. Thirdly, authors notify on importance of operational elements rather than individual characteristics. On the other words, the functioning community is more crucial than user's own skills and perceptions. Hence, we may conclude that establishing trust should be the primary task on creation of loyalty.

## 4.5 Motives to Belong to Virtual Communities

In general, there are three types of explanations why people want to belong to an online community: Economic, social and interest-based theories. Äkkinen (2008) has studied in more detail motives and provided a summary of the key theories (Table 7). Economic theories are greatly related to the perceived ratio between individuals inputs compared to outputs. Especially costs and resources are examined as tradable to community benefits. Yet it seems the social theories construct the underpinnings of virtual communities. It would provide important aspect to dig deeper also in Millennials motivations to join communities, either company founded or member initiated.

	<b>Economic</b>	<b>Social</b>	<b>Interest-based</b>
<b>Theories</b>	<ul style="list-style-type: none"> <li>• Resource-based model               <ul style="list-style-type: none"> <li>◦ Benefits &gt; resources</li> </ul> </li> <li>• Economic theory               <ul style="list-style-type: none"> <li>◦ Benefits &gt; costs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Social exchange theory               <ul style="list-style-type: none"> <li>◦ Reciprocity</li> </ul> </li> <li>• Social identity theory               <ul style="list-style-type: none"> <li>◦ Social identity of members</li> </ul> </li> <li>• Social influence theory               <ul style="list-style-type: none"> <li>◦ Purposive values</li> <li>◦ Maintaining interpersonal interconnectivity</li> <li>◦ Social enhancement values</li> <li>◦ Entertainment values</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Self vs. Altruistic</li> <li>• Self vs. Community</li> <li>• Value-interest framework</li> </ul>

Table 7: Summary of theories to belong to a virtual community, Äkkinen (2007)

## 5 THEORETICAL FRAMEWORK

This chapter will introduce the applied theories that will be the underpinnings for this study as theoretical framework. It will fundamentally consist of ABCDE (Tapscott 2008) model to target the younger consumers and AIDA model that stands for the marketing process. Additionally, Evans' Social Feedback Cycle has been utilized to describe essentials of virtual communities. These are to be extended to meet requirements and characteristics of social media and Millennials. Yet aiming to function in virtual which is described in dotted line. Figure 11 aims to conceptualize the intended theoretical underpinnings for empirical part as well as denote additional questions empirical part is intended to provide answers.

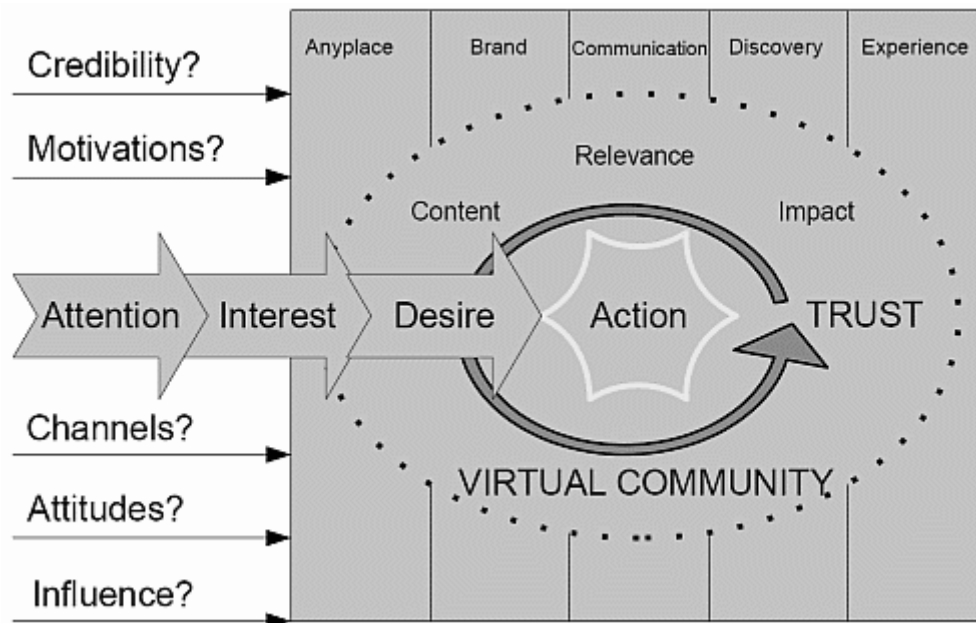


Figure 11: Theoretical framework

The core function in this theoretical framework is determining consumer participation. As Evans suggests, to encourage customer, company should provide necessary elements of social media which are content, relevance and impact. However, critical elements of creating a feedback cycle to return to the internet page also after the initial visit and also the foundation for prospective relationship between the customer and company.

Customer should also be encouraged to participate to product marketing in social media. Hence, motivations to join to a community need to be examined further to get better understanding of consumers' behaviour and additionally, different types of segments need to be identified.

AIDA model is used to describe the actual process that marketing is supposed to do. Company has to be able to create something that draws the attention of the consumer, e.g. brand, product, web community, ideology which is then carried forward by the interest to desire. These are followed by the action that is intended to be purchase, revisit, engagement with the brand, spreading the word on behalf of the brand and so forth. Regarding the marketing process, Millennials attitudes towards advertising require closer attention. In the following, especially perceptions towards targeted pet advertising and non-targeted advertising are considered.

Traditional model is extended with trust because it was important theme during literature review as well. It is actually the ultimate goal of functional relationship and it should be social media that is utilized in building and maintaining the trust. Thus concept of credibility and trust need for further examination under the empirical part of the study and how it relates to purchasing decisions.

Finally the distinctive needs of specific group of customers, Millennials, should be taken into consideration throughout the process with ABCDE model. These five concepts should be kept in mind when designing social media marketing to ensure fit with the customer interests. It is company's duty to provide environment regardless of place to interact with the brand and facilitate the communication. Yet it should be understood that Millennials want to be part of the brand and thus be barely given to customers. Price itself does not provide any issues but the actual question is the trade-off between the price and the experience received. Hence the focus must be on delivering experiences of which giving the feeling of discovery is highly applicable for Millennials.

## 6 METHODOLOGY

Following chapter will introduce and justify the selection of the research methodology deployed in this study. Chapter is divided into four sections explaining research method, data collection, survey design and trustworthiness of the data respectively. Additionally, factor and cluster analysis will be presented.

### 6.1 Research Method

There are two main approaches in to scientific research, qualitative and quantitative methods that have distinctive features. Qualitative study aims to provide explanations to an event whereas quantitative research strives to generalize on the basis of the results. Also qualitative study can be often targeted to create new theories and quantitative study has strengths in testing current theories – either reinforcing or undermining. (Yin 2003)

For the purposes of this study, quantitative approach has been selected. The aim is to find out how the Millennials relate to social media marketing practices and how they should be approached in marketing sense. Thus, the objective is to generalize quantifiable data to apply to population of Millennials. To be able to proceed to generalizations, a large number of appropriate respondents are needed. Additionally utilizing quantitative methods enables setting a survey for intended group of customers in a specific web site.

	<b>Exploratory</b>	<b>Descriptive</b>	<b>Explanatory</b>
<b>Objective</b>	Discovery of ideas and insights	Describe market characteristics and functions	Determine cause and effect relationship
<b>Characteristics</b>	Flexible, versatile	Marked by the prior	Manipulation of one




		formulation of specific hypothesis	of or more independent variables
<b>Methods</b>	Expert surveys Pilot surveys Qualitative data Secondary data	Secondary data Survey panels Observational and other data	Experiments
<b>Awareness of problem</b>			

Table 8: Comparison of research strategies (adapted from Malhotra & Birks 2007)

On the basis of research questions given, this study has characteristics of descriptive and explanatory study. As presented in the table 8, also the awareness of the research problem dictates the selected type of the research. The purpose is to provide clarification on the attitudes of a specific group of consumers which speaks for the explanatory research. Qualitative data is employed as primary data and literature provides the secondary data.

## 6.2 Data Collection

Yin (2003) addresses six data collection methods suitable for research data gathering. These six sources of evidence are documentation, archival records, interviews, direct observations, participant observation and physical artefacts. For this study, archival records will be utilized in form of primary and secondary data sources. Primary data is gathered in a survey which is especially appropriate to answer in to questions such as who, where, how much.

Data is collected through a web survey for numerous reasons. Malhotra & Birks (2007) propose that benefits of web survey include opportunity to avoid multiple selections for one question and constrain the respondents to answer to all questions before moving forward. Besides web survey facilitates instant data analysis and provides a good selection of graphical tools to work with the data.

There are also some negative points for web survey that need to be considered. Such are for example respondent identity issues and technical problems (Malthora & Birks 2007). Electronic answering does not give any guarantee of identity congruence (given information, motivation etc). Yet important aspect is the possible technical difficulties occurred during the process. Different operating systems, browsers, server problems are few examples of potential threats that might have an effect on answering or delivering the data without distortions.

### **6.3 Designing the Survey**

Designing of the survey questions is crucial in terms of successful outcome. Questions were formed on the basis of literature review, applicable studies of social media advertising (e.g. Virkkala 2009) and specific research questions intended for this study. Also Graham (2000) has listed out five important principles in building a web survey:

- *Brevity*: Including everything needed but at the same time leaving out the unnecessary
- *Easiness*: Thinking of respondents view in designing the study is important in order to make the study facile to answer
- *Importance*: Participants must be given a feeling they are taking part into something meaningful
- *Non-biased*: Especial attention needs to be exercised towards setting the questions without any biases and complex language
- *Accuracy*: This follows having established clear plans of what needs to be accomplished and thus setting the right questions

The purpose of the web survey was certainly to address as accurately to the research questions proposed as possible. Literature review was exploited in terms of identifying

themes for questions. Finally, following topics were included in the survey:

- Demographical information of respondents
- Attitudes of advertising and channels
- Opinions regarding marketing of pet products and other products
- Motivation to join and participate to communities
- Credibility of different actors in social media
- Source of influence to purchasing decision

Additionally, to facilitate answering and receiving good number of results the questionnaire was laid out contextually. Commonly used Likert -scale was used in order to provide convenient multiple choices as answering options. It is easy to use and due to its common nature, respondents are already very well aware of how the scale functions. In this research, Likert -scale was used as follows: 1 = Fully disagree, 2 = Somewhat disagree, 3 = I don't know, 4 = Somewhat agree and 5 = Fully agree. “Not applicable” was not an option to encourage thinking further and answering something.

Furthermore, the convenience of respondent experience was important. Intention was to provide a survey with limited amount of questions to get as many completed questionnaires as possible – however including all necessary questions. Survey consisted of 11 question groups with sub-questions that allowed clear structure. Since the questionnaire was accessible to all Petsie users without prior e-mailing, convenience had to be put on top priorities. Response rate (regarding finished surveys) can be considered rather good (74%) and thus design of survey successful. Additionally, pet related prizes were raffled among the respondents who had sent out contact information to encourage participation.

#### **6.4 Validity And Reliability**

Validity and reliability need to be assessed in terms of quality of the research. Yin

(2003) has given an explanation of related concepts as follows in the table below.

<b>Tests</b>	<b>Description</b>
Reliability	Demonstrating that the operations of a study can be repeated with the same results
Construct Validity	Establishing correct operational measures for the concepts being studied
Internal Validity	Establishing causal relationships whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships
External Validity	Establishing the domain to which a study's findings can be generalized

*Table 9: Validity and reliability, Yin (2003)*

In general, validity is concerned with the information and whether it serves the purpose meant to. Additionally means of measurement has to be accurate. In this particular research, validity criteria have been met since theoretical foundations and data are designed to answer to research questions. Furthermore construct and internal validity reflect to establishing used concepts to prior theories. This consists of setting the survey questions after having conducted a literature review to enhance probability of asking the right questions.

External validity is related to the methods of quantitative section. Data collection was equally available to all members of Petsie during a week which improves the validity since no pre-selection has been conducted. The questionnaire received good number of responses already in a week and thus could be closed after 520 completed surveys. 520 can be considered as rather good sample of representing almost 2% of total user base.

Reliability refers to ability to repeat the study and receive similar results. Random errors create inconsistency which lowers the reliability. Sources of errors can be for example respondent misunderstanding the question and researcher interpreting given data incorrectly. Thus, such occasions should be minimized to increase reliability. Malhotra & Birks (2007) further elaborate three tests that can be facilitated: test-re-test reliability,

alternative forms reliability and internal consistency reliability. However, within the limits of this survey, re-testing and using alternative forms were not applicable as such (statistical tool were utilized) and more weight was loaded on internal consistency analysis. Additionally statistical methods were also applied to validate the results which will be introduced more in detail next.

## **6.5 Factor Analysis**

Following statistical methods have been processed with SPSS 17 and more detailed print outs are given in Appendix III. The factor analysis denotes a class of procedures used for data reduction and summarization. In marketing research, its usefulness has been utilized in for example in market segmentation, product research, identifying customer habits and thus applicable for this research as well when the goal is to identify perceptions of specific customer group regarding social media marketing. (Malhotra & Birks 2007)

Generally, there are two criteria for conducting a factor analysis: Firstly, scalable data and secondly, adequate sample size. Karjaluoto (2007) emphasizes that least acceptable amount of observations is 70 and over 100 is preferred which is exceeded with 520 replies. Additionally, Malhotra & Birks (2007) have set a general rule of requiring five times as many observations as there are variables. In this data, ratio of subjects-to-variables surpasses 7 and thus has enough of explanatory power for conducting a factor analysis.

Before going into factor analysis, some pre-screening procedures for data and variables are needed. Appropriateness of method of analysis was first investigated with Kaiser-Mayer-Olkins test regarding measure of sampling adequacy to define whether the variables are suitable for further factor analysis. For this data set, MSA was given as 0.869 exceeding the minimum value of 0.6, result denoting good prerequisites. Barlett's

test of null hypothesis gives value of 0.00, thus indicating there is correlation between the variables. (Karjaluo 2007)

Subsequent stage included evaluation of the variables with examining communalities. Communalities describe the ability of each variable to explain the factors. Suggested limit of 0.3 was applied in this study as well which resulted in exclusion of five variables in first round (Q1, Q2, Q6 and Q21). Second communality test dropped additional two variables (Q60 and Q63) even though their value was rather close to 0.3. Third round gave a list of variables with all standing above 0.3 and thus applicable for factor analysis. (Kvantimot)

To proceed with explanatory factor analysis, Principal Axis Factoring was utilized. The purpose is to look for least amount of factors which can account for common variance of a set of variables. In order to facilitate interpretation of the results, factors were rotated with most widely used Varimax rotation. Varimax provides orthogonal rotation method to minimize strong loadings for single factors, thus facilitating interpretation and simplifying the results. (Karjaluo 2007)

Finally, factors were assorted by eigenvalues. Eigenvalue reports factors ability to characterize variance of variables in terms of the greater the number, better it explains. Generally accepted rate is 1 and above which indicates there are 17 factors meeting the criteria. These are factors able to provide explanation for 57% of variance, most weight on F1 (7%), F2 (6%) and F3 (5%).

## **6.6 Cluster Analysis**

The purpose of cluster analysis is to organize observations to groups in terms of firstly having greatest possible divergence between the groups and secondly having internally the greatest homogeneity (Olkonen & Saastamoinen, 2005). In this research the aim is

to provide customer segmentation to be able to respond to actual research question better, thus supply the case company with better understanding of social media marketing tools. Previous factor analysis is deployed to characterize variables whereas result of cluster analysis aims to provide grouping of customers.

Generally, there are hierarchical and non-hierarchical methods of conducting cluster analysis and most suitable method is chosen by running several tests to see which returns executable data. Moreover it should be recognized that hierarchical methods fits in better with smaller data sets. Since the data for this study consists of 507 observations, non-hierarchical K-Means clustering has been selected. Method requires setting the number of clusters beforehand and the data is gathered around the clusters on the basis of their distance from the mean.

Test regarding the number of suitable amount of cluster were done from three to six. Primary test included significance rule  $p > 0.05$  for factors which excluded F4 on first round providing value of 0.08 and F17 on second round with value 0.108. After exclusion criteria applied, five clusters returned valid results with adequate number of cases in each cluster: 65, 177, 72, 116 and 77. Cluster analysis was thus conducted with utilizing 15 of defined 17 factors to facilitate analysis. Lastly clusters are cross tabulated with Chi-Square criterion of  $p < 0.05$  to indicate if any significances between the variables and the clusters.

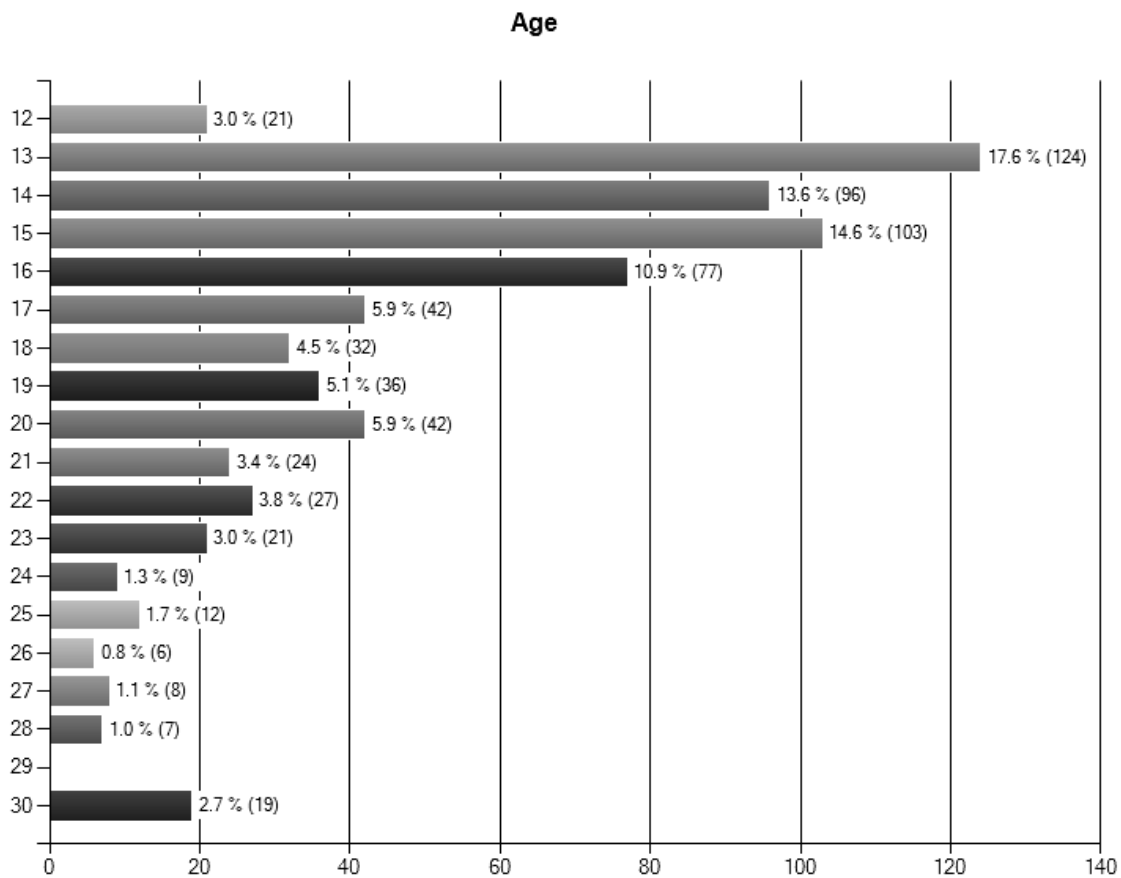
## **7 FINDINGS**

Following chapter will introduce the results of survey. Firstly demographics of the respondents will be examined which after research data is covered in detail. Additionally, section will also include statistical analysis outcomes in form of factor and cluster analysis.

### ***7.1 Demographics***

The data collected included total of 520 finished surveys compared to total started of 760. Thus the percentage of completed surveys was rather good. Additionally questionnaire was available only in news feed of Petsie.fi on front page of the site between April 13<sup>th</sup> and 18<sup>th</sup> of 2010 without any prior requests for users to fill the survey. Great majority of respondents were 13 to 16 years old (this age group accounted for total of 56,7%) old females (97,5%). Majority of respondents were living in Southern Finland (44,8%) but also other regions were sufficiently presented. Figure 12 below introduces the age distribution in more detail. As can be seen, data represents the targeted Millennials satisfyingly - However, the weight is on younger consumers.





*Figure 12: Age distribution*

Respondents were also asked about their usage of Petsie. 47% admits using Petsie several times a day, thus majority representing rather active users in terms of logging in (Figure 13). Surprisingly this accounts for 95% of users that use the service at least once in a week. Additionally years as member were enquired which indicated more dispersed answers. 23,2% have been using the service less than a year but third of respondents reported having used the service for two years already (Figure 14). Thus it seems there is strong, active and established fan base but the site manages to entice also new members all the time.

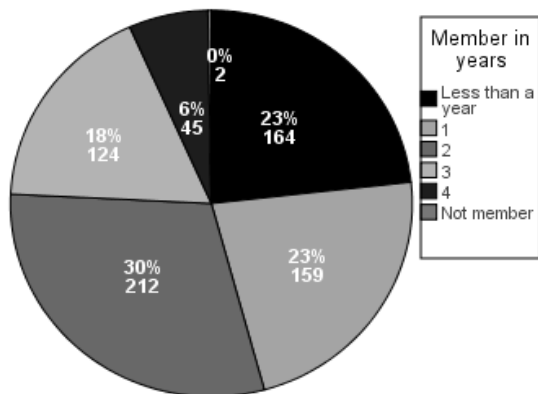


Figure 13: Member in Petsie

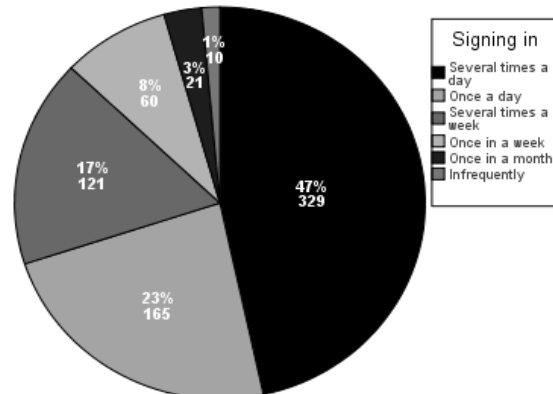


Figure 14: Signing in frequency

Survey also included a question regarding identifying the single most important reason for signing up to Petsie (Figure 15). According to users, most important reasons are finding pet enthusiasts (42%), entertainment (31%), finding similar pets (10%) and to be able to participate to forum conversations (8%) respectively. This suggests that facilitating social aspect plays major role in community and definitely needs to be carefully designed before launching a community site. Surprisingly, users are not choosing this type of social media sites on the basis of their current friends since in this survey such reasons to join as having already friends there or having accepted a friend invitation did not turn out to be important. This contrasts to previous discussion of Millennials where friends were reported to have great importance which does not seem to apply in usage of content communities where self disclosure is lower than e.g. in traditional social networking sites. Yet, the entertainment value cannot be underestimated.

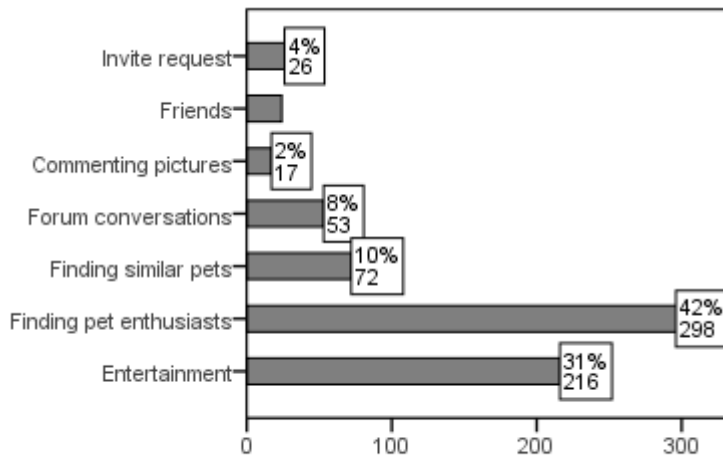


Figure 15: Most important reason to join

## 7.2 Research Data

This section deals in more depth with results of web survey. Outcomes are presented in chronological order. Additionally, applied Likert -scale is used as follows: 1 = Fully disagree, 2 = Somewhat disagree, 3 = I don't know, 4 = Somewhat agree and 5 = Fully agree to facilitate interpretation.

First question of the survey was related to current stage of advertising executed in Petsie (Table 10). With such a question, the purpose is to reveal general attitudes to a site that has for example few banners, company founded communities and also some supported marketing in mapping solutions. Overall, members of the site find amount of advertising convenient and also it seems there is rather strong understanding of advertisement funding providing free service for users. 85% disagrees to some extent for paying of using the service without ads. Thus, advertisements are generally accepted when it generates benefits for the users (e.g. free site).

Respondents had also opportunity to leave informal comments to each questions. For

example to this question set respondents were eager to explain more of their opinion (87 comments left). Answers included several of following items: Advertisements should fit to layout of the page, no pop-ups, users have found new products through advertising in Petsie and most importantly, users wanted to see more pet related advertising.

	Advertising on the site					Rating Average
	1	2	3	4	5	
Have an effect on types of ads received	3.8% (22)	7.5% (44)	34.0% (199)	31.7% (186)	23.0% (135)	3.63
Rather pay registration fee to avoid ads	65.0% (381)	18.9% (111)	9.9% (58)	4.9% (29)	1.2% (7)	1.58
Do not mind having ads	6.1% (36)	13.5% (79)	9.4% (55)	38.7% (227)	32.3% (189)	3.77
There should be no ads	16.2% (95)	27.5% (161)	32.6% (191)	16.4% (96)	7.3% (43)	2.71
There are good amount of ads on the site	3.6% (21)	9.7% (57)	24.4% (143)	37.9% (222)	24.4% (143)	3.70
More communities founded by companies	8.2% (48)	14.2% (83)	39.8% (233)	27.6% (162)	10.2% (60)	3.18

*Table 10: Advertising in Petsie*

Second and third set of questions dealt with attitudes towards advertising. Objective was to find out whether opinions towards targeted pet marketing differ from other advertising that does not deal with pet items. As tables 11 and 12 present, replies are distributed distinctively. Positive values such as interesting, beneficial and enticing are connected with pet advertisements overall with three out of four respondents agrees at least to some extent whereas other advertising score high on being unnecessary and annoying. Interestingly there are no such major differences in reliability/unreliability scores even though pet advertising succeeds better in both dimensions of having mean more reliable and less unreliable. These findings suggest that targeting the right customer group has significant importance in executing web advertising which still can be effective despite general negative attitude. Marketing can be beneficial from consumer's point of view when delivered in right medium. Thus this requires knowing the customer and being able to locate them from internet.

Opinions of pet ads						
	1	2	3	4	5	Rating Average
Interesting	2.0% (12)	9.0% (53)	15.0% (88)	46.9% (275)	27.0% (158)	3.88
Beneficial	1.5% (9)	9.2% (54)	14.0% (82)	47.6% (279)	27.6% (162)	3.91
Enticing	3.1% (18)	13.8% (81)	25.1% (147)	39.2% (230)	18.8% (110)	3.57
Reliable	2.7% (16)	13.7% (80)	43.2% (253)	28.2% (165)	12.3% (72)	3.34
Unnecessary	18.3% (107)	36.0% (211)	29.0% (170)	15.0% (88)	1.7% (10)	2.46
Annoying	26.5% (155)	37.2% (218)	19.6% (115)	15.0% (88)	1.7% (10)	2.28
Unreliable	22.2% (130)	28.0% (164)	38.4% (225)	10.1% (59)	1.4% (8)	2.40

Table 11: Opinions of pet ads

Opinions of other ads						
	1	2	3	4	5	Rating Average
Interesting	16.4% (96)	35.4% (207)	25.0% (146)	19.1% (112)	4.1% (24)	2.59
Beneficial	17.9% (105)	28.9% (169)	30.4% (178)	19.3% (113)	3.4% (20)	2.61
Enticing	18.9% (111)	33.8% (198)	27.5% (161)	16.7% (98)	3.1% (18)	2.51
Reliable	13.0% (76)	24.6% (144)	45.6% (267)	13.5% (79)	3.4% (20)	2.70
Unnecessary	10.1% (59)	17.7% (104)	26.5% (155)	31.1% (182)	14.7% (86)	3.23
Annoying	12.6% (74)	18.9% (111)	27.0% (158)	30.2% (177)	11.3% (66)	3.09
Unreliable	10.6% (62)	15.5% (91)	52.0% (305)	16.2% (95)	5.6% (33)	2.91

Table 12: Opinions of other ads

Fourth section of the survey was dedicated on clarifying Millennials preference on marketing channels (Table 13). It is noteworthy that respondents were asked to consider especially pet related marketing which in previous questions was proven to have more positive reactions and thus respondents might feel more likely to receive any pet advertising compared to any other advertising. Survey revealed strong resistance for mobile and email marketing as mobile scored even lower for average of 1.59 compared to 2.37. Even though some might consider email marketing could have become more accepted as “necessary evil” but as the result suggest, email marketing is far from preferred. Surprisingly, also mobile marketing falls into this category and might be due to personal nature of mobile phones which should not be interrupted. Most preferred

channel were websites of companies (38% fully agreeing) followed by banners, communities and articles. This suggests that marketer’s primary task should be pointing out where the information is for the potential customer to check it when having the need and interest as discussed in literature review by Salmenkivi & Nyman. Additionally, comments highlighted the importance of giving permission to any direct marketing.

Channel preference for pet ads						
	1	2	3	4	5	Rating Average
Banners	11.3% (66)	9.7% (57)	30.4% (178)	36.3% (213)	12.3% (72)	3.29
Web sites of companies	3.8% (22)	3.1% (18)	17.6% (103)	37.5% (220)	38.1% (223)	4.03
Email	40.3% (236)	18.1% (106)	14.0% (82)	19.6% (115)	8.0% (47)	2.37
Mobile	67.7% (396)	13.8% (81)	11.8% (69)	4.6% (27)	2.1% (12)	1.59
Mail	28.0% (164)	12.3% (72)	16.0% (94)	31.6% (185)	12.1% (71)	2.88
Communities founded by a company	8.2% (48)	6.3% (37)	29.4% (172)	39.9% (234)	16.2% (95)	3.50
Communities founded by another user	11.1% (65)	13.0% (76)	37.2% (218)	29.9% (175)	8.9% (52)	3.12
Articles	6.3% (37)	6.3% (37)	26.8% (157)	41.3% (242)	19.3% (113)	3.61

Table 13: Channel preference for pet ads

Fifth and sixth group indicated again attitudes towards pet advertising compared to other advertising. Again intention was to indicate divergences regarding the content and whether the differences reflect to behaviors. As shown in Tables 14 and 15, there are significant differences. It is also noteworthy opinions have been such bifurcated to both directions that great majority of responses are divided off option 3 (“I don't know”). According to these results, general attitude is favoring ad blocking and not clicking banners. However, respondents still take a look at pet advertisements compared to other advertisements that are not even noticed further. These promote again previously discussed outcomes of necessity to choose the spot and the audience carefully in order to have any effect on web marketing. Interestingly, several users indicated in commentary field that they would block all advertising if knew how to do it.

Attitudes towards pet ads						
	1	2	3	4	5	Rating Average
I like pet ads	7.3% (43)	15.4% (90)	19.5% (114)	45.6% (267)	12.3% (72)	3.40
I often click banners of pet ads	32.9% (193)	27.8% (163)	14.8% (87)	18.8% (110)	5.6% (33)	2.36
I look at pet ads	17.9% (105)	22.4% (131)	15.0% (88)	33.4% (196)	11.3% (66)	2.98
I don't look at pet ads	13.5% (79)	27.8% (163)	19.1% (112)	24.9% (146)	14.7% (86)	2.99
I block pet ads	37.0% (217)	26.1% (153)	17.9% (105)	12.1% (71)	6.8% (40)	2.26

Table 14: Attitudes towards pet advertising

Attitudes towards other ads						
	1	2	3	4	5	Rating Average
I like other ads	26.3% (154)	32.8% (192)	21.7% (127)	15.2% (89)	4.1% (24)	2.38
I often click banners of other ads	49.1% (288)	25.9% (152)	16.0% (94)	6.5% (38)	2.4% (14)	1.87
I look at other ads	32.9% (193)	29.4% (172)	15.5% (91)	16.9% (99)	5.3% (31)	2.32
I don't look at other ads	10.8% (63)	17.9% (105)	17.9% (105)	30.2% (177)	23.2% (136)	3.37
I block other ads	29.2% (171)	20.0% (117)	24.4% (143)	14.5% (85)	11.9% (70)	2.60

Table 15: Attitudes towards other advertising

Seventh question aimed to shed light on motivation to join communities provided within social media sites. Two-way communication opportunities seem to be the most central reasons to join communities. As can be seen from Table 16, getting experiences and having a possibility to ask questions are the top two with over 90% of respondents at least somewhat agreeing. Surprisingly joining because of friends did not get support and thus proposing current friends do not seem to have that much influence on such decisions. Several users indicated that they join to spread knowledge and find themselves acting as experts in some communities.

Motivation to join to communities						Rating Average
1	2	3	4	5		
Get information	2.6% (14)	7.2% (39)	8.3% (45)	46.9% (253)	35.0% (189)	4.04
Get experiences	1.3% (7)	1.3% (7)	4.3% (23)	42.8% (231)	50.4% (272)	4.40
Have a possibility to ask	2.2% (12)	1.7% (9)	5.2% (28)	40.4% (218)	50.6% (273)	4.35
Friends are there	19.3% (104)	24.1% (130)	18.5% (100)	22.6% (122)	15.6% (84)	2.91
Discuss	2.2% (12)	6.7% (36)	9.8% (53)	46.9% (253)	34.4% (186)	4.05

Table 16: Motivation to join communities

Eight part was devoted on community participation. Table 17 proposes that Millennials are rather active in producing experiences and looking for them in communities. There was no difference between sharing positive and negative experiences. Additionally, respondents were inquired their opinion about companies functioning in communities which received somewhat mixed answers. There were for example concerns related to transparency and trustworthiness in commentary field which in general welcomed companies to participate but wanted to ensure “fair game” on their behalf. Hence, trust should be nurtured in all communications.

Participation in communities						Rating Average
1	2	3	4	5		
Share actively good experiences of products	1.9% (10)	4.1% (22)	9.8% (53)	44.8% (242)	39.4% (213)	4.16
Share actively bad experiences of products	1.9% (10)	4.6% (25)	13.9% (75)	44.6% (241)	35.0% (189)	4.06
Information from communities for purchasing decision	4.1% (22)	15.6% (84)	20.6% (111)	37.0% (200)	22.8% (123)	3.59
Experiences from communities for purchasing decision	2.8% (15)	11.9% (64)	23.0% (124)	43.7% (236)	18.7% (101)	3.64
It is appropriate for companies to act as experts in communities	8.7% (47)	13.3% (72)	33.7% (182)	30.4% (164)	13.9% (75)	3.27

Table 17: Participation in communities

Ninth set of questions followed the community theme, this time with focus on company induced communities. On the other words, respondents were asked on best motivation to join in a community run by a business. As proven by table 18, friends were least likely motivation to join and to summarize the best scoring items, value for the customer plays major role. Value comes in multiple forms and it might well be that



potential customers appreciate if several types of value can be offered in company community. Such could be firstly information followed with benefits (e.g. discounts), firsthand knowledge (Tapscott), opportunity to have a word on product development and also providing good leisure time by entertaining. However, it is remarkable that there are numerous of respondents who are not quite sure if they would join at all to such communities.

Motivation to join to company founded community						
	1	2	3	4	5	Rating Average
Information	4.3% (23)	5.0% (27)	20.9% (113)	46.1% (249)	23.7% (128)	3.80
Cause important	6.1% (33)	12.8% (69)	34.1% (184)	32.8% (177)	14.1% (76)	3.36
Friends	35.4% (190)	19.9% (107)	29.2% (157)	11.0% (59)	4.5% (24)	2.29
Prizes	10.6% (57)	10.8% (58)	21.0% (113)	39.5% (212)	18.1% (97)	3.44
Benefits	7.1% (38)	7.2% (39)	21.2% (114)	42.0% (226)	22.5% (121)	3.66
First one to know	11.5% (62)	15.4% (83)	28.6% (154)	31.2% (168)	13.4% (72)	3.19
Product is important/beneficial	6.3% (34)	8.8% (47)	30.4% (163)	39.5% (212)	15.1% (81)	3.48
Advertising idea is entertaining	9.1% (49)	18.2% (98)	39.2% (211)	24.3% (131)	9.1% (49)	3.06
Part of product development	5.0% (27)	10.6% (57)	29.4% (158)	39.6% (213)	15.4% (83)	3.50
Entertainment	7.6% (41)	13.0% (70)	29.2% (157)	34.2% (184)	16.0% (86)	3.38
Do not join	20.0% (99)	5.5% (27)	66.7% (330)	3.8% (19)	4.0% (20)	2.66

*Table 18: Motivation to join to company founded community*

Tenth pattern of question digs deeper in trustworthiness. Survey included a question to define the most credible source of product information to see how social media and companies relate to that riddle (Table 19). Interestingly, these results actually contrast to some of credibility theories (Porto 2007) since regarding pet products, it is actually the experts such as dog trainers who have the biggest share of voice. It even outweighs own experiences and this trend can be also seen in forums of hobbyists (3.83) providing more credibility than friends experiences (3.45). While advertisements received least scores of mean 2.51 followed by unknown companies, websites of previously known companies did rather well with 65% of surveyed stating at least somewhat agreeing to most credible statement.

Credibility of different actors						
	1	2	3	4	5	Rating Average
Experts	0.8% (4)	3.4% (18)	8.0% (42)	43.4% (227)	44.4% (232)	4.27
Websites of known company	2.5% (13)	9.9% (52)	22.2% (116)	48.9% (256)	16.4% (86)	3.67
Friends	3.4% (18)	16.3% (85)	22.8% (119)	47.2% (247)	10.3% (54)	3.45
Forums	1.3% (7)	6.9% (36)	16.4% (86)	58.5% (306)	16.8% (88)	3.83
Ads	15.9% (83)	36.1% (189)	30.6% (160)	15.5% (81)	1.9% (10)	2.51
Own experiences	0.4% (2)	1.9% (10)	13.2% (69)	50.9% (266)	33.7% (176)	4.15
Websites of unknown company	12.4% (65)	24.7% (129)	43.8% (229)	16.6% (87)	2.5% (13)	2.72

*Table 19: Credibility of different actors*

Finally, source of influence regarding purchase decision was asked upon (Table 20). This question pattern did not include the option of experts (which maybe should have been to validate further previous results) but distinctive top three most important are easy to identify. Respondents ranked own experiences, experiences of other hobbyists and experiences of friends respectively to have greatest influence on purchasing decision. It should be also pointed out that comments and ratings were found equally important and company oriented information took four last places of influence ranking. Hence it should not be indifferent for companies to know what is being said online on the products.

Source of influence in purchasing decision						
	1	2	3	4	5	Rating Average
Comments given by other users	3.3% (17)	9.9% (52)	10.9% (57)	57.0% (298)	18.9% (99)	3.78
Ratings given by other users	3.6% (19)	7.8% (41)	14.1% (74)	58.1% (304)	16.3% (85)	3.76
Experiences of friends	1.1% (6)	1.1% (6)	8.2% (43)	50.3% (263)	39.2% (205)	4.25
Experiences of other hobbyists	1.1% (6)	1.7% (9)	8.4% (44)	51.2% (268)	37.5% (196)	4.22
Own experiences	0.8% (4)	0.8% (4)	8.6% (45)	43.8% (229)	46.1% (241)	4.34
Advertisements	11.7% (61)	32.1% (168)	30.2% (158)	23.1% (121)	2.9% (15)	2.73
Community set by a company	4.8% (25)	14.1% (74)	33.5% (175)	37.1% (194)	10.5% (55)	3.34
Possibility to ask from company in a community	5.2% (27)	10.3% (54)	26.8% (140)	41.9% (219)	15.9% (83)	3.53
Website of company	4.0% (21)	10.9% (57)	26.0% (136)	45.9% (240)	13.2% (69)	3.53

Table 20: Source of influence in purchasing decision

### 7.3 Factor Analysis

Factor analysis revealed total of 17 factors after meeting previously discussed statistical criteria. 0.4 is generally considered as the least sufficient level for factor loading, however in this research aim was to provide better results with excluding variables under 0.5. However, in some cases also factors between 0.3 and 0.5 have been considered to provide better understanding and provided in italics. In the following table 21 factors are introduced in more detail and full survey questions can be located from Appendix IV.

Factor	Variables + Factor loadings	Description
1	<ul style="list-style-type: none"> <li>• Q55: Company community: product important 0.625</li> <li>• Q56: Company community: idea is entertaining 0.640</li> <li>• Q57: Company community: product development 0.644</li> <li>• Q58: Company community: entertainment 0.585</li> <li>• Q54: Company community: first to know 0.585</li> <li>• Q50: Company community: Importance 0.615</li> <li>• Q49: Company community: Information 0.575</li> <li>• <i>Q48: Appropriate for companies to act as experts 0.486</i></li> </ul>	Benefits of company oriented community

2	<ul style="list-style-type: none"> <li>• Q13: Other ads interesting 0.808</li> <li>• Q14: Other ads beneficial 0.803</li> <li>• Q15: Other ads enticing 0.831</li> <li>• Q16: Other ads reliable 0.578</li> <li>• Q34: I like other ads 0.627</li> <li>• Q35: I click other ads 0.518</li> <li>• Q36: I look other ads 0.537</li> </ul>	Other advertising advantageous
3	<ul style="list-style-type: none"> <li>• Q7: Pet ads interesting 0.770</li> <li>• Q8: Pets ads beneficial 0.730</li> <li>• Q9: Pet ads reliable 0.739</li> <li>• <i>Q11: Pet ads annoying -0.300</i></li> <li>• <i>Q26: Pet ads unnecessary -0.433</i></li> <li>• Q29: I like pet ads 0.562</li> <li>• <i>Q31: I look at pet ads 0.407</i></li> <li>• <i>Q30: I often click pet ads 0.407</i></li> </ul>	Pet advertising advantageous
4	<ul style="list-style-type: none"> <li>• Q31: I look at pet ads 0.597</li> <li>• Q32: I don't look at pet ads -0.614</li> <li>• Q33: I block pet ads -0.571</li> <li>• <i>Q34: I like other ads 0.318</i></li> <li>• <i>Q35: I click other ads 0.333</i></li> <li>• Q36: I look at other ads 0.523</li> <li>• Q37: I don't look at other ads -0.532</li> <li>• Q38: I block other ads -0.525</li> </ul>	Pet advertising acceptable
5	<ul style="list-style-type: none"> <li>• <i>Q20: Companies own websites 0.322</i></li> <li>• <i>Q61: Friends most credible 0.328</i></li> <li>• Q64: Own experiences most credible 0.545</li> <li>• Q68: Purchase affected by friends 0.682</li> <li>• Q69: Purchase affected by experts 0.606</li> <li>• Q70: Purchase affected by own experiences 0.702</li> </ul>	Purchasing decisions affected by inner circle
6	<ul style="list-style-type: none"> <li>• Q39: Communities: information 0.633</li> <li>• Q40: Communities: experiences 0.828</li> <li>• Q41: Communities: to ask 0.786</li> <li>• Q43: Communities: Discussion 0.528</li> <li>• <i>Q44: Share good experiences 0.308</i></li> </ul>	Benefits for joining the community
7	<ul style="list-style-type: none"> <li>• <i>Q46: I look for information from communities 0.327</i></li> <li>• Q47: I look for experiences from communities 0.536</li> <li>• Q66: Purchase decision affected by comments 0.787</li> <li>• Q67: Purchase decision affected by ratings 0.757</li> <li>• <i>Q68: Purchase decision affected by friends 0.409</i></li> <li>• <i>Q69: Purchase decision affected by experts 0.392</i></li> </ul>	Community benefits in guiding purchasing decision
8	<ul style="list-style-type: none"> <li>• Q17: Other ads unnecessary 0.772</li> <li>• Q18: Other ads annoying 0.834</li> <li>• Q19: Other ads unreliable 0.634</li> </ul>	Other advertising not acceptable
9	<ul style="list-style-type: none"> <li>• Q59: Websites of known companies most credible 0.424</li> <li>• Q62: Ads most credible 0.627</li> <li>• Q65: Websites of unknown companies most credible 0.515</li> <li>• Q71: Purchase decision is affected by ads 0.521</li> <li>• <i>Q72: Purchase decision affected by company</i></li> </ul>	Company oriented information most credible

	<ul style="list-style-type: none"> <li>community 0.367</li> <li>Q74: Purchase decision affected by website 0.452</li> </ul>	
10	<ul style="list-style-type: none"> <li>Q20: Companies own websites 0.406</li> <li>Q25: Communities set by a company 0.763</li> <li>Q27: Communities set by another user 0.725</li> <li>Q28: Articles 0.457</li> </ul>	Pet advertising received preferably in communities
11	<ul style="list-style-type: none"> <li>Q3: I don't mind ads 0.560</li> <li>Q4: There should be no ads -0.639</li> <li>Q5: There is good amount of ads 0.469</li> <li>Q11: Other ads annoying -0.410</li> </ul>	Advertising acceptable
12	<ul style="list-style-type: none"> <li>Q44: I share actively good experiences 0.756</li> <li>Q45: I share actively bad experiences 0.746</li> <li>Q46: I look for information from communities 0.382</li> <li>Q47: I look for experiences from communities 0.367</li> </ul>	Active experience sharing in communities
13	<ul style="list-style-type: none"> <li>Q10: Pet ads reliable -0.487</li> <li>Q26: Pet ads unnecessary 0.400</li> <li>Q11: Pet ads annoying 0.501</li> <li>Q12: Pet ads unreliable 0.653</li> <li>Q16: Other ads reliable -0.314</li> <li>Q33: I block pet ads 0.307</li> </ul>	Pet advertising not acceptable
14	<ul style="list-style-type: none"> <li>Q42: I join communities because of friends 0.611</li> <li>Q51: Company community because of friends 0.712</li> <li>Q61: Friends most credible 0.368</li> </ul>	Friend following
15	<ul style="list-style-type: none"> <li>Q52: Company community: Prizes 0.680</li> <li>Q53: Company community: Benefits 0.769</li> </ul>	Bounty hunting
16	<ul style="list-style-type: none"> <li>Q22: Email 0.566</li> <li>Q23: Mobile 0.557</li> <li>Q24: Mail 0.590</li> </ul>	Traditional channels preferred
17	<ul style="list-style-type: none"> <li>Q72: Purchase decision affected by company community 0.447</li> <li>Q73: Purchase decision affected by asking from company 0.466</li> <li>Q74: Purchase decision affected by website 0.314</li> </ul>	Company oriented information in guiding purchase decision

Table 21: Factor Analysis

Previous table 21 introduces the factors as well as a short description of the contents. The aim is to provide a summarization of Millennials perceptions of social media advertising in terms of pet related advertising and other advertising. Yet, descriptions of factors are explained further and are characterized by variables with highest loadings.

1. **Benefits of company oriented community:** This factor presents good enough benefits of company induced community for consumer to join in. Most

important reasons to join are finding the product/service useful or important, advertising idea provides entertainment and possibility to take part in product development (yet, could be well linked with products found important and thus having a need to co-operate also in terms of product development)

2. **Other advertising advantageous:** Positive attitudes towards other advertising in social media are reflected here. Other advertising are found useful and also consumed.
3. **Pet advertising advantageous:** Also targeted advertising in homogenous groups has strong presence. Such advertising is found interesting, beneficial and reliable source of information.
4. **Pet advertising acceptable:** This group has less positive attitudes towards pet related advertising which could be regarded rather neutral. However, pet advertising is noticed even though there is no emotional loading towards the advertisements.
5. **Purchasing decision affected by inner circle:** Under this factor falls attitudes related to buying that are shaped rather well by consumer's inner circle. These do not trust to any information given by external source because of the most essential facts are coming from people who are known before hand or are regarded as experts on their own field.
6. **Benefits for joining the community:** Behaviors of F6 is specified by the community benefits that provide the value for user to join the community. Consumer signs in because of opportunity to find firsthand knowledge on other users, as well as additional information.
7. **Community benefits in guiding purchasing decision:** This set can be characterized as consumers that facilitate communities in guiding purchasing decision. Experiences and information is actively looked for and it is also used to make purchasing decisions.
8. **Other advertising not acceptable:** Factor 8 includes attitudes that find other advertising in homogenous communities annoying. Other advertisements arouse negative feelings towards them.

9. **Company oriented information most credible:** This factor compiles assessments regarding trustworthiness of company induced information. Websites of companies provide credible information as well as advertisements.
10. **Pet advertising received preferably in communities:** Behaviors of factor 10 can be described as preferring communities of different types when it comes to receiving advertising. Two-way communication opportunities seem to have importance also in marketing messages.
11. **Advertising acceptable:** F11 is a set of variables that are not bothered with advertisements. Attitudes towards advertising is somewhat neutral since these do not either admit noticing marketing in advertisements.
12. **Active experience sharing in communities:** This factor describes users that are active in using their voice in communities. Positive and negative experiences are openly shared.
13. **Pet advertising not acceptable:** Factor 13 is condensed of extremely critical positions of advertising. Not even pet advertisements are accepted.
14. **Friend following:** Importance of friends is emphasized in this factor. Motivation to join communities is solely determined by already joined friends. Additionally, opinion of friends has a lot of weight on decisions.
15. **Bounty hunting:** Factor describes incentives as source of motivation to join for communities. Content has no role as long as joining can gain some concrete benefits, prizes for example.
16. **Pet advertising received preferably in traditional channels:** Traditional channels are preferred in receiving targeted marketing. E.g. sending newsletters would fit on this factor.
17. **Company oriented information in guiding purchasing decision:** Finally, this factor received less statistical support for values under 0.5. However, this factor included company induced information to have a role in purchasing decision.

## 7.4 Cluster Analysis

K-means cluster methods with five preassigned cluster returned following results (Table 22). Values represent means of each object that are included in the cluster and four highest scoring factors are highlighted for each cluster. Thus, five clusters are to be described further and linked to Nielssen's (2007) and Li & Bernoffs (2009) social media user theories.

Factor	Cluster				
	1	2	3	4	5
1 Benefits of company oriented community	-.30203	.33617	.09444	-.53645	.20206
2 Other advertising advantageous	-.19695	-.18084	.37384	-.00284	.23667
3 Pet advertising advantageous	-.01942	.38575	.37083	-.45040	-.53855
5 Purchasing decision affected by inner circle	-.63174	-.20272	.61373	.46668	-.27767
6 Benefits for joining the community	-.03209	.14730	.38058	.17238	-.92706
7 Community benefits in guiding purchasing decision	-.81312	.14472	-.02547	.29295	-.06378
8 Other advertising not acceptable	-.57432	.24385	.15064	-.17357	.04491
9 Company oriented information most credible	-.18337	-.13200	-.23024	.29569	.22805
10 Pet advertising received preferably in communities	.39525	.21195	-1.19103	.39658	-.30461
11 Advertising acceptable	.38380	.24826	-.42549	-.26002	-.10508
12 Active experience sharing in communities	-1.13830	.38412	-.45034	.14114	.28638
13 Pet advertising not acceptable	.14354	.01883	-.27738	-.08688	.22580
14 Friend following	.28310	-.48184	.38318	-.03713	.56626
15 Bounty hunting	.11170	.23391	.18060	-.55007	.02783
16 Pet advertising received preferably in traditional channels	-.38374	.13270	-.18320	-.42839	.83556

Table 22: Cluster Analysis

### Cluster 1: *Lonely Rider* (N= 65)

Customers falling in cluster 1 could be characterized as lonely riders. Their behaviors are not determined by external parties which include people who they know and people in communities. Information is not actively looked for in communities since it would not make a difference in purchasing decision. In same manner, such consumers do not contribute about their own experiences to wider audiences in communities. This group does not seem to mind about having advertisements in communities, at least those do not arouse negative feelings.

### Cluster 2: *Community Exploiter* (N=177)



Cluster 2 aggregates the heavy users of virtual communities. They want to maximize own benefits by utilizing possible utilities communities produce. Community exploiters have positive sentiments of company founded communities and they do not seem to be scared to take the advantage. It might be information gathering, a need to be involved in product development for useful product or solely entertainment. Independence in making decisions delineates behaviors since they are not bothered to check a community site only if friend says so – the question is “what is it in for me”. Cluster seems also to have positive association towards correctly targeted advertising. Finally, they do not only consume community benefits but also take active role in producing knowledge and experiences into communities.

Cluster 3: *Inner Circle Induced* (N=72)

This cluster makes decisions solely based on real world. They value the most piece of advice received from experts or friends and decide on that basis own opinions. Communities do not seem to provide much additional value and might be consumed just for entertainment and leisure time. Certain skepticism describes also their attitudes towards advertising since they find other advertising negative (yet, it is noteworthy that pet related marketing scores better and thus can be regarded as more reliable source). It might be interconnected with importance of trustworthiness because separation between information and advertising could be regarded blurry. This could explain also cluster's negative attitudes towards pet product marketing in communities as well. As group does not find information in communities reliable enough, they do not contribute there either.

Cluster 4: *Company Critic* (N=116)

This cluster takes longest proximity from the company also in virtual communities. They do not find company founded communities in anyway useful source of information or experiences. And especially opting out joining to such communities only

because of some additional prizes. Discounts or other benefits are not motivational enough. Need to know the origins of information adapted dictates trust on people known in real life, such as other hobbyists and friends. When taking look at the scores beyond top four on this cluster, it can be notified that even though cluster stays critical towards companies, they do not find communities as such unreliable.

#### Cluster 5: *Traditionalist* (N=77)

Last cluster consists of traditionalists who have not quite adapted social media yet. Importance of friends in joining communities is highlighted as well as their preference for traditional channels, such as email and mail. They do not see any value for themselves in advertisements nor maybe have not yet familiarized how to use the communities for own purposes. There might however well be potential within these newcomers when they learn to use communities independently since they do not bear innate negative attitudes towards them and hence could be willing to start using more.

After having established set of five clusters, final analysis of cross tabulation was conducted. Clusters were contrasted with demographic factors to examine whether there are any significant differences between them. Pearson's Chi-square test returned acceptable values of  $p < 0.05$  for three variables: Age (0.00), location (0.18) and most important reason to join (0.02). More detailed data sheet may be located on Appendix X. To facilitate analysis, age was recoded into two classes: Below 11 – 17 (n=307) and 18 – Over 30 (n=200). Following notations may be taken:

- 76% of Inner Circle Induced are under 18 year old
- 51% of Community Exploiters are over 18 year old
- Two thirds of Company Critics and Traditionalists are under 18 year old
- 50% of Inner Circle Induced and 48% of company critics join to find other pet enthusiasts

- Third of Lonely Riders join for entertainment which was the only cluster to score first in something else than finding pet enthusiasts (total 43%, among cluster 1 only 28%)
- Invite requests (9%) and following friends (9%) were more popular joining reasons among Lonely Riders than on average (4% and 3% respectively)
- Third most important signing reason for Community Exploiters is forum conversation with 14% (total 8%)
- Over half of Inner Circle Induced (53%) and Company Critics (54%) live in Southern Finland (total 44%) while there are only 31% of Traditionalists
- Almost fourth (23%) of Traditionalists live in Eastern Finland (total 15%)
- Western Finland was evenly spread in between of all clusters, scoring lowest for Inner Circle Induced with 19% (total 27%)
- Fifth of Lonely Riders and Traditionalists have reported to be locating in Northern Finland (total 1%)

Finally clusters are analyzed in light of current literature. Previously introduced theories by Nielssen (2007) and Li & Bernhoff (2009) have common characteristics with the results of cluster analysis. Figure 16 below introduces the similarities and thus validates on its behalf some of the findings made. Figure aims to provide a synthesis of the Milleennials behaviors in virtual communities and as can be seen, there are common characteristics. Within this study, Li & Bernhoff's definition for "inactive" was not applicable since the data has been collected from users of Petsie denoting some activity in social media already.

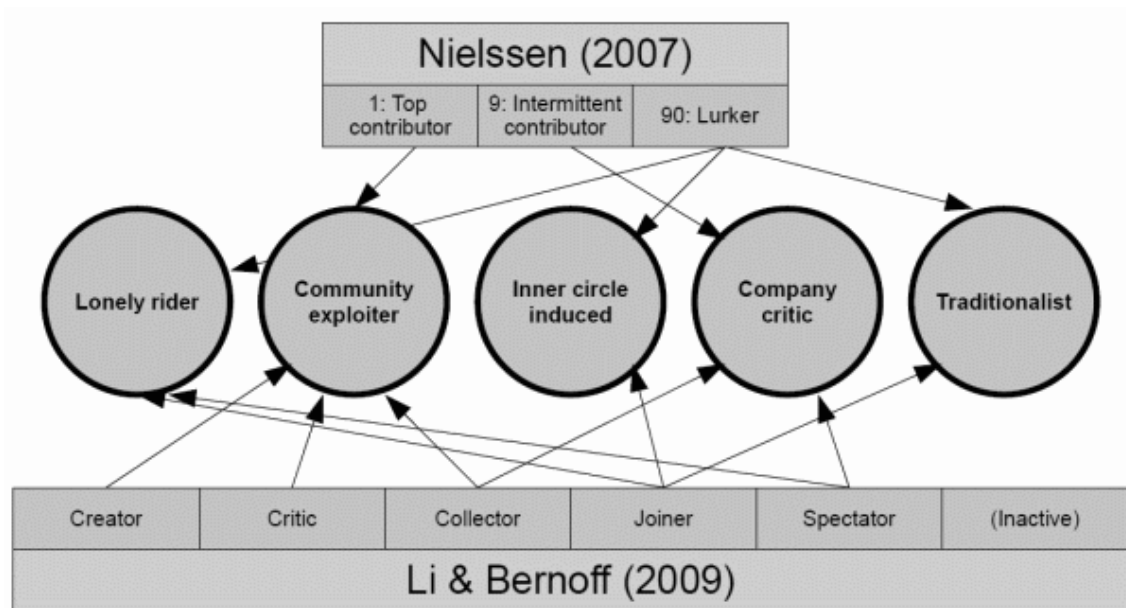


Figure 16: Synthesis of Millennials behaviors in virtual communities

Following chapter will discuss on the findings.

## **8 SUMMARY AND CONCLUSIONS**

Chapter will consist of firstly outlining the literature review. It will be followed by conclusions of the findings and managerial implications. Finally limitations of the study are discussed alongside with suggestions for further research.

### **8.1 Outline**

Theoretical part focused on building a framework regarding marketing to Millennials in virtual communities. It was divided into three distinctive sections firstly going through fundamentals of social media which set the stage for deeper analysis of virtual communities and Millennials. It was remarkable notification that companies are struggling with social media strategies even though those seem to have strong intention to have presence also online right where customers are. There seems to be lack of knowledge on planning but also executing strategies for online marketing. As proposed by Econsultancy report, SMEs can have competitive advantage on exercising their flexibility and agility in reacting to this marketing transformation taking place concurrently. This shifted the importance on concentrating into SMEs perspective in this study to find some insights for some of questions what, why, how and who.

Second section studied the changing role of marketing in customer's point of view. It has become apparent that traditional ways of marketing have to be abandoned alongside with old-fashioned thinking of interruptive advertising. Consumers have learned to skip advertising not only internally but also with help of new technology which marketers may blame only themselves. Marketing is not any more dependable on budgets as much it is from good ideas and relationships. Yet one of tools to conduct marketing could well be communities that allow closer interaction with consumers. Thus, Petsie provided good prerequisites for using it as a case company: Being small Finnish company with already years of experience on social media.

Second part included also introduction to new generation of internet users. Millennials were found out to have very distinctive characteristics combined with increasing buying power. Hence this special group of consumers are portrayed in focal point of marketers and definitely are in need of identifying aspects of marketing adaptation. Empirical part was concentrated especially on this issue in aiming to identify customer segmentation of Millennials in terms of their attitudes.

Third chapter was devoted on characteristics of virtual communities and especially focusing on the members of communities. Intention was to first to identify motivational factors regarding to virtual communities which were then processed further in empirical part in conjunction with Millennials. Influencing in social media presented rather interesting point of view which was then later reflected on the findings of quantitative study to further elaborate current theories of Nielszen and Li & Bernoff.

After having established understanding of core concepts, empirical part of the study was conducted as a quantitative research. Questions of a web survey were established on the basis of previous theoretical part, including: Attitudes of advertising and channels, opinions regarding marketing of pet products and other products, motivation to join and participate to communities, credibility of different actors in social media and finally source of influence to purchasing decision from Millennials point of view. Results of 520 completed surveys were analysed with statistical tools, such as factor analysis and cluster analysis with cross tabulation which indicated five clusters to describe the behaviour:

- Lonely Rider 13%
- Community Exploiter 35%
- Inner Circle Induced 14%
- Company Critic 23%
- Traditionalist 15%

## 8.2 Conclusions

Data collection was designed to answer both research questions as well as confirm some of the aspects of theoretical framework. Figure 17 describes revised theoretical framework where suggested changes have been applied. It is noteworthy that marketers should bear in mind indicated five clusters since they reported divergent behaviours and attitudes towards social media marketing in various ways, hence cannot be identically addressed.

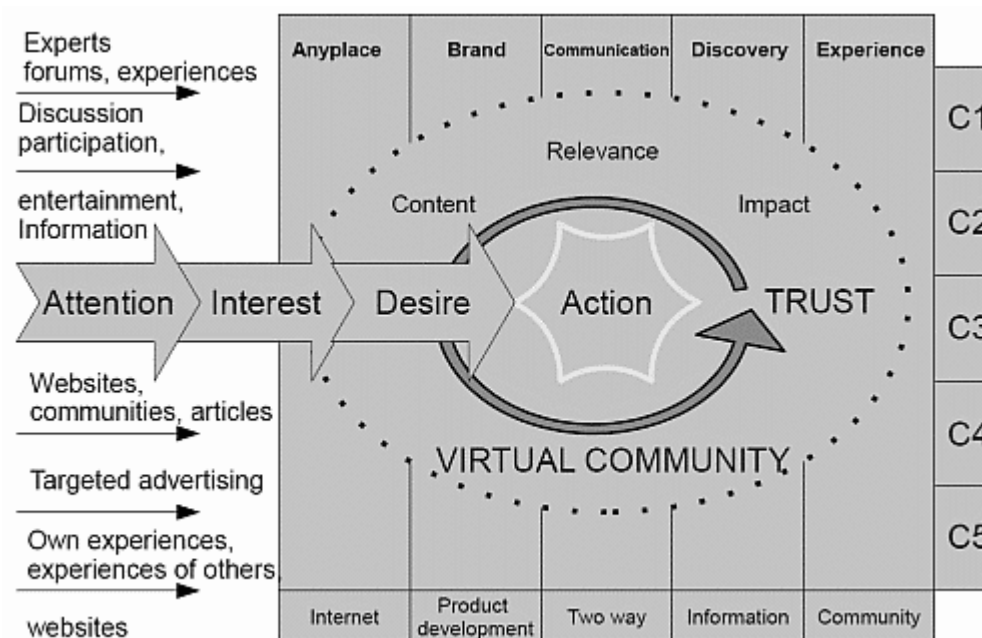


Figure 17: Theoretical framework revised

Tapscott's ABCDE theory was reinforced in this study. Anyplace consists of the channels including mostly online resources such as websites of companies, banners and communities. Only one cluster was more into receiving traditional advertising (however these still being members in Petsie and thus found online), hence suggesting internet is providing better marketing channel to reach Millennials. Motivations to join to company founded community received positive ratings on finding brand important and being able to participate to product development. Yet it may be concluded that brands do matter. Additionally, importance of two-way communication was even further

emphasized since results suggest that Millennials cannot be lectured with advertising statements. They want the opportunity to be critical. Discovery was originally related to price but in this context information suits the model better. Information is searched actively in several of sources to include different points of view. Finally, experience relates here to communities since even having or buying certain item creates feeling of belongingness in virtual communities. Own experiences are shared and looked for online.

AIDA theory describes here having an effect to consumer in virtual community. Some prerequisites have been set for a community to even arouse attention towards it and in thus study, it is the content. This suggests that such focused communities are good places for targeted marketing which received positive attitudes from Millennials when compared to other advertising. Relevance of the content creates interest which finally leads to having an impact in form of action. Millennials look for discussion, participation, entertainment and information from communities which should be on place to entice them to join.

Furthermore, also credibility of different actors was researched to find out preferred sources of product related information. Experts had the strongest voice, even over own experiences. Company oriented information scored lower because of doubts regarding trustworthiness and transparency. Thus, these do matter for this advertisement critical group of consumers and companies should take it seriously in any marketing. As found out, companies should be openly present in virtual communities discussing with potential customers, encouraging users sharing positive & negative experiences and maybe providing an unbiased expert as additional resource for delivering information could improve credibility of businesses substantially. Trust and transparency should be always present in marketing activities.



### **8.3 Managerial Implications**

In addition to providing information on Millennials' perceptions on marketing conducted in virtual communities, this study aims to add knowledge on SMEs' opportunities in targeting this specific group of consumers. To be able to correspond to these goals, cluster analysis can further clarify customer group from business perspective.

Social media marketing is not to be considered as one stop solution. Even though this study has concentrated on revealing the benefits of marketing in virtual communities, it has also indicated two folded reactions from Millennials' point of view. It should be utilized as synthesis media which supports other marketing channels. As indicated in the study, consumers prefer being only informed where they can find the necessary piece of information instead of being exposed to marketer's voice. Websites were still rated the most preferred channel and thus businesses should make sure they have good, easy to use and informative site available for interested potential customers. Websites were followed by banners, communities and articles which all received rather positive reactions and thus could be considered as additional marketing tools.

Study also indicated that targeting has not lost its usefulness despite social media. From managerial point of view, careful planning of web advertising can have huge difference in return on the investment (especially for SMEs that often need to consider carefully any investments made also marketing wise). Even though banners were regarded rather convenient form of receiving advertisements, a banner in wrong media might cause reactions of being unnecessary and annoying. This reinforces fact that companies should not do something because competitor does but because it is business-wise sound. There were substantial differences in respondents' reactions to well targeted pet advertising and other advertising since they admitted even liking pet advertisements and looking at them (even if not clicking) whereas other advertisements were not even paid attention of.

Millennials are actively sharing positive and negative experiences of products and services as they are encountered. This was rather interesting finding since there could have been a difference people sharing easier bad experiences but as seen by the results, both are passed on. Now this makes a huge impact on businesses interest to set up conscious social media monitoring. Businesses should attempt to stay aware of what's being said since there are opinions out there but also these experiences are often looked for while making a purchasing decision. 75% of Millennials agree to at least somewhat (average 3.76) that comments and ratings of other users have influence on buying.

Finally, five distinctive clusters were found from the data set. This indicates that not all Millennials are to be approached with identical means. Lonely Riders cannot be much influenced by the means of marketing since they are most likely not looking for recommendations either online nor friends. They will be looking for entertainment from communities. Compared to Community Exploiters, there are vast set of differences. This cluster excels in benefiting from various sources of characteristics of communities that may provide value of some sort. These are an importance segment because they also actively produce inputs to communities and also can be contacted through social media in companies own communities. Since Company Exploiters use the voice, it is mainly their opinion that is visible online. Thus companies should strive to enhance two-way communication with such users.

Moreover, cluster analysis was able to indicate Inner Circle Induced users. These consumers find experts and friends most credible source of product information and thus having great impact on purchasing decisions. Interestingly, 76% of users under 18 year old were classified as Inner Circle Induced. Consumers of this kind are rather challenging for businesses since they preferably turn on people they know personally than make purchasing decisions on their own and thus it is actually the experiences of inner circle that denotes the outcome.

Additional challenge pose as well cluster named as Company Critics that are difficult to

address to by companies. These are however present in virtual communities despite not joining to company communities. Thus social media marketing can offer implications for such consumers but it requires companies' sensitive approach on any information given. Advertisement statements need to be clearly separated from other information and for example, being able to offer experts opinions of a product could prove out useful. Fifth cluster was labelled as Traditionalists that are not quite sure how they could be using social media and still find e.g. email appropriate channel of advertising. Interestingly two thirds of Traditionalists were under 18 year old and thus might be just learning the benefits of virtual communities.

Finally, the importance of trust was even further highlighted. When it comes to marketing in virtual communities trustworthiness and transparency should always kept in mind in order to even have a proper conversation with the consumer. Pet related advertising and company induced communities received rather positive reactions on behalf of Millennials and thus can be considered as valuable source of marketing activities but with the requirements of trustworthiness. According to the survey, Millennials find companies' presence in clearly company induced communities pleasant and useful. Additionally, they are not looking for advertising statements but true facts and discussion.

#### ***8.4 Limitations of the Research***

There are few limitations that should be notified in evaluating applicability of this study. Firstly, respondents were users of same virtual community which might effect on their opinions on the basis of how the community has succeeded in its marketing previously. Additionally, attitudes were enquired mostly on marketing of pet related products. Yet the distinctive nature of pet products might have own input on the results since buying items for a pet might be more emotional process than for example purchasing electronics. Thus outcome could have differences especially in sources of influence on purchasing decisions.

Secondly, data was gathered on Finnish users of limited age (rules of the community denote an age limit of twelve and user data implicates only a fraction of users over 30 joined to the site). Age profile was skewed to 13-16 year old which on the other hand implicates better understanding of consumer falling to that age and at the same time having less information on Millennials of older age.

Thirdly, the focus was on content communities. As proposed earlier in literature review, communities have distinctive features which might also have an effect on marketing conducted in different forms of communities. This study has more explanatory power for such communities that have homogeneous user base with shared interests. In such conditions, e.g. targeted advertising is simpler to carry out.

### ***8.5 Suggestions for Further Research***

Social media will indisputably stay in focal point of general interest. Additionally, there seems to be quite a variety of interesting research streams to be discovered. This study was limited to include only one Finnish content community which sets certain challenges in terms of generalizations. Hence it would be interesting to find out are there any differences between the attitudes or behaviours of different nationalities and does users of other than pet related community have diverse opinions of marketing.

Furthermore it would provide value for also for bigger companies such as MNEs to study recommendations relating to social media marketing on that view as well. SMEs have been proposed to have certain benefits on agility and proximity in having two-way conversations with customers. How MNEs should interact with the consumer, how to steer its resources, which channels to use, how strategies differ are only few questions that would call for further research.

Lately great interest has been exercised towards exploring the business opportunities in virtual social worlds which seems also be ongoing trend. Especially Millennials attitudes towards such a virtual communities would be worthwhile of exploring. Additionally the SME perspective would be rather interesting to study to identify how they should engage to virtual social worlds taking into consideration their limitations.

Finally, at the time this study has been taken, air traffic faced some serious challenges in overcoming the effects of Icelandic volcano ash. Yet it affected million of customers and required a good set of crisis communication tools and plans available for execution. Some companies decided to harness social media to instant communications for customers stuck abroad to inform them on any changes happening. Phone lines of customer service got stuck but despite it, messages got delivered e.g. via Facebook. It would provide rather interesting study of social media to concentrate on the crisis communications and it's opportunities, challenges and outcomes from both perspectives, company and customer.

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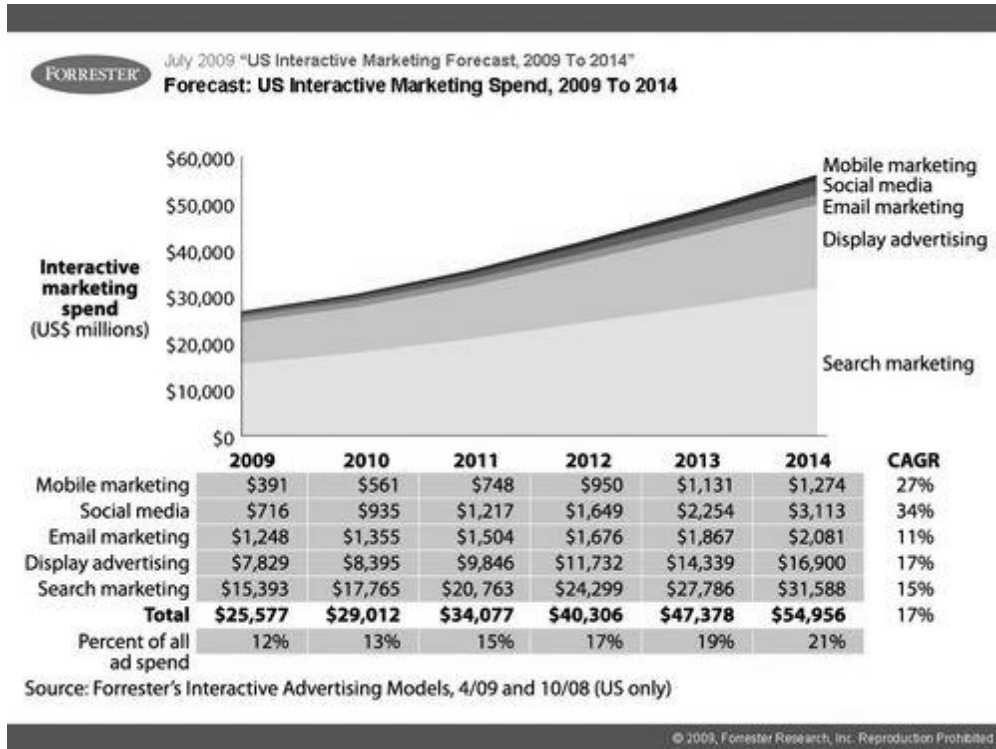
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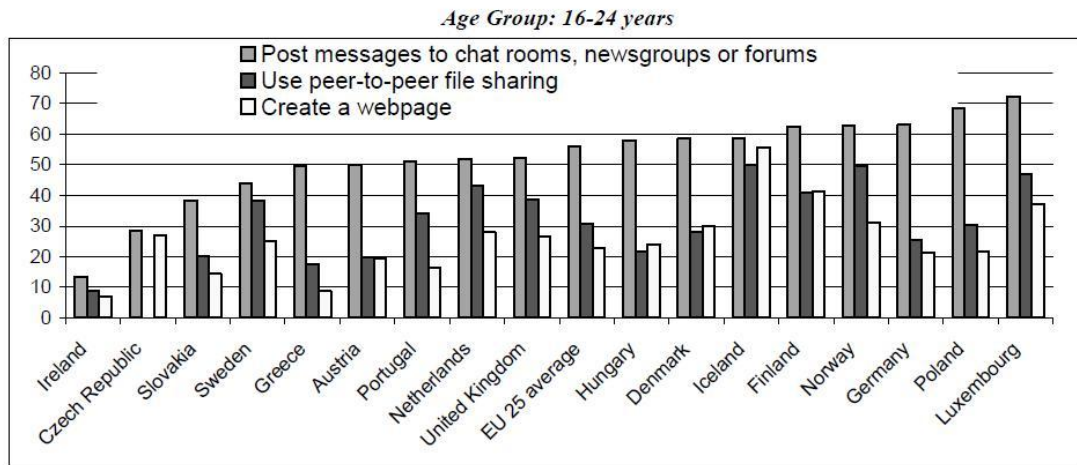
## Appendix I. “Forecast US Interactive Marketing Spending, 2009 to 2014”



Source: Forrester Research, <http://blogs.forrester.com/marketing/>

## Appendix II. “User Created Content in the EU as % of the number of internet users 2005”

Figure 1. User-created content in the EU as a % of the number of Internet users, 2005



Source: OECD (2007). *Participative web and user-created content: Web 2.0, wikis, and social networking*, p. 20.

### Appendix III. “SPSS printouts”

This appendix will include relevant SPSS printouts for factor analysis, cluster analysis and cross tabulation.

#### Communalities

	Initial	Extr
I don't mind having ads on the site	,406	,401
There should be no ads	,443	,513
There are good amount of ads on the site	,386	,376
Interesting	,639	,672
Beneficial	,628	,647
Enticing	,621	,677
Reliable	,519	,496
Unnecessary	,574	,539
Annoying	,615	,608
Unreliable	,559	,594
Other ads Interesting	,730	,750
Other ads beneficial	,718	,731
Other ads enticing	,747	,762
Other ads reliable	,563	,537
Other ads unnecessary	,696	,714
Other ads annoying	,714	,796
Other ads unreliable	,581	,554
Companies own web sites	,421	,375
Email	,420	,474
Mobile	,340	,404
Mail	,356	,452
Communities set by a company	,539	,658
Communities set by another user	,504	,604
Articles	,415	,379
I like pet ads	,624	,597
I often click banners with pet ads	,640	,504
I look at pet ads	,764	,743
I don't look at pet ads	,697	,616
I block pet ads	,651	,619
I like other ads	,676	,613
I click other ads	,630	,528
I look at other ads	,690	,662

I don't look at other ads	,583	,494
I block other ads	,629	,547
I join to communities to get information	,514	,506
I join to communities to get experiences	,633	,759
I join to communities to have a possibility to ask	,610	,682
I join to communities because friends are there	,446	,467
I join to communities to discuss	,452	,441
I share actively good experiences of products	,672	,755
I share actively bad experiences of products	,612	,659
I look for information from communities for purchasing decision	,435	,386
I look for experiences from communities for purchasing decision	,495	,480
It is appropriate for companies to act as experts in communities	,422	,369
I participate to company founded community to get information	,547	,504
I participate to company founded community because I find the cause important	,582	,496
I participate to company founded community because there are friends	,531	,641
I participate to company founded community because of prizes	,672	,690
I participate to company founded community because of benefits	,699	,825
I participate to company founded community to be the first one to know	,550	,509
I participate to company founded community because the product is important/beneficial	,509	,470
I participate to company founded community because the advertising idea is entertaining	,547	,546
I participate to company founded community because I want to be part of product development	,517	,497
I participate to company founded community for entertainment	,451	,480
Websites of known company are most credible source of product information	,371	,328
Friends are most credible source of product information	,391	,423
Ads are most credible source of product information	,552	,611
Own experiences are most credible source of product information	,409	,407
Websites of unknown companies are most credible source of product information	,367	,353
Purchase decision is affected by comments given by other users	,730	,757
Purchase decision is affected by ratings given by other users	,715	,713
Purchase decision is affected by experiences of friends	,714	,713
Purchase decision is affected by experiences of other hobbyists	,662	,592
Purchase decision is affected by own experiences	,567	,591
Purchase decision is affected by advertisements	,579	,518
Purchase decision is affected by community set by a company	,683	,716
Purchase decision is affected by possibility to ask from company in a community	,675	,661
Purchase decision is affected by website of company	,560	,556

Extraction Method: Principal Axis Factoring.



### Appendix III 3

#### Cluster analysis

ANOVA						
	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		
F1	15,775	4	,882	502	17,880	,000
F3	20,532	4	,844	502	24,316	,000
F5	22,884	4	,826	502	27,717	,000
F6	20,990	4	,841	502	24,967	,000
F9	5,808	4	,962	502	6,040	,000
F10	36,407	4	,718	502	50,716	,000
F11	10,553	4	,924	502	11,422	,000
F12	33,392	4	,742	502	45,008	,000
F14	20,431	4	,845	502	24,174	,000
F16	22,538	4	,828	502	27,207	,000
F2	5,672	4	,963	502	5,891	,000
F7	14,249	4	,894	502	15,931	,000
F8	9,312	4	,934	502	9,973	,000
F13	2,936	4	,985	502	2,982	,019
F15	12,000	4	,912	502	13,153	,000

#### Cross tabulation

Age in classes

			Cluster Number of Case					Total
			1	2	3	4	5	
Age in Classes	Below 12 to 17	Count % within Cluster Number of Case	37 57%	87 49%	55 76%	77 66%	51 66%	307 61%
	18 to over 30	Count % within Cluster Number of Case	28 43%	90 51%	17 23%	39 33%	26 39%	200 39%
Total	Count % within Cluster Number of Case	65 100%	177 100%	72 100%	116 100%	77 100%	507 100%	

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20,237 <sup>a</sup>	4	,000
Likelihood Ratio	20,605	4	,000
Linear-by-Linear Association	7,947	1	,005
N of Valid Cases	507		

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 25,64.

**Location**

		Cluster Number of Case					Total
		1	2	3	4	5	
Location Etelä-Suomi	Count	25	75	38	63	24	225
	% within Cluster Number of Case	38%	42%	53%	54%	31%	44%
Länsi-Suomi	Count	20	54	14	31	19	138
	% within Cluster Number of Case	31%	31%	19%	27%	25%	27%
Itä-Suomi	Count	8	22	13	13	18	74
	% within Cluster Number of Case	12%	12%	18%	11%	23%	15%
Pohjois-Suomi	Count	12	26	7	9	16	70
	% within Cluster Number of Case	18%	15%	10%	8%	21%	14%
Total	Count	65	177	72	116	77	507
	% within Cluster Number of Case	100%	100%	100%	100%	100%	100%

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24,368 <sup>a</sup>	12	,018
Likelihood Ratio	24,322	12	,018
Linear-by-Linear Association	,039	1	0,84
N of Valid Cases	507		

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 8,97.

Most important reason to sign in

			Cluster Number of Case					Total
			1	2	3	4	5	
Most important reason to join	Entertainment	Count	20	43	19	41	26	149
		% within Cluster	31%	24%	26%	35%	34%	29%
	Finding pet enthusiasts	Count	18	77	36	56	32	219
		% within Cluster	28%	44%	50%	48%	42%	43%
	Finding similar pets	Count	9	21	7	5	9	51
		% within Cluster	14%	12%	10%	4%	12%	10%
	Forum conversations	Count	4	24	3	8	2	41
		% within Cluster	6%	14%	4%	7%	3%	8%
	Commenting pictures	Count	2	6	1	1	4	14
		% within Cluster	3%	3%	1%	1%	5%	3%
Friends	Count	6	3	3	2	1	15	
	% within Cluster	9%	2%	4%	2%	1%	3%	
Invite request	Count	6	3	3	3	3	18	
	% within Cluster	9%	2%	4%	3%	4%	4%	
Total	Count	65	177	72	116	77	507	
	% within	100%	100%	100%	100%	100%	100%	

#### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	48,913 <sup>a</sup>	24	,002
Likelihood Ratio	46,770	24	,004
Linear-by-Linear Association	8,926	1	,003
N of Valid Cases	507		

a. 13 cells (37,1%) have expected count less than 5. The minimum expected count is 1,79.

## Appendix IV. "Web survey"

### 1. Kysely sosiaalisesta mediasta

Teen Pro Gradu -lopputyötäni Aalto Yliopiston kauppatieteiden korkeakoulussa (ent. Helsingin kauppatieteiden korkeakoulu) aiheesta nuorten asenteet sosiaalista mediaa ja mainontaa kohtaan. Kysely toteutetaan yhteistyössä Petsie.fi:n kanssa.

Kysely koostuu taustatieto- ja monivalintakysymyksistä (19 kpl), joihin on helppo vastata klikkaamalla sinulle sopivinta vaihtoehtoa (tai siitä lähinnä olevaa). Vastaathan kaikkiin kysymyksiin. Lisäksi kysymyksiin on jätetty avoin kommenttiala-alue, johon voit lisätä omia mieltäpäitä (esim. jos mikään vastausvaihtoehto ei oikein sovi tai haluaisit kertoa jotain). Vastaukseensa menee aikaa noin 10 minuuttia. Vastanneiden ja lopussa yhteystietonsa jättäneiden kesken arvomme leffailippuja ja lemmikkialueita palkintoja.

Mikäli sinulle tulee jotain kysymyksiä mieleen liittyen kyselyyn tai Pro Graduun, perhaiten minuun saa yhteyden sähköpostitse satu.tuomela2@student.hse.fi (huomaa numero 2 ennen @-merkkiä).

Jokainen vastaus on todella tärkeä, joten haluankin kiittää etukäteen jokaisista vastannutta. Näiden vastausten avulla pyrimme kehittämään Petsie:tä sinulle mukavammaksi palveluksi käyttää. Kyselyyn vastaaminen on täysin anonyymia, eikä myöskään vapaaehtoisia yhteystietoja arvontaa varten voida yhdistää antamisi vastauksiin.

Terveisin,  
Satu Tuomela

### 2. Taustatiedot

Tällä sivulla kysymme yleisiä taustatietoja ja Petsien käytöstä

- 1. Ikä**
- 2. Sukupuoli**
- 3. Asuinpaikka**
- 4. Kuinka monta vuotta jäsenenä Petsieessä (perustettu 2006)?**
- 5. Kuinka usein kirjaudut palveluun?**
- 6. Tärkein syy liittyä Petsieeseen?**  
  
Jokin muu, mikä?

1. Age
2. Sex
3. Location
4. How many years as a member in Petsie
5. How often signing in
6. Most important reason to sign in

## Appendix IV. 2

**7. Mitä lemmikkejä sinulla on?**

Koira  
 Kissa  
 Hevonen  
 Kani  
 Jyrsijä  
 Lintu  
 Matelija

Jokin muu, mikä?

---

**3. Mainonnan vastaanottaminen**

Tällä sivulla kysytään erilaisia välttämisiä liittyen sinun mielipiteisiisi mainontaan Petsiessä. Rastitse sopivin vaihtoehto (1 = En ole ollenkaan tätä mieltä, 2 = En ole aivan tätä mieltä, 3 = En osaa sanoa, 4 = Olen jokseenkin samaa mieltä, 5 = Olen täysin samaa mieltä).

**8. Mielipiteeni mainonnasta Petsiessä**

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Haluun vaikuttaa siihen minkälaisia mainoksia vastaanotan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Maksan mieluummin rekisteröitysmaksun palveluun, kuin katson mainoksia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minua ei häiritse palvelussa olevat mainokset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sivulla ei pitäisi olla mainoksia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Palvelussa on sopivasti mainoksia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Palveluun voisi lisätä yritysten sivuja, nk. yhteisöjä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Kommenttisi (vapaaehtoinen)

7. What pets do you have
8. Opinions of advertising in Petsie

**9. Lemmikki tuotteiden mainokset ovat mielestäni**

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Mielenkiintoisia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hyödyllisiä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Houkuttelevia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Luotettavia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tarpeettomia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Häiritseviä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Epäluotettavia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jokin muu, mikä?	<input type="text"/>				

**10. Muiden kuin lemmikki tuotteiden mainokset ovat mielestäni**

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Mielenkiintoisia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hyödyllisiä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Houkuttelevia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Luotettavia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tarpeettomia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Häiritseviä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Epäluotettavia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jokin muu, mikä?	<input type="text"/>				

**11. Vastaanotan lemmikkeihin liittyvää mainontaa mieluiten**

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Bannereissa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yritysten omilla nettisivuilla	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sähköpostilla	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tekstiviestitse / Mobililäsi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Postitse	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yritysten perustamilla yhteisö sivuilla	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Muun käyttäjän perustamalle yhteisö sivuilla	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mielenkiintoisissa artikkeleissa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kommentitisi (vapaaehtoinen)	<input type="text"/>				

9. I find pet related advertising...

10. I find other than pet related advertising...

11. I'd prefer receiving pet related advertising via...

**12. Mielenpiteeni lemmikkituotteiden mainoksista**

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Pidän mainoksista	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Klikkaillen usein bannereita	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Katson usein mainoksia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jätän mainokset katsomatta	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Estän mainokset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Kommenttisi (vapaaehtoinen)

**13. Mielenpiteeni muiden kuin lemmikkituotteiden mainoksista**

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Pidän mainoksista	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Klikkaillen usein bannereita	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Katson usein mainoksia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jätän mainokset katsomatta	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Estän mainokset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Kommenttisi (vapaaehtoinen)

**4. Osallistuminen**

Tällä sivulla on kysymyksiä liittyen sosiaaliseen mediaan osallistumiseesi (esim. Petsien käyttö eritavoin).

**14. Liityn yhteisöihin, koska...**

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Saan niistä tietoa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Saan lukea muiden kokemuksia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Siellä on mahdollisuus kysyä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kaveritkin ovat siellä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Osallistun yleiseen keskusteluun	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Kommenttisi (vapaaehtoinen)

12. My opinions regarding pet related advertising

13. My opinions regarding other than pet related advertising

14. I am joining to communities because...

**15. Osallistumiseni sosiaalisessa mediassa**

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Jaan mielelläni kokemuksiani hyväksi kokemistani tuotteista	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Jaan mielelläni kokemuksiani huonoksi kokemistani tuotteista	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Etsin tietoa aktiivisesti yhteisöstä ostospäätökseeni tueksi	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yhteisöstä saamani muiden kokemukset vaikuttaa paljon ostospäätökseeni	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yritysten on sopivaa osallistua yhteisöihin asiantuntijoina	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Kommenttisi (vapaaehtoinen)

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**16. Osallistun (liittyminen, kommentointi yms.) yrityksen perustamaan yhteisöön, koska...**

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Haluun lisää tietoa tuotteesta	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Koen asian tärkeänä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kaveritkin on	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kiinnostaa mahdollinen palkinto (esim. arvonta)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kiinnostaa rahanarvoiset edut (esim. alennukset)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kuuluisin joukkoon, joka saa ensimmäisenä tietoa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brändi/tuote on mielestäni tärkeä ja hyödyllinen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mielestäni mainosidea on hauska	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mahdollisuus vaikuttaa tuotekehitykseen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yhteisö on viihdyttävä ja siellä saa aikaa kulumaan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ei mikään	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Kommenttisi (vapaaehtoinen)

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**5. Tuotetieto ja ostopäätökset**

15. My participation in social media

16. I am participating (joining, commenting etc.) to company induced virtual community because...



Tällä sivulla kysellään sinun ajatuksiasi tärkeiksi kokemastasi tuotetiedosta

### 17. Luotettavinta tuotetietoa saan...

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Alan asiantuntijoilta, esim. koirankouluttajat	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ennestään tuntemani yrityksen omilta nettisivuilta	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kavereilta	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Foorumeilta ym. samanhenkisten keskustelusta	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mainoksista	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Omistä kokemuksista vastaavista tuotteista	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Minulle aiemmin tuntemattoman yrityksen nettisivuilta	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Kommenttisi (vapaaehtoinen)

### 18. Lemmikki tuotteiden ostopäätökseen vaikuttavat...

	Täysin eri mieltä	Jokseenkin eri mieltä	En osaa sanoa	Jokseenkin samaa mieltä	Täysin samaa mieltä
Muiden yhteisön käyttäjien kommentit tuotteesta	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Muiden yhteisön käyttäjien arvot tuotteesta (esim. arvosanat)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tuttavien kokemukset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Muiden alan harrastajien kokemukset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Omat aiemmat kokemukset yrityksen tuotteista	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mainokset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yrityksen tarjoama lisätieto yhteisössä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yrityksen kanssa käyty keskustelu ja mahdollisuus kysyä yhteisössä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Yrityksen nettisivut	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Kommenttisi (vapaaehtoinen)

### 6. Kiitos osallistumisestasi!

Haluan kiittää sinua osallistumisestasi tähän kyselyyn. Vastaukset tullaan käsittelemään luottamuksellisesti, eikä mitään henkilötietoja yhdistetä antamaasi vastauksiin. Jos haluat osallistua arvontaan, jätä yhteystietosi (esim. sähköpostiosoitteesi) alla olevaan laatikkoon. Halutessasi voit

17. Most credible product information comes from...

18. Purchasing decision of pet related products is affected by...