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Marketing and Facebook

How fashion companies promote themselves on
Facebook

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Abstract

The social media are internet facilities where people can communicate and discuss through different websites or blogs. The social media has changed the world in many aspect and people are becoming more and more addicted to use these networks. People are fond of the social media because they can be social with a high number of individuals, both be real life friends, as well as strangers. Since the social media has grown to become so popular, companies have taken advantage of this as well. Their goal is to promote themselves through these networks as this can be very lucrative for the business. There are many different social media networks however this study will only be about Facebook. The aim of the study is to find out and describe how companies use Facebook for marketing purposes. An observation of how 34 fashion companies use Facebook for marketing purposes was carried out.

Key words: The social media, Facebook, The promotional mix, Advertising, Sales promotions, Events and Experiences, PR and publicity, Personal Selling, Direct Marketing, WOM, Observation

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Introduction

The *social media* are online communication networks which allow people to communicate, discuss and share opinions with others of the same interest. The social media is a very hot topic around the world and today most people are active in at least one social media network. (Weber, 2007, p.195) What attract people is that they both can be the author as well as the audience when communicating with like-minded people. There are different social media networks, however all of them are online software programs that permit people to become members and take advantage of the opportunities of the network. People can communicate both with friends and strangers. Members of the social media networks can create different groups which match people with the same values and opinions. (Thornley Fallis 2008)

One online social media network is *Facebook* which probably is the most popular network of all times. (Boyd & Ellison, 2007, p.211) (Facebook 2010) It started out as a university group-work and their desire for easier communication among the group-members, and is today a growing social media network with more than 175 million active users. Facebook is said to be “more addictive than crack cocaine” (Marketing Magazine UK, 2007). Moreover, the term *Facebook addict* is included in the urban dictionary (a slang dictionary for the English language), and is bigger in population than Brazil and members spend in average 169 minutes online every month. (Kaplan & Haenlein, 2010, p.59) Members are from all ages and grannies and grandchildren are friends and perhaps involved in the same network groups. People relate Facebook to “fun”, “old times” and an easy way to keep in touch with old as well as new friends and relatives. (CNNmoney, 2009) A couple of groups that exist on Facebook are “*Legalize Snus – British Snus Appreciation*” which expresses a desire to import and sell the Swedish nicotine bags in England, and “*I don’t drink and drive. I get home on a pony!*” and a more serious group called “*She was raped at school – the boy was praised*” which protest against this terrible situation which appeared in Sweden after a terrible incident in the elementary schooling. (Facebook 2010)

Due to the popularity of the social media networks companies use these for marketing purposes. Books and articles say that there are many different ways in which companies can promote themselves through the social media and the possible profitability is discussed in a

very optimistic way. (Chaffey *et al*, 2003, p. Preface) According to internet marketing experts “the key questions is not whether to deploy Internet technology - companies have no choice if they want to stay competitive - but how to deploy it”. (Chaffey *et al*, 2003, p. Preface)

As the social media and Facebook are very valuable for companies, companies must learn how to use social media as a part of their marketing strategy. One way for companies to promote themselves in the social media is through communication and advertising of themselves. (Kaplan, 2010, p.64) (Kaplan & Haenlein, 2009, p.59) “Internet can be used to increase the frequency and depth of interactions with the brand, particularly for brand loyalists who are advocates of these brands” (Chaffey *et al*, 2003, p.5). Companies can use Facebook for many different reasons. United States president Barack Obama used Facebook in his marketing strategy in the presidential elections. (Casteleyn *et al*, 2009, p.442) Companies like Dell, Ernst & Young and Microsoft etc, use Facebook to find adequate employees to recruit. (CNNmoney, 2009) It is said that the social media and Facebook is a place where people can promote themselves and show out pictures of whom they *desire to be*, to the whole world. For the same reason, companies can use Facebook to promote themselves to customers and give out the image of how they want to be perceived. (socialTNT, 2008)

The purpose of this study is to *describe* how fashion companies perform marketing on Facebook. This study is interesting as there are little studies of this topic that have been done before however there are several books and articles that uphold very strongly that companies should perform marketing on the social media networks and that this is very profitable (Zhang *et al*, 2010, p.1.). The benefits of having Facebook as part of the marketing strategy can be very beneficial to companies and it is therefore interesting to see how companies actually are using the social media networks, and more precisely Facebook.

This study will *observe* what kind of marketing that fashion companies perform on Facebook and the goal is to describe the situation. There are a number of different theories on marketing that could be applied for reaching this goal. One of them is relationship marketing (RM) that can be described as an approach for companies to develop valuable, long-lasting and mutually beneficial relationships with customers. RM is recommended to be used when customers are highly involved in the good or service and are willing to engage in relationship

building activities. (Leverin & Liljander, 2006, p. 232), (Eiriz and Wilson, 2004,p.276).

Another well-known theory is service-dominant logic (S-D logic). The central principle of this logic is that service is exchanged for service. Moreover, S-D logic implies “co-creation” and “co-production”. That is customers are actively contributing to the production of goods and services and assist in determining the perceived value of the offerings. (White *et al*, 2009, p.776)

One more theory that can be appropriate for this study is the theory of the promotional mix developed by Kotler (1998, 2000,2006), (Kotler and Armstrong, 1993, p.383). This is a combination of six different marketing types that companies should mix and use in order to become more effective and successful in sales and brand equity. The main objective with the promotional mix is to create awareness and comprehension among customers. (Best, 2005, p.302) This mix is known and used all around the world by companies and also by professors of marketing and is therefore very useful and adequate for this study. The six types in the mix are: advertising, sales promotion, events and experiences, public relations and publicity (PR and publicity, personal selling and direct marketing. (Kotler and Armstrong, 1993, p.383)

Since the study will observe how companies promote themselves on Facebook, the promotional mix has been chosen. This choice has been made due to the fact, that the promotional mix is one of the oldest traditional marketing theories and it would be interesting to see if the modes included in the mix are used in modern marketing, i.e. on social media, and especially Facebook.

As the field of the study is the online network Facebook the addition of another marketing type was necessary and this is word of mouth communication (WOM). As Facebook is a social media network, a great part of communication occurs through WOM. The reason to use WOM is due to its difference and at the same time importance in marketing. WOM differs from the modes in the promotional mix because it is more interactive. Ordinary people and the companies work together to reach the same goal. In ordinary marketing, companies create marketing for ordinary people to look at and be influenced by. The communication is online and even though people cannot use their real voices and ears to communicate the communication will still be called WOM in this study. As Facebook is a social media network the communication includes a great deal of WOM. (Freeman and Chapman, 2008, p.778)

The decision to make this study about *fashion* companies was because these companies were the ones to use Facebook the most. Customers within the fashion industry expose their products to other peoples' judgment which makes it very risky socially. The way people wear clothes are thus very likely to generate a great amount of WOM. (Bertrandias and Goldsmith, 2006, p.26) It is easy to draw the conclusion that the companies, which have human appearance as their main focus, will choose to use Facebook because Facebook entails photos, interaction, communication and interests which makes it a powerful social media tool for these companies. The importance of a study like this one is that the social media and Facebook is a growing industry. From its birth it has only become more and more popular and most likely companies will have to be involved in the social media to be successful in the future.

Outline

The study is divided into six main chapters and the following is the *Literature review*. This chapter will present the six modes of the promotional mix as well as WOM. These are all used as a basis for the observation on Facebook. The next chapter is *Methodology* where the process of the study, the whole observation in detail and possible limitations will be explained. Thereafter is a chapter where the social media and Facebook are presented. The *Result chapter* will present the results of the observation, thus describe how marketing was used by Fashion companies on Facebook. The last chapter is the *Summary of Results and Conclusion* chapter which briefly will discuss the findings and sum up the whole study as well as give suggestions for future studies.

Literature review

The promotional mix

The goal of *marketing*, for companies, is to create and keep their customers by producing desirable products and services. Companies' products must be beneficial to customers, and to themselves, as well as available at satisfactory prices. It is very essential to meet customers' needs and desires more effectively than competitors do. (Brassington, 2003, p.1105) (Ghauri and Cateora, 2006, p.388)

The importance of marketing communication and promotion has been discussed by several famous authors as well as popular books and articles. Probably the most famous author

is Philip Kotler (2006) since his studies are used all around the world. Kotler is the founder of the promotional mix concept which is also sometimes referred to as the marketing communication mix. (Kotler, 2006) (Blythe, 2000) (Burnett and Moriarity, 1998) (Fill, 1999) (Kitchen, 1996) (Brassington and Petit, 2003) (Pickton and Broderick, 2001) (Best, 2005) The promotional mix describes companies' strategic position of products on different markets. Six different promotion modes are involved in this concept and these are; *advertising, sales promotion, events and experiences, PR and publicity, direct marketing and personal selling.* (Rowley, 1998) As the marketing communication process is very complex one more mode of communication has been added to this study and this is *word-of-mouth.* (Holm, 2006, p.27)

This literature review chapter will present the six different modes of the promotional mix. WOM is not included in the promotional mix concept according to Kotler (2006) but is anyhow a very valuable marketing mode and especially for this study as it deals with the online social media network Facebook where communication and friendship is the principal interest. The promotional mix has been chosen for this study as these promotional modes are important for companies when communicating with their present and potential customers and stakeholders. One of the most important aspects to work for is the challenge of when customer's attention is difficult to get hold of and thus how to manage the communication. Companies have to decide on how they communicate, who they communicate with, what the message is as well as how often the communication should be done. (Kotler and Armstrong, 1993, p.383)

Companies use the promotional mix to inform, convince and remind customers, both directly and indirectly, about their existence in terms of the products and their own brand. The promotional mix symbolizes the "voice" of the companies' brand-name and assist in establishing a dialogue and building a relationship with customers. Companies use the promotional mix to connect their brand to people, places, events, experiences and feelings in order to create brand awareness and a stronger consumer-brand connection. (Kotler *et al*, 2007, p.279)

Each mode of the promotional mix as well as WOM will be explained thoroughly in the rest of the literature review. Both weaknesses and strengths of the promotional mix' modes will be covered as well as the use of them both traditionally and within the social media. It is

important to mention that some of the seven communication modes can be very similar to each other, but they are still regarded as separate marketing tools. (Holm, 2006, p.27)

A lot of literature state that companies in the contemporary time communicate with customers mostly through internet. This is because internet is becoming crucial in peoples' private lives and because the marketing material is cheaper to produce. The marketing which is carried out on the web is better for the customers, as they can choose what to take interest in and is easier for the company to keep track of. (Axelsson and Agndal, 2005, p.198-199) (Best, 2005, p.294). Different online companies suggest strongly that the social media is very good for companies marketing strategies. They state that the Social media networks can be very beneficial for companies since they can assist in creating a community among customers concerning their products and services. The usage of social media networks is a positive tactic to turn customers into "brand champions", being able to communicate with people that share the same interest, give feedback when required, announcing new launches, provide awareness of existing products and new ones. Companies can generate revenue by being involved in a social media network however it requires time and commitment to maintain. (Boyd and Ellison, 2007, p.6)

Advertising

Advertising is a central mode of the promotional mix and one of the most traditional and widespread marketing modes. The main goal of advertising is to spread information about companies' services, products and brand-name. (Kotler and Keller, 2006, p. 557) The main difference between advertising and other types of promotion is that it is impersonal and communicated with large numbers of people through paid media channels e.g. TV, radio, newspapers or the social media. (Brassington and Pettitt, 2003, p.604), (Chang, 2005, p.552) (Stammerjohan, 2005, p.60) (Harris, 1998, p.16) Advertising is claimed to be the reinforcement and the basic need of the promotional mix, but also applies to *sales promotion, personal selling* and *PR*. (Ghauri and Cateora, 2006, p.388)

There are different types of advertisement (ads), such as: print ads, broadcast ads, ads pasted on packaging/ packaging inserts, brochures, billboards, leaflets, audio/video, booklets, logos and posters. (Chang, 2005, p.548) Advertising presents a possibility to reach customers all

over the world, however some types of advertising requires a large budget e.g. TV, while other types, e.g. newspapers, are less costly. (Waltin, C. 2000, p.56) It is therefore very important that companies have high knowledge of where they should aim their advertising and what they expect to gain from it. The design and layout of the actual advertisements has to be well analysed in order to make it eye-catching, with a good heading, interesting content, comprehensive, easy to read and obtain accurate pictures. (Waltin, C. 2000, p.60)

Advertising is profitable for companies because it gives an introduction of their products and services to the business world and to customers. (Kotler and Armstrong, 1993, p.382) Advertising can remind customers of how to use the product and reassure them about their purchase. Another important aspect is that advertising helps to build long-term images for products and it can also motivate faster sales. There are many strong qualities of advertising e.g. its frequency as it permits companies to repeat messages to their audience. It also allows customers to receive and compare the messages of different competitors on the market. However, the advertisements repeated too often can lose its effectiveness and furthermore, even result in viewer annoyance. One can therefore use different types of advertising to encourage the positive recognition process without bothering the customer. (Martin *et al*, 2002, p.47)

Large-scale advertising can also imply positive images of companies' size, authority and success. Advertising can also provide opportunities for the companies to be innovative through inventive and artful use of print, sounds and colours. (Brassington and Pettitt, p.604) New technological innovations have made the Internet an attractive media for advertisers. (Stafford and Faber, 2005, p.202).

Advertising implies some negative aspects as well, such as e.g. ineffectiveness. Nowadays, customers get so many messages and promotional incentives that most communications are not seen or not noticed by customers. Therefore, highly creative communications are needed in order to be outstanding in the rest of the communication noise. Advertising is also claimed to be impersonal since it is a one-way communication and it customers cannot get answers on all their questions. Moreover, advertising is not as effective at

pushing customers to make a final purchasing decision as personal selling is. (Doyle and Stern, 2006, p.259)

Moreover, the production and creation of advertisements is never free of charge however the site where the advertisement is published can be for free and in the case of advertisements in the social media this occurs frequently. This depends on the type of social media e.g. which web site it is and what functions it provides. Mainly, all the types of advertising that could be performed traditionally, could also be performed on the internet and therefore in a social medium. The material that originally was made in paper form is now being digitalized on the internet. This involves even brochures, print ads, posters, booklets etc. and therefore they could be used on social media as well. However, some types of advertising cannot be found due to the cyber nature of media where it is being performed. (Boyd and Ellison, 2007,p.6)

Sales promotion

The next mode of the promotional mix is *sales promotion* which has been seen traditionally as the poor cousin of advertising. (Brassington and Pettitt,2003, p.658). However, it is considered as an advantage for companies to have sales promotions as dominant in their communication strategy. (Kitchen, 1996, p.11) (Rowley, 1998 p.384) The main goal with sales promotions is to stimulate customers' purchasing behaviours. (Ghauri and Cateora, 2006, p.404) (Engel *et al*, 1995, p.247). This marketing type, as well as *personal selling*, *advertising* and *publicity* are popular among companies and used often. (Ghauri and Cateora, 2006, p.404)

There are different types of sales promotions and this study will analyse a variety of these, such as: contests, games, lotteries, premiums/gifts, samples, fairs/tradeshows, exhibits, demonstrations, rebates/coupons, low-interest financing, entertainment, and continuity programs/tie-ins. Companies use sales promotions in order to receive a higher and faster buyer response. (Kotler and Armstrong, 1993, p.396) At first, it can be difficult to separate sales promotions and advertising however there are three main objectives that companies have with their sales promotions, i.e. communication, incentive and invitation, and this is different from advertising. (Brassington and Pettitt, 1997, p.680)

One of the most important features of sales promotions is entertainment. The demand for entertainment does never cease and companies have to use it. An example could be to offer

a taste of a new film or music for free. Once a company gives something away free, it will often come back, both in admiration and the purchase of more products. (Bille and Malmnäs, 2003, p.57) It is important that sales promotion does not happen at all time as it loses its value in such case. One example of this is the use of coupons and this can be used both traditionally as well as online. (Engel *et al*, 1994, p.247)

Sales promotion provides a great number of short-term tactical tools that can largely influence companies' long-term promotional strategy in a positive way. The key element of sales promotions is that they offer something extra and should provide value to customers. Sales promotions could be used in order to expand the usage of a certain product for example by encouraging customers to discover new functions of the product. Sales promotion can be used for short-run effects such as to highlight product offers and boost sagging sales. This marketing tool contributes to a better communication where one can gain a customer's attention which can lead them to a certain product. (Ghauri and Cateora, 2006, p.405)

In the case of sales promotion through the online social media many of the types can be used in the same way as in ordinary marketing. Contests, games lotteries, entertainments are used different from company to company and this is the same online. Samples cannot be given out in the social media. Fairs/tradeshows and exhibits can occur online just as in reality. The effect might even be higher as it is easier to come together without having to "move" in cyber space. Continuity programs and tie-ins can occur online just as well as in reality. (Boyd and Ellison, 2007,p.5)

Events and experiences

The third mode of the promotional mix is *events and experiences*, which is declared to be an effective way of seeking customers' attention. (Pitta *et al*, 2006, p.900). Events could be defined as company-sponsored activities and programs intended to create brand-related interactions. (Kotler and Keller, 2007, p. 279) One of the essential concepts of events is to create something value adding instead of only carrying the message. (Behrer and Larsson, 1998,p.73) The main objective with creating events is to broaden and deepen companies' relationship with the target-market by making an event a personally relevant moment in customers' lives. Companies get a possibility to target customers geographically, demographically, psychographically, or

behaviourally according to events. Moreover, events are described to be more indirect and less aggressive kind of marketing. (Warnaby *et al*, 2005. p.900)

Events and experiences include following: *entertainment, festivals, art, campaigns, factory tours and street activities/sports*. (Kotler, 2000, p.561) Events are claimed to be the most initiative promotional activity among the rest of the modes and bring good results in combination with other modes in the promotional mix. (Kotler *et al*, 1999, p.835) (Warnaby *et al*, 2005. p.900) One of the advantages of events is that customers attending them are immersed in the moment and actively participating in the experience. This means that customers' perception of companies gets stronger and often makes them choose its products later on. Events are also popular for their promotional opportunities, and are often associated with contests, sweepstakes and other marketing activities. (Pitta *et al*, 2006. p.157)

Events can also have a number of disadvantages. It is difficult to predict if an event will be a success or not and it is therefore out of the control of the marketer. Another problem is that although events are sponsored some costumers can still dislike the commercialization of the events. Most often, the desired result may be awareness and image creation, but not necessarily sales and this can both be positive and negative (Pitta *et al*, 2006, p.158).

Events within the social media on the internet can have different forms. It is possible for companies to have some entertaining features in order to amuse their customers and make companies' brand names more attractive. Another type of event that could be found on social media sites is arts, e.g. creative pictures and photos, or performing arts, e.g. films or music videos. It is also possible to find information and receive invitations to upcoming events in the social media. (Ashcroft and Hoey, 2001. p.72) However, some types of events, such as factory tours, street activities or sports which are performed in real life, are not possible to be carried out in the social media.

Public Relation (PR) and publicity

The next mode of the promotional mix is *public relations (PR) and publicity*, which deals specifically with creating and maintaining the relationship between an organization and its public. Its key concern is to generate a sound, effective and understandable flow of

communication between an organization and all interested groups. (Brassington and Pettitt, 2003, p.792), (Doyle and Stern, 2006 p.279), (Cateora *et al*, 2009, p.465) PR are speeches, press kits, seminars, annual reports, publication and community relations. (Kotler and Armstrong, 1993, p.384)

Even though much PR and publicity is intended for the City and the government, it is used effectively for the marketing purposes by many companies, e.g. Marks and Spencer, Virgin and Live Aid. PR and publicity can help companies to create product awareness and interest by communicating its activities via different types of media. Moreover, companies may contribute from PR and publicity when launching new products. This mode of the promotional mix is extremely helpful for companies, especially in a crisis situation. Another marketing task where companies may benefit from using PR and publicity is when the corporate image has to be enhanced, which makes it a great opportunity for the companies to communicate their image via media. (Doyle and Stern, 2006 p.280)

Moreover, a well-prepared program combined with the other promotional-mix' modes can be very effective. (Cateora *et al*, 2009, p.469) PR may be used for long-term strategic building of image, developing trustworthiness and raising the brand name of the organization. When introducing a new product or launching a new promotion, companies might benefit from a thoroughly planned public relation campaign to generate more interest and awareness among the public. (Brassington and Pettitt, 2003, p.797)

The main advantage of PR towards advertising, is that it can reach individuals who prefer to avoid salespeople and advertisements (Engel *et al*, 1995, p.889) Moreover, PR concern building good relations with the company's various publics by obtaining favorable publicity, building up a good "corporate image" and handling or heading off unfavorable rumors, stories and events. (Brassington and Pettitt, 2003, p.800) PR and publicity are increasing in its emphasis and expenditures as part of the promotional mix. While many firms stated increased emphasis and expenditure on sales promotion, they also indicated that often such promotions were suitable for generating PR and publicity opportunities. (Kitchen, 1996. p.7) Companies have to be aware of the fact that building PR and publicity is a long-term process since this type of a relationship that has to be of mutual interest. (Doyle and Stern, 2006 p.281)

One of the weaknesses identified about PR and publicity is that often marketing managers and PR practitioners do not talk the same language. Marketing managers are more much more focused on outcome, while PR practitioners tend to see their job as preparing and spreading communication. (Kotler, 2000, p.606) It is also claimed that PR and publicity suffers from its limited and scattered use. (Czinkota and Kotabe, 2001, p.430)

However, use of PR on social media on the internet doesn't have to be as scattered as it is in "real life". Moreover, since it is free to make speeches, post information and organize events online, it is most likely that PR and publicity is used heavily in the social media. However, as in traditional media, companies have to be patient with building PR and publicity in social media. (toprankblog 2009)

Personal selling

The next mode of the promotional mix is *personal selling* which is very important for marketers and in most cases involves face-2-face activities for the purpose of informing, persuading or reminding their prospective customers to take appropriate actions (Engel *et al*, 1994, p.245). Personal selling plays a big role in the promotional mix of high-priced and infrequently purchased industrial products. (Brassington, 2003, p.695-697), (O'Hara and Herbig, 1993, p.19) Personal selling includes *sales presentations, sales meetings, incentive programs, samples, fairs and trade along with shows*. (Kotler, and Armstrong, 1993, p.384)

One of the strengths of personal selling is that it allows discreet communicative interchange but at the same time riskier than e.g. advertising, which relies heavily on one-way communication. (Hammann, 1979, p. 155). Personal selling is the most effective tool at the later stages of buying process, especially in building up buyer preference, conviction and action. (Kotler and Keller, 2006, s-535-557) (Engel *et al*, 1994, p.245), (Brassington, 2003, p.708) Personal selling involves an immediate and interactive relationship between two or more people and each of them are able to observe the other's reactions. Furthermore, personal selling permits all kinds of relationships to spring up, varying from a matter-of-fact selling relationship to a deep personal friendship. (Kotler and Keller, 2006, s-535-557)

There are some negative aspects with personal selling which is that it can be a long and complicated process to implement. Personal selling is also the oldest form of selling, but is lagging behind to newer, more impersonal marketing types of communicating. (Kotler and Armstrong, 1993, p.396)

Most often, the personal selling takes place in real shops, however, it is possible as well to conduct some forms of personal selling on internet and in the social media. One of the obstacles for personal selling in the social media is that the “selling” moment might not be considered as personal as in face-to-face communication. However it can still occur as the social media permits people to interact and discuss directly to each other, with photos and audio thus, be described as personal selling. Companies can have meetings and presentations over the internet and actually have a higher number of people that participate. (Kotler and Armstrong, 1993, p.401)

Direct marketing

Direct marketing is one more mode included in the promotional mix. Direct marketing can be regarded is an integrated form of *advertising, sales promotion, or even personal selling*, since it has a lot in common with the other above-mentioned modes. (Brassington and Petit, 2003, p.569)

The aim of direct marketing is to form a basis for creating and further developing an ongoing direct relationship between an organization and its customers. (Brassington and Petit, 2003, p.740) There are different methods to perform direct marketing and the most important once are: *catalogues, mailing, telemarketing, electronic shopping, TV shopping and Email*. (Ghuri and Cateora, 2006, p.348), (Best, 2005, p.293)

Through dialogues direct marketing encourages and allows customers to play an active role in creating offers themselves which occurs via phone or mail and leads to direct response. (Patterson, 1998, p.70), (Cateora, Gilly and Graham, p.406) It is vital for companies to know their targets very clearly in order to make successful direct marketing and the goal is to create relationships with customers through the mass media without face-to-face interaction. The messages delivered in direct marketing are always up-to-date and interactive and can be

prepared very quickly as well as changed depending on customer's response. (Patterson, 1998, 72)

Some of the direct marketing types can be highly individualised and personalized, such as direct mail and telemarketing, which help to overcome the confusion one can experience in traditional mass-media communication (Patterson, 1998, p.71). Direct marketing that is mailed can be in text, pictures or catalogues. The goal is to get the recipient to open the letter and make him interested. (Brassington and Petitt, 2003, p.745-747) (Waltin, 2000, p.62)

Telemarketing is also a type of direct marketing, which involves that company's representatives approach the customers verbally. Another type of direct marketing is electronic shopping, which implies mail orders that are carried out by customers online. The person can look at the products in a catalogue however there is no possibility to try or touch the product. Therefore the product has to be well evaluated and the illustration has to be clear and eye catching. The customers buy products online which are sent by mail. TV shopping is similar to electronic shopping just that the marketing is carried out on the internet. (Kotler, 2000 p.661)

In the online social media, direct marketing can be seen when companies and customers communicate directly with each other, equally as in face-to-face direct marketing. This can occur with the use of personal messages, emails or blogs or similar operation features which are open to all people's views. By listening to customers via the feedback from direct marketing can even strengthen the loyalty to the brand, which in its turn will increase the value of the company. Most types of personal selling could be found on social media however telemarketing and TV-shopping cannot be used in the social media. (Gardiner and Quinton, 1998, p.9)

Word of Mouth marketing (WOM)

The mode of word of mouth communication (*WOM*) is not included in the promotional mix. However is, as discussed earlier, a very important marketing mode of this study. *WOM* is "an informal social networking-based communication channel among customers about consumption experience of products and services" (Luo, 2009, p.149). This marketing channel is the "voice of the customer" and is very useful and effective for companies' generation of future cash flows and sales. It is also claimed that a satisfied customer is your best salesperson and this illustrates the importance of *WOM* for companies. (Digimind 2008) Moreover, in some

situations it is as reliable as advertising (Engel, 1995, p.732). There are many benefits of WOM e.g. the cost is not high as it is carried out by people (Luo, 2009, p.148). WOM can occur very fast and can be both positive and negative for companies. Positive WOM is when satisfied customers influence friends and relatives to purchase, and negative WOM, have the opposite outcome. (Digimind 2008), (Luo, 2009, p.150) Companies that are targets of negative WOM are presented to people who spread out bad rumors about them. Negative WOM “may have a harmful long-term impact on cash flows and stock prices by damaging intangible assets like customer and brand equity” (Luo, 2009, p.150) “If you make customers unhappy in the physical world, they might each tell 6 friends. If you make customers unhappy on the Internet, they can each tell 6,000 friends.” (wow4u 2009) Loyalty is very important for companies’ images however can easily get hurt and this is very damaging in the long run. This will “reduce the level of long-term future cash flows for the firm” (Luo, 2009, p.150) and the whole corporate image can be negatively affected; shareholders become more questionable and do not trust the company. However negative WOM can actually be positive as well if the company respond very well towards it and show the customers that they really care about them. (Luo, 2009, p.151)

WOM is very essential in the social media. People can observe customers views and opinions in blogs, Facebook, MySpace, forums etc. in the form of text, images, documents, e-formats, articles, comments and videos. (Asselin and Duhot *et al*, 2008, p.5). This information can even be used by newspapers and become even more exposed to the world. This often means that companies not only have to behave more carefully but also have to keep updated with the latest news on the internet. As well as advertise on social media channels in order to reach out to most people. (Asselin and Duhot *et al*, 2008, p.6) It is likely that companies can get greater benefits from WOM if they invest in both good customer service management and effective promotion as it strengthens the information provided in the communication process. (Sweeney *et al*, 2007. p.360)

This study of WOM will be observed in three ways in the social media. This will be: when *one person* is expressing opinions, when *two people* are communicating with each other and when *two or more* people are discussing. This division is adequate for this study as it observes

the social media where one single persons comment is shown to a very big audience on the internet and thus very influential.

Descriptions of the promotional mix and WOM

As discussed earlier, the modes in the promotional mix are quite similar to each other however they are used for different purposes and have different objectives. Thus even if the modes are first perceived to be very equal there is big difference between them. (Ghauri and Cateora, 2006, p.404) Therefore, a model has been created to separate and explain the different modes in the promotional mix and WOM. The model contains four *boxes*, the first box is *Marketing modes*, which present the different modes in the promotional mix and WOM. The second box, the *Types of marketing in the Mode*, gives examples of the different marketing types that can occur in each mode. The different marketing types are often equal to each other, even though they belong to different modes. The third box, the *Objective of the Mode*, explains the main difference and most important aspect with the modes. The goal with this box is to decrease confusion and the mixture of the modes. The last box *Aspects of Social Media* explain and give examples of how the modes are used in the social media.

Model 1:1

Marketing mode	Types of Marketing in the Mode	The Objective of the Mode	Aspects of Social Media
Advertising	Print ads, broadcast ads, ads pasted on packaging/ packaging inserts, brochures, billboards, leaflets, audio/video, logos, posters, booklets	Differs from sales promotion in two ways; it is purchased (almost always) and it spreads information not necessarily triggers purchasing behavior	Principally, all types of advertising that could be performed traditionally, could as well be performed in the social media. I.e. digitally instead of paper
Sales promotion	Contests, games, lotteries, premiums/gifts, samples, fairs/tradeshows, exhibits, demonstrations, rebates/coupons, low-interest financing, entertainment, continuity programs/tie-ins	Main objective to trigger purchasing behavior more aggressively than advertising	Most types of sales promotion can be done in the social media. However, samples cannot be given out due to cyber space.
Events and experiences	Entertainment, festivals, arts, campaigns, factory tours, street activities/sports	Main goal is to create brand-related interactions and to broaden and deepen a company's relationship with the target market	Companies can have some entertaining features to amuse customers and make the companies' brand names more attractive. However, some types of events could

			not be performed in the social media due to cyber space. E.g. factory tours, street activities, sports
Public relation and publicity	Speeches, press kits, seminars, annual reports, publications, community relations	Promote or protect a companies image	PR & publicity is used heavily in the social media. Because it is free of charge to make speeches online, to post information and organize events
Personal selling	Sales presentations, sales meetings, incentive programs, samples, fairs and trade shows	Purpose is to inform, persuade or remind prospective customers to take appropriate action. Face-to-Face communication	Personal selling often occurs in the social media, when people interact with each other, show photos etc. Companies' meetings and presentations are also considered ad personal selling. One obstacle is that the "selling" moment cannot be face-to-face communication.
Direct marketing	Catalogues, mailing, telemarketing, electronic shopping, TV shopping and Email	Always lead to direct response. Differs from personal selling as it is not Face-to-face	Direct marketing can be seen, in the social media, when companies and customers directly communicate with each other. Most types of personal selling could be found on social media however not telemarketing and TV-shopping
WOM	Negative and positive WOM. Either <i>one way</i> communication or <i>between two people or more</i> (this definition is only for this study) See appendix	Differs from personal selling as the marketing is spread out through customers and not directly by companies	WOM is very essential in the social media. Companies' can observe customers views and opinions in the form of text, images, documents, e-formats, articles, comments and videos

It is important to understand the exact definitions of the modes in the promotional mix and WOM because these will be profoundly observed. The aim is to understand and describe how companies use Facebook for marketing purposes. The promotional mix is a traditional marketing concept that is not necessarily created for the social media and it is therefore some marketing types that cannot be used in the social media.

Methodology

An observation was conducted in order to understand and describe how companies use Facebook for marketing purposes. This observation has been running over a period of ten days. The original plan was to conduct a 2-weeks observation, however after 10 days; a degree of saturation was reached. The object of the observation was companies within the fashion industry. These specific 34 companies were chosen both randomly and explicitly.

Initially, only the companies that had purchased *advertisements* were supposed to be observed. However, it was soon found that there only were a few companies, i.e. eight of the 34, that published purchased advertisements on Facebook. It was therefore not enough to only observe these companies. Thus, it was decided to change the requirements for the observation to also include companies that do not necessarily purchase advertisement but still have a profile page on Facebook. Therefore, a companies' checklist of the most large-scale and popular companies was created, e.g. *H&M*, smaller companies, e.g. *Stradivarius*, sports companies, e.g. *Helly Hansen*, shoe companies, *Ecco*, and very young, new and unfamiliar companies, e.g. *Bonprix*. These companies' checklists were created as a basis for the observation, and it was important to include a random range of companies of different sizes and of different popularity (see appendix).

The observation was conducted by two observers individually in order to make the results as accurate as possible. Seven different *Checklists* were created to note down which types of the modes in the promotional mix, and WOM, that was used by companies for marketing purposes on Facebook. One checklist for each mode and all the different marketing types were included in the checklists (see appendix). When the results of the observation were found, the checklists were summarized into seven smaller graphs' which presents the most important findings (see result chapter).

Choice of study

The objective of this study is to describe how fashion companies use Facebook for marketing purposes. This is interesting due to two main factors: Facebook is the hottest social media network in the contemporary time and a lot of authors claim the social media to be extremely

vital for marketing nowadays. (Kasavana *et al*, 2010, p.71) It is therefore interesting to see how companies actually promote themselves on Facebook. The social media network Facebook was selected due to its popularity which has resulted in the attraction of millions of people to become members (Poynter, 2008, p.12). This has in turn attracted thousands of companies to promote themselves on Facebook, as well as to communicate with customers, and the general public. A lot of literature suggests Facebook to be a new marketing platform that offers new sales opportunities and provide companies with additional revenues and this fact is the basis for the choice of this study. (Chaffey,2003, p.14).

Choice of literature

The aim of the study is to describe how companies use marketing on Facebook and therefore theory of this subject is very important. Kotler (2008) is one of the most known marketing authors in the world and his literature is very recognized. There are other concepts and authors as well however the promotional mix was chosen as it is a traditional marketing tool and it would therefore be interesting to see how this could be applied in the social media. The famous concept of *the promotional mix* is chosen for as it is one of the most traditional ones, as well as comprehensive and thorough. It is important to have knowledge on the different modes in the promotional mix in order to observe how they are used by companies on Facebook.

The addition of one more marketing mode, *WOM*, has been selected due to its importance on Facebook. *WOM* is marketing conducted by private individuals and this can be used by companies especially in the social media where people communicate openly about all possible subjects. *WOM* was added due to its difference from the promotional mix, as it is more interactive and includes the assistance of ordinary people (even though they might not be aware of it). It was chosen to analyze *WOM* in this manner as it clearly gives a picture of how much *WOM* actually takes place on companies' profiles. The overall result that we obtained from the observation illustrated that actually all companies with Facebook profiles have some degree of discussion on it. The amount of dialogues and discussions are related to how popular the company is. In the promotional mix the company is working in a traditional way where marketing simply is presented to the customers, whereas *WOM* is more interactive and give the

customers an opportunity to make themselves heard. The six modes in the promotional mix and WOM are described in Model 1:1.

Choice of industry

The study has been narrowed down to only cover the *fashion industry*. This specific industry is famous for its innovativeness, which would make it interesting how companies in this type of industry perform marketing on Facebook. (Ted, 2010)

Moreover, this industry was chosen as many companies in this field use Facebook as part of their marketing Strategies. Many *weight loss companies* and *cosmetic companies* also use Facebook for marketing purposes however not as much as fashion companies. One very important feature of Facebook is the photos that members upload and show to friends and relatives. It is therefore quite normal that the companies that are most attracted to be active on Facebook are companies that work in industries with emphasize peoples' styles.

Observation

In order to describe how the modes in *the promotional mix* and *WOM* are used on Facebook the method of *observation* has been chosen. An observation is when researchers makes observations in or of an environment and makes notes of it. (Eliasson, 2006, p.22-24) Observations are systematic inspections, recordings, descriptions, analysis and interpretation of people's behaviours (Saunders, 2009, p.596). However this study will not observe peoples' behaviours as it will observe companies' marketing behaviours in the field of *Facebook* and *fashion*.

According to Axelsson and Agndal (2005) an observation requires that the observant is studying how the research subject is acting in specific situations. The research subject can either be aware of the observation however it can also be the opposite. One advantage with observations is that the research object does not have to know that they are being observed and thus their involvement is not required. Another advantage is that the observant makes studies of actual occurrences instead of claims and statements of behaviours. One limitation with observations is that it can be difficult to explain the motives behind the results of the observation. (Axelsson & Agndal, 2005, p.235) However this will not affect this study as the goal is to *describe* how marketing is used on Facebook and not analyze the reasons behind it.

In this study the fashion companies on Facebook are not aware of an observation being conducted of their marketing usage. Thus, there is no contact between the researchers and the companies. Of the various types of observations, the best suited for this study is a *Structured Observation*. A *structured observation* is quantitative, systematic and has a high level of predetermined structure. The main intention of the observant is to quantify behaviours. The most common form of structured observations is *checklists* which test if one particular type of behaviour occurs. (Saunders, 2009, p.300) In order to conduct the structured observation on Facebook, checklists of expected behaviours were created. In total seven different checklists, one for each mode in the promotional mix and one for WOM were formed (see appendix). The objectives with the checklists were to see which modes that could be found on Facebook among fashion companies (see appendix).

The results of these checklists have been concluded and summarized and are presented as *graphs* in the results chapter. Each mode has one graph and these illustrate the findings of the observation. One additional graph is illustrated in the beginning of the results chapter and shows the overall results of the findings (in percentage). Every mode is counted as 100% and with the help of the checklists, the exact percentage of how much each mode is used, is presented in the graph. Not all of the marketing types are used because it is impossible since Facebook is an online social media network (e.g. no samples can be given in cyberspace).

To illustrate how the results' in percentage was worked out, an example of the calculation will be given: the *direct marketing mode* has 6 different marketing-types (catalogues, electronic shopping, email etc.). Altogether, if all of the 34 companies would use each one of the marketing-types, 204 types would be used in total (checklists would be full off checking-off arrows, see appendix). However, in the case of direct marketing only 74 marketing-types were used by the 34 companies together, and this equals 36,3%. This was calculated as: 74 divided with 204, which equals 36,3% (when rounded off). Therefore, 36,3% of the direct marketing mode was used on Facebook for marketing purposes, by all the 34 companies.

The procedural of the observation

All members of Facebook have a *profile page* which permits visitors to see their personal information, photos and videos and also to write messages on their *wall*. This wall is visible to all

people that the member accepts as *Facebook-friends* (see appendix 4:1). Companies can also obtain a profile page which is positive for marketing purposes. These profile pages show presentations of the company, pictures of clothes, catalogues and new products. These profile pages also shows a *wall* were members can speak to the company as well as other members, and all these conversations are shown on the profile page to all visitors. These Facebook profiles are free of charge and can both be used by private members as well as the companies (see appendix 4:2). At the right side of Facebook there is always a column of advertisements where companies pay to put up their advertisements (see appendix 4:1). This column is always shown no matter if the person is visiting specific Facebook profiles or just looking at other Facebook pages. This column is good for advertisement as all Facebook visitors are exposed to the promotion. There are many different types of companies that publish advertisements in this column however this study is only observing fashion companies on Facebook. Some companies chose to not have a profile page on Facebook and only use it to put up advertisements, whereas other companies have profile pages however do not pay to show advertisements (see appendix). The observation was done both on companies profile pages as well as the advertisement column. Two observers used the seven checklists and checked off which marketing types that were used. The observers did this observation individually and then compared the results which were shown to be equal.

Timescale of observation

The observation has been conducted during a period of ten days. At first the intention was to make an observation during two weeks. However, already after ten days it was detected that the results did not change any longer. The number of purchased advertisements did not change from day to day or week to week and totally during the ten days, only eight companies were identified. As a result of the standstill the observation was decided to be completed due to the fact that a longer observation would not contribute the study with new data.

Companies used in the observation

In total 34 fashion companies were observed in this study. As mentioned before, the initial plan was to look only at the companies that purchased advertisements to show on Facebook,

however since the number of them was not very high, the requirements for the choice of the companies has been modified.

Eight of them were found from the observation of the advertisement columns, and 26 of them were chosen because they were appropriate for this study. The eight companies' which used the advertisement column were actually the only fashion companies that appeared at this place during the ten days of observation. To make a good and valuable observation, more companies were needed and therefore a company-list was created. The selected companies for this list were: large-scale and popular companies, smaller companies, sports companies, shoe companies and new and unfamiliar companies to make the sample more enlarged and give a the most fairest picture of the studied object.

The reliability of the study

It is important to be aware of the *observers effect* that can cause problems to validity and reliability of data collected during the observation (Saunders, 2009, p.309). One limitation is that the study could be viewed as biased since the observers based the results on their own perception. In this study, to avoid lacks in reliability the companies were observed by two observers individually. The results and checklists were then compared. The results were always the same and this can indicate that the findings were correct. However as the results were compared and theory such as the promotional mix and WOM were used, the basis is well argued. With the help of the information received from the observations, it becomes possible to make a connection to theories to reach a deeper understanding of how companies chose to use Facebook for marketing purposes.

One threat to the mode of *advertisement and sales and promotion* is that the modes marketing-types are quite mixed up in each other. However as the company have different aims with the modes the findings are still very valuable. Another threat to reliability is that companies have the possibility to erase wall posts if they do not like them. This can make the study somewhat biased in terms of negative WOM as it might not always be detected. This might actually be the case often as only very little negative WOM was found and it was always very nicely responded to. Probably the negative WOM that companies does not want to respond to, or do not have the time to respond to, is simply deleted. It has not been possible to

track companies Facebook profile fan members as their customers' profiles are limited to us and we do not have the ability to observe if they have any WOM on their profiles or status. Therefore the WOM that we observe in this study is only what we can find on companies profiles. One way communication WOM can therefore occur on many other places on Facebook as well, and maybe companies are aware of this and encourage this to happen, however we do not have the ability to observe this. Modehus.se has a special function on their profile that they call *review* and customer writes both positive and negative WOM there.

Study-object for the observation

The place where the observation was carried out was the social media, and more specifically Facebook. "Social network sites are web-based services that allow individuals to construct a public or semi-public profile within a bounded system, articulate a list of other users with whom they share a connection, and view and traverse their list of connections and those made by others within the system" (Boyd & Ellison, 2007, p.211). The social media feature occurs with a mixture of technology and social interaction over the internet and there are many different social media networks, e.g.: Facebook, CyWorld, MySpace, twitter, blogs and forums. The uniqueness with the social media is not that it allows individuals to meet strangers, but rather that it enable users to express and make their social media visible.

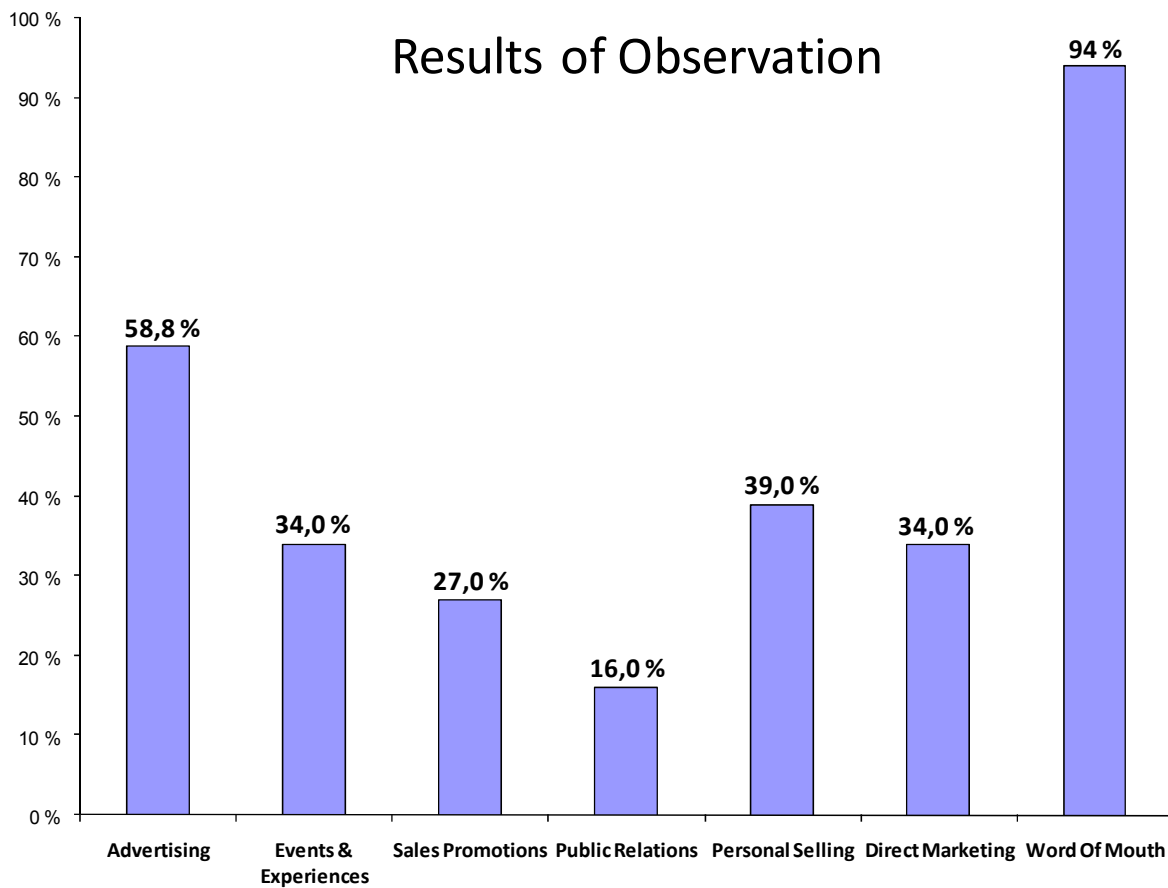
The social media is a place where companies have a whole new channel to be seen in by their customers. Due to this, companies must learn how to use social media as part of their marketing strategy. One way for companies to promote themselves in the social media is through communication and advertising of themselves. (Kaplan, 2010, p.64) This is especially important as it includes the possibility to express and promote themselves to a very big audience. (Kaplan & Haenlein, 2009, p.59) "Internet can be used to increase the frequency and depth of interactions with the brand, particularly for brand loyalists who are advocates of these brands" (Chaffey et al, 2003, p.5). Marketing on internet is often claimed to be significant for business and it is therefore interesting to see how this actually is used by companies. Facebook is a social media network and in the beginning most people between the age of 18 and 24 were believed to be "Facebookers" however it is growing more popular and higher ages are joining the network as well. (CNNmoney 2009) Since Facebook have a very high number of members,

companies invest capital in doing advertisements. There are not only random individuals on Facebook, but organized groups that can be of great value for companies. The founder of Facebook, Mark Zuckerberg, state that his ultimate goal is “to turn Facebook into the planet’s standardized communication and marketing platform, as ubiquitous and intuitive as the telephone but far more interactive” (Facebook 2010).

Results

As told before, the results of this study have been reached with an observation on Facebook. The seven checklists that were used when observing, present a clear picture of how companies use Facebook for marketing purposes. The seven summarized graphs will now be illustrated and show the results of the study. The following graph gives and overlook, or preview, of the overall results of the observation. It presents the percentile distribution of how the different modes in *the promotional mix* and *WOM* have been used for marketing purposes on Facebook (by the 34 companies). This graph is presented here to give a clear picture of the overall results.

Graph 2:1

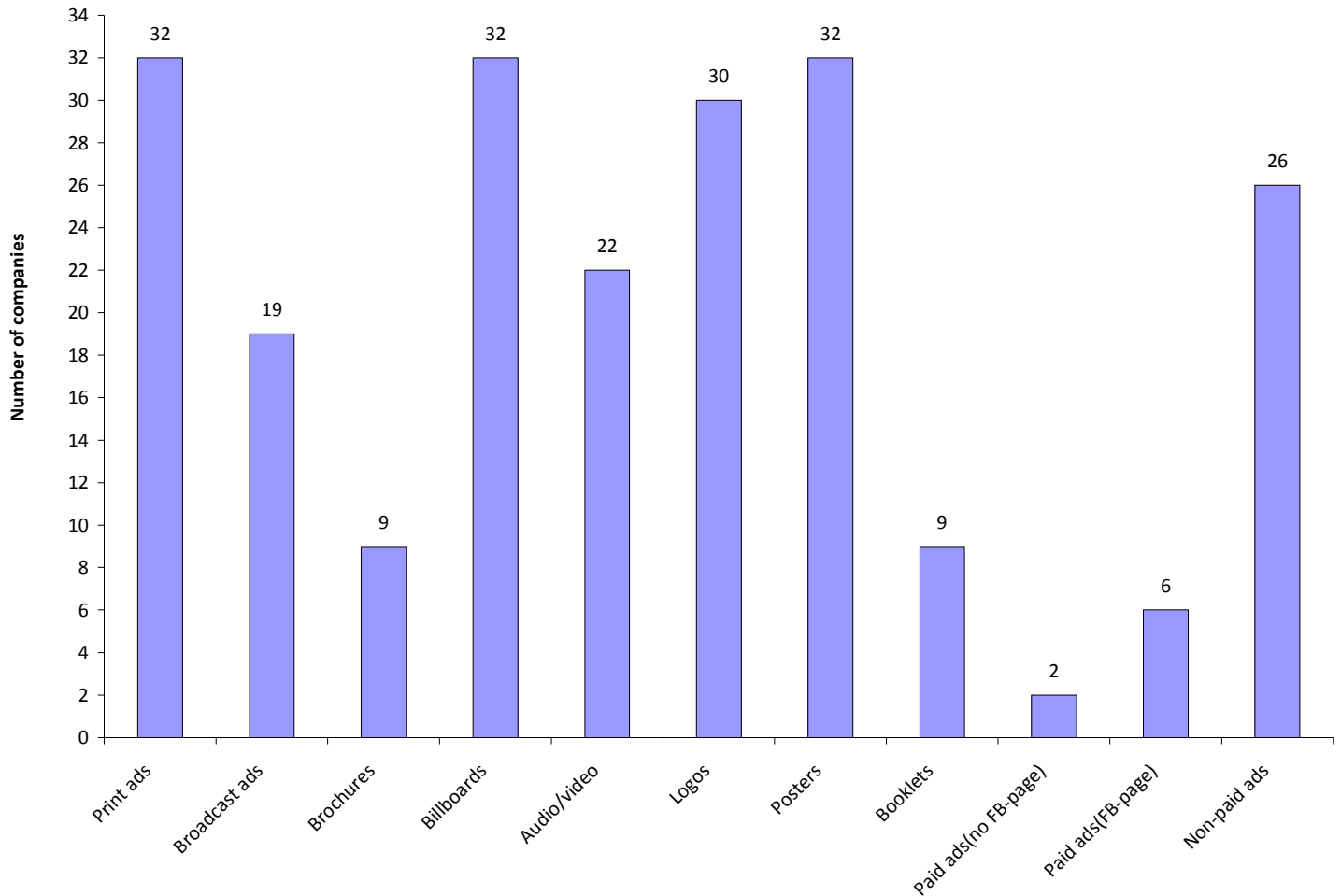


It is shown in this overlook graph that WOM is the most used mode on Facebook and public relations is the used least. The observation and its results will be further explained through the whole result chapter.

Advertising through Facebook

This graph does **not** only refer to advertising that companies purchase to publish on Facebook.

Graph 2:2



In total out of the whole *advertising* mode 58,8% were used by fashion companies on Facebook. Ads pasted on packaging as well as packaging inserts were not found, since they are not physically feasible on Facebook.

According to the literature review the definition of advertising is described to be any paid form of non-personal communication and promotion of ideas, goods and services by an identified sponsor. (Kotler and Armstrong, 1993, p.384) However, while doing the study and

observing companies on Facebook, it has been discovered that not all advertising on Facebook is purchased.

Out of 34 companies two did not have profile pages on Facebook however still used Facebook and paid for advertisements. Out of 34 companies 6 both paid for advertising as well as had a Facebook profile pages. The highest amount of companies, 26 out of 34, had profile pages on Facebook however did not pay for any advertising.

In the literature review chapter it was told that print ads, broadcast ads, ads pasted on packaging/packaging inserts, brochures, billboards, leaflets, audio/video, logos, posters and booklets are types of the advertising mode (see checklist 3:1 in appendix). Not all of these were found when observing companies' marketing on Facebook. The seven types that could be seen in the observation were *print ads*, *broadcast ads*, *brochures*, *billboards*, *audio/video*, *logos*, *posters* and *booklets*. (See table 1:1) Some of the advertising types could not physically be performed on Facebook, whereas others very well could have been used on Facebook.

Out of 32 companies that had a profile page on Facebook all of them used print ads on their profiles. Broadcasts are also very popular and out of 34 companies 20 used broadcasts on Facebook. Another form of advertising that has been identified is billboards and posters of models, customers and designers that are posted on the companies' profile pages on Facebook. There were 30 of 34 companies that used billboards and posters.

Some of the advertising forms are very similar such as brochures, booklets and leaflets. According to Longman dictionary of contemporary English, all three types of advertising give information on something whereas only brochures and leaflets advertise something. (Longman, 1995, p. 159, p.138, p.800) Due to the fact that companies on Facebook mostly lay out material on their profile pages for the sake of advertising, brochures and leaflets could be found in a higher extent than booklets. Normally, they only exist in paper format, but since nowadays it has become possible to do it online, companies using Facebook have also taken advantage of it.

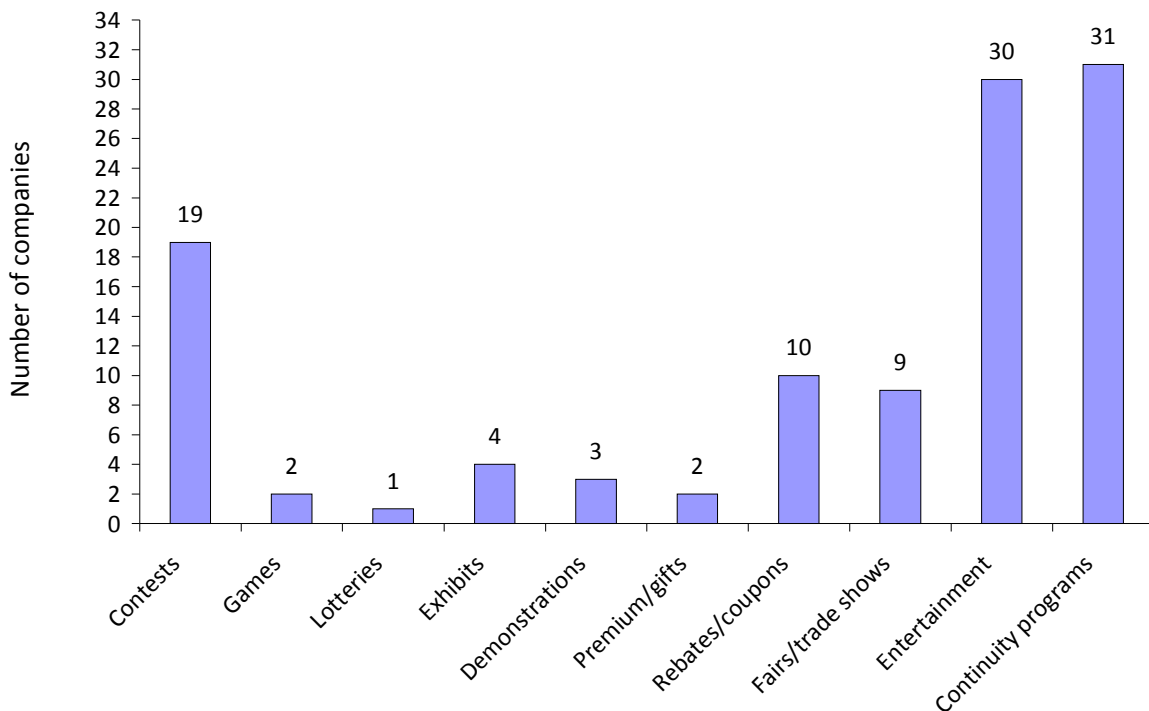
Audio/video was an attribute for most of the companies that were observed. Out of 34 companies 22 were very creative in the choice and design of their audio/video material such as videos from the catwalks, events, different videos with advices and recommendation in how to use different items as well videos from the fans wearing clothes from the companies we have

observed. Out of 34 companies 30 had logos on their profile pages except two companies that did not have profiles.

Sales promotions on Facebook

As shown in the introduction graph 1:1 (p.5), 27% of the studied companies used the *sales and promotion* on Facebook. The only two types of this mode that were not used were *sampling* and *Low Interest Financing*. *Low Interest Financing* is often used when buying very expensive products such as furniture, and the rent is taken away as a bonus. This does not occur on Facebook and not often with clothes overall. And samples are not possible to be given out by companies since Facebook is on the internet. The percentage overall was quite low even though all types except for two were used.

Graph 2:3



In the literature review chapter it was told that contests, games, lotteries, premium/gifts, sampling, fairs/tradeshows, exhibits, demonstrations, rebates/coupons, low-interest financing,

entertainment, continuity programs/tie-ins are types of the *sales promotions* mode of the promotional mix (see checklist 3:3 in appendix). Actually all of these except two were found when observing companies' marketing on Facebook. The two types that could not be seen in the observation was *sampling* and *Low Interest Financing*. (See tables 2:3)

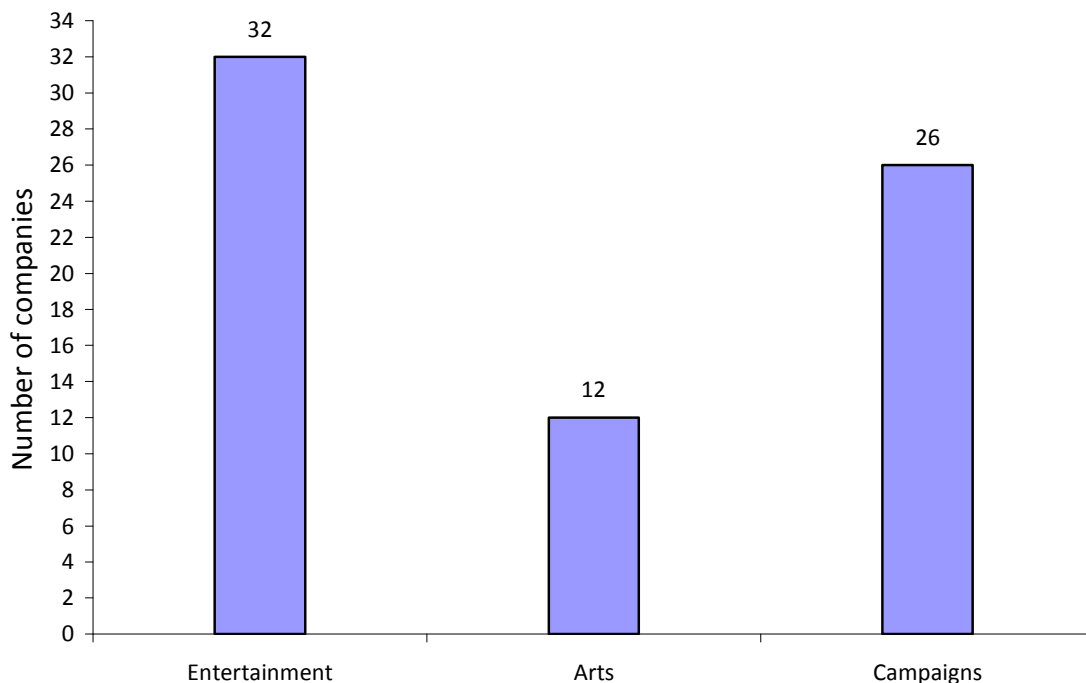
Out of 34 companies 19 companies used *contests*. One example is when *Scorett* posted an announcement on their profile page about a chance to win a bag for those fans who already bought a pair of shoes. Another example is when *Brando's* announced a contest to come up with the best question to Brando's fashion expert. The winner received money to shop for on their homepage.

Only one company out of 34 had *lotteries* in their Facebook promotion. *Din Sko* gave out 50 gift cards to their fans if they filled in a form of store management. Out of 34 companies 30 had some kind of *entertainment* on their profile page. *Mango* amuse their fans with the creation of wardrobes where they can chose five fashionable items and create nice outfits and show it on mangos Facebook profile page, almost as a designer. This type can also be classified as a *game* and 2 companies had this type of marketing on their Facebook profiles.

Only 2 companies gave out *gifts and premiums* to their customers and one example is when *Mightees* offered their Facebook fans an opportunity to buy t-shirts at half price thus motivating the buyers to purchase more. If they did purchase they received a key ring as well. Out of 34 companies 32 companies used *continuity programs/tie-ins* to attract and keep members on Facebook. For example on *Shoptop's* Facebook profile page people can become members and then receive the latest news and offerings of the companies' fashionable clothes.

Events & experiences on Facebook

Graph 2:4



As shown in the introduction graph 1:1 (p.5), 34% of the studied companies used the *events and experiences* on Facebook. Factory tours were not found on Facebook probably because it is practically impossible to accomplish this on internet and the same counts for street activities/sports and festivals. In comparison to the other modes *events and experiences* were quite average with its 34%.

In the literature review chapter it was told that entertainment, festivals, arts, campaigns, factory tours and street activities/sports are types of the *events and experience* mode (see checklist 3:2 in appendix). Not all of these were found when observing companies' marketing on Facebook. The three types that could be seen in the observation on Facebook was *entertainment, arts and campaigns*. (See table 2:2)

Out of 34 companies 32 had *entertainment* on Facebook. Some examples are when *Peak Performance, BCBG Maxazria* and *Fred Perry* posted funny pictures and videos on their profile pages. They organized games, lotteries and contests as well, where their fans could win special

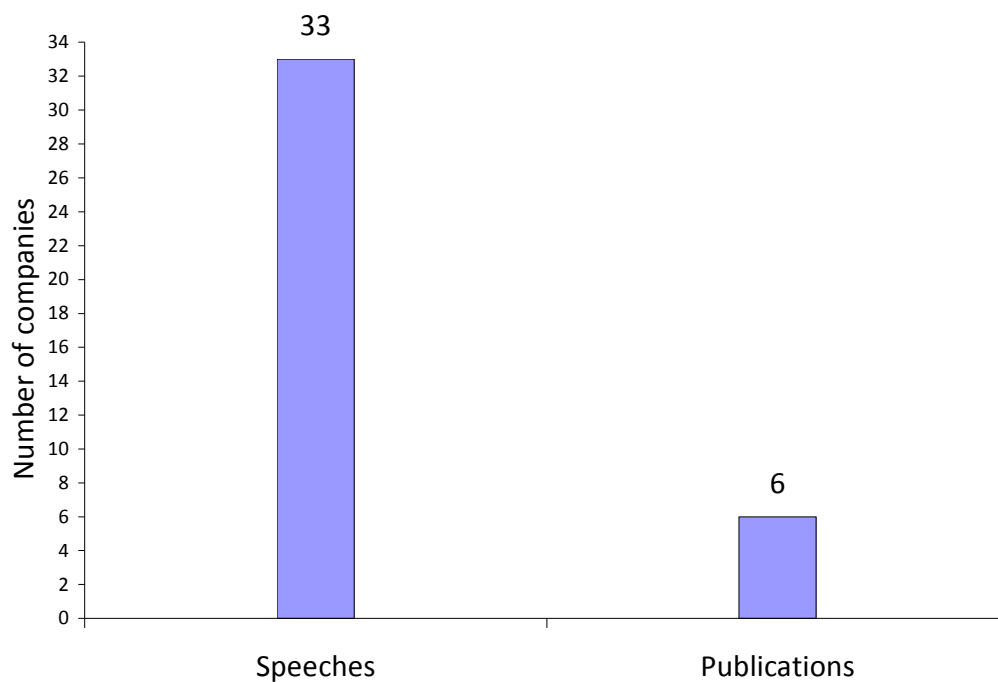
items like exclusive bags, trips or money if they purchase items. Another entertainment is interviews with well-known fashion designers, style guides and fashion blogs.

Out of 34 companies 12 used *arts* on Facebook. Some examples are creative fashion photos and videos. These pieces of arts could either be posted by the companies themselves or by their fans. Some companies encourage their fans to post imaginative original pictures where they wear items from the company's brands to the fan page so that other fans could be inspired. The best photos could also be nominated to win prizes.

The majority of the observed companies, i.e. 24 companies had campaigns on their Facebook profile pages. Both big and smaller companies used campaigns in order to create temporary awareness of their products, e.g. *H&M* had a campaign where their Facebook fans were challenged to create the most fashionable outfit and share it with the world. The best three outfits were rewarded with 500 dollars each to spend on H&M's clothes.

PR and Publicity on Facebook

Graph 2:5



As shown in the introduction graph 1:1 (p.5), 16% of the studied companies used the *PR and publicity* on Facebook. The types that were not used are seminars, annual reports and community relations and why they have not been used is unclear. Seminars and community relations could be shown on Facebook however this might not be so popular among fashion companies. Annual reports are very serious and perhaps it is better situated on the companies' webpage than on the Facebook profile which is more related to fun. Public relation and publicity was the least used mode of this observation, with only 16% of companies in total.

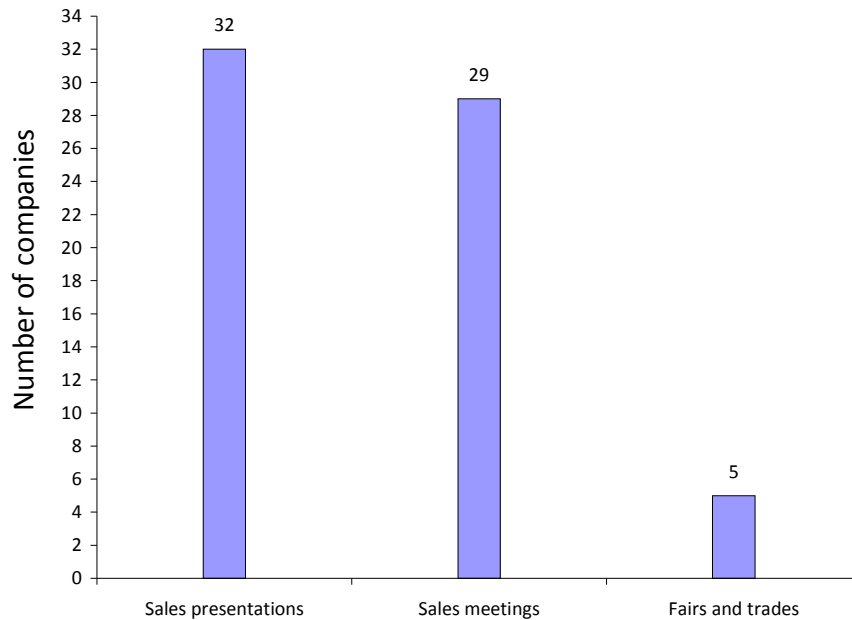
In the literature review chapter it was told that press kits, speeches, seminars, annual reports, publications and community relations are types of *PR and publicity* (see checklist 3:3 in appendix). However not all of these were found when observing companies' marketing on Facebook. The types that could be seen in the observation were *speeches* and *publications*. (See table 2:3)

Speeches are when companies present themselves, on their Facebook profile pages, to their members and out of 34 companies 31 had speeches on their profiles. This speech tells the reader about the companies' goals and objectives concerning fashion and clothes. Speeches tell very basic and short about companies' history, locations and products. This speech is located on the profile page in a link called *info*. *Ralph Lauren's* speech goes like this: "What began almost four decades ago with a collection of ties has grown into an entire world redefining American style. Polo has always stood for providing quality products and creating worlds that invite people to take part in our dream. We were the innovators of lifestyle advertisements that tell a story and the first to create stores that encourage customers to participate in that lifestyle. Back when we started, it seemed there were no boundaries for Polo. That's even more true today."

Not many companies had *publications* in their Facebook marketing and out of 34 companies only 6 had it. *Scorett* is one of the companies that had it and the publications contained an interview with the famous designer Shashi Jewelry Danna Kobo.

Personal selling on Facebook

Graph 2:6



As shown in the introduction graph 1:1 (p.5), 39% of the studied companies used *personal selling* on Facebook. Incentive programs and sample were the two that were not used. This number is not very high however as not all the types of marketing in personal selling can be used on Facebook because it is an online facility. Incentive programs and samples were not used. In the literature chapter it was told that sales presentations, sales meetings, incentive programs, samples, fairs/trade shows are types of *personal selling*. (See table 1:2). However not all of these were found when observing companies' marketing on Facebook. The types that occurred on Facebook were *sales presentations*, *sales meetings* and *fairs/trades*. (See checklist 2:5 in appendix)

Sales presentations are when companies present themselves to customers on their profile pages. These presentations can be of their products and services as well as of their aims and objectives. The observation has found that these types of presentations are very popular among fashion companies on Facebook and 32 out of 34 companies had sales presentations on their Facebook profiles. The only two that did not have sales presentations are the two

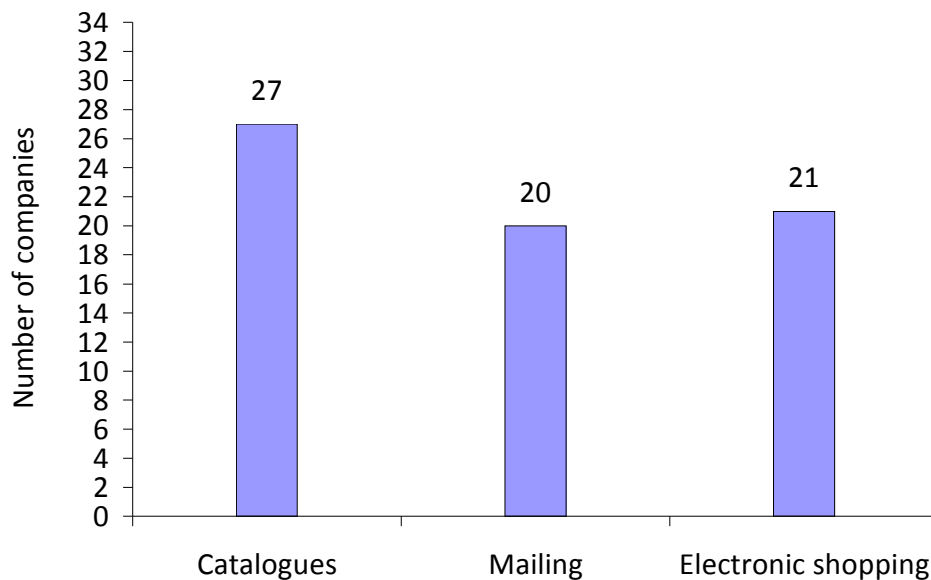
companies *Manbutiken* and *Bonprix* and these do not have Facebook profiles at all (they only use paid advertising). Sales presentations can be either small and simple or very extensive. *Mango* and *New Look* have large and very thorough presentations of their products and company while *Stradivarius* has a tiny presentation (see appendix, table 2:5).

Sales meetings are, in this study, defined as conversations between companies and customers about the business and its products and services. Out of 34 companies 29 did have sales meetings. These meetings occur on the companies Facebook profiles and involve dialogues between companies and customers. The advantages of sales meetings are that they provide answers to questions and bring up solutions as well as give good reputation of companies. An example of a sales meeting from *Nelly.com*'s profile page is: "*Chat with Kenza at Nelly.com tonight! Kenza will be here from 7 pm to answer your fashion questions, but you can post you questions from 6:30 pm. Tonight's best question will be rewarded with a gift voucher worth 5.000 kr/€500!*" a customer named Linda W replied to this and said: "*How do I rock in high-waisted pants without looking like Urkel?*"

Five out of 34 companies had *fairs/trades* on their Facebook profile pages. Fairs/trades on Facebook are defined in this study as events that occur on companies profile pages. These fairs/trades are organized by companies to attract customers and let them enjoy themselves on their profiles pages. These fairs/trades promote companies and sometimes result in customers purchasing products and positive publicity is generated for the company. *H&M* had a fashion show where the famous designer Sonia Rykiel organized a fashion show which was showed online on Facebook at one specific time and date (14th of maj 2010, between 19.40- 22.40).

Direct Marketing on Facebook

Graph 2:7



As shown in the introduction graph 1:1 (p.5), 34% of the studied companies used *direct marketing* on Facebook. After having completed the observation it appears as all the direct marketing types that possibly could be used on Facebook were used, e.g. catalogues, mailing and electronic shopping (not all companies used them though). However the rest of the types (TV shopping, telemarketing) cannot be used on Facebook and thus were not used. The only type that possible could be used and was not is *emailing*. This percentage is quite high among the other modes.

In the literature review chapter it was told that catalogues, mailing, telemarketing, electronic shopping, TV shopping and Email are types of *direct marketing* (see table 1:2). However not all of these were found when observing companies' marketing on Facebook. The types that could be seen in the observation were *catalogues, mailing and electronic shopping*. (See checklist 2:4 in appendix)

Out of 34 companies 27 used *catalogues* in their marketing strategy on Facebook. Catalogues on Facebook are books or booklets with photos, pictures and text which can be

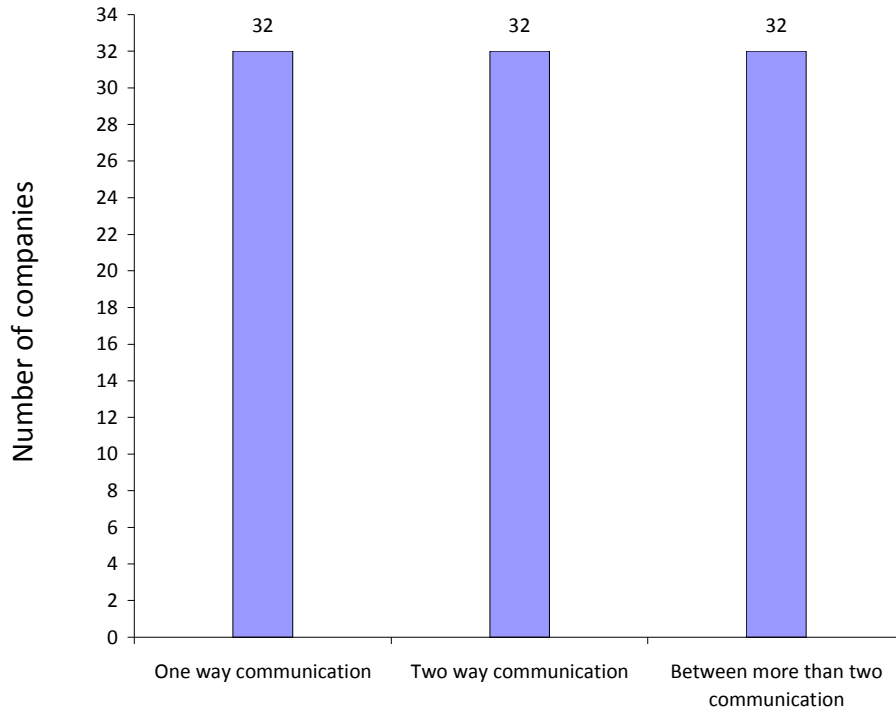
provided online and if members want they can print them out. In most cases these catalogues are only pictures however text paragraphs exists as well. A couple of examples are *Scorett's Spring 2010*, *New Shoes by Scorett*, *Spring 2010 Inspiration* or H&M's kids spring 2010. These catalogues illustrate pages with text and photos of fashionable clothes. The companies' purpose is to show the new-coming products to customers. This type of direct marketing is popular among fashion companies on Facebook.

The second type of direct marketing that was observed is *mailing* and 20 out of 34 companies provides this service on their Facebook profiles. Mailing is called *message* on Facebook and this function is personal and the only ones to read the mails are the sender and the company. The profile walls also show messages between companies and their customers however these are not regarded as mails in this study (these are called *personal meetings* in this study).

Electronic shopping is when customers have the possibility to purchase products online and 21 out of 34 companies have direct links to electronic shopping on their Facebook profile pages. In this study electronic shopping is defined when there is a direct link to companies' website where they can shop online. Electronic shopping is never fully completed on Facebook as purchasing and payment functions are not possible to have. An example is when the company *Have2Have* has a direct link, to purchase tops and pants, from their Facebook profile page to their website. There are many types of the *direct marketing mode* that could be used for marketing purposes on Facebook however only 34% in total was actually used on Facebook. Table 3:5 (see appendix) present a full picture of the observation and which types that were used and not used.

WOM on Facebook

Graph 2.7



As shown in the introduction graph 1:1 (p.5), 94% of the studied companies used *WOM* on Facebook. This high percentage is probably due to that the main objective of Facebook is communication. The remaining 6% are because two companies *Bonprix* and *Manbutiken* do not have Facebook profiles pages on Facebook and therefore communication is not possible for them (see appendix). This was the highest marketing mode used among all companies in this study.

In the literature chapter it was told that *WOM* can either be negative or positive. In this study *WOM* is when *one person* tells a message, i.e. *one way communication*, or between two people, i.e. *two way communication* or between more than two people, i.e. *more than two way communication* (See table 1:2). What is special in this study, is that in the case of social media even though nobody replies a message can reach a big audience. And all of these three types of *WOM* were found when observing companies' marketing on Facebook. (See table 2:6) Negative

WOM marketing is when the mediated message is a disadvantage for companies and positive WOM is good for companies' image.

Out of 34 companies 32 had *one way communication* WOM marketing on Facebook. This means that customers express themselves without being commented by others. This happens deliberately in some cases and sometimes just because nobody wants to make a comment. One of *Billabongs* fans has posted a note on their Facebook profile page: "*Dear Billabong, You are my favorite clothing brand – Micah*". This positive WOM marketing is not commented by other customers or the company itself however it is still viewed by all the visitors of their profile page.

Out of 34 companies 32 had *two ways communication* which is when two people have a dialogue with each other. This can be between companies and customers or only between customers on companies' Facebook profile page. One example of negative WOM (two way communication) is when a *Top Shop* customer published a photo, on the company Facebook profile page, of her broken jeans. Top Shop responded well to this and advised the girl to describe the whole incident in order to fix the problem.

Out of 34 companies 32 had WOM conversations *between more than two people*. These are dialogues which include several people where everybody speaks about the same subject. One WOM between more than two people is on *Converse All Stars* Facebook profile page: 1) "*All my shoes are converse... I love it*" 2) "*I like it*" 3) "*Me too..!*" 4) "*yeah*" 5) "*mine tooooooo..... love it.....*"

Conclusion

The observation identified that all of the modes in the *promotional mix* and *WOM* were used by the companies' for marketing purposes on Facebook. It was very interesting to see that such a small number of fashion companies used paid advertisements to promote themselves in all parts of Facebook (not only on their own profile page). It was identified that some of the famous and big companies, such as *H&M* and *Mango*, only had Facebook profile pages however did not purchase advertisements, at least not under the ten days of observation when this study was made. The companies that did purchase advertisements were not popular and most likely

nobody would visit their profile page without being “pushed” by the advertisements on the right side of Facebook.

The *WOM* is very valuable for companies and their Facebook profile pages contain a lot of this. As people listen to the “voice of the customer” the opinions by companies’ customers have a great impact on the companies. As it has been observed, companies seem to appreciate when customers complain on their profile page as they can react to it with responsibility. This shows how well they treat their customers. However one limitation to the whole study is that companies have full control of their profile pages and if they want to erase comments there is a possibility.

From the 34 fashion companies that were observed a number of trends could be identified. One trend is that the big and famous companies that have profile pages which are visited by many fans, have a lot of positive *WOM* about themselves. These companies that have very high reputation, e.g. *H&M*, *Helly Hansen* and *Ecco* do not have the same urge to answer customer questions as minor companies have, such as: *modehus.se*, *Brandos* and *Scorett*. This is probably because they already have a company brand and reputation and therefore do not spend too much time on their Facebook marketing. On the other hand, the observation has detected 2 companies that chose to only pay for advertising and not have a Facebook profile page at all. These two companies are very young and new and perhaps they believe that nobody would visit their profile page if they had one. Another trend about famous and big companies is that they do not pay to have the advertising that pop up on the right side of every page and everyone's profile pages on Facebook. One of the possible reasons could be that they already have a brand-name and therefore do not need to waste money on advertising it, whereas small and not famous companies do pay for advertisements to get attention because this type of advertisement is very valuable for them.

Since the objective with this study was to observe companies and describe the situation, no interviews or any contact with the companies have been done. Thus, the assumptions presented in this conclusion are not based on any facts. An alternative for future studies is to understand the reason behind the choices of marketing on Facebook. It would also be interesting to know why some big and famous companies do not invest in advertisements

that is purchased and do not spend more time to respond well and care about customers on Facebook. Another proposal could be to have a longer observation than 10 days as this might change the results. Moreover, another choice of industry could also have an effect on the results.

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Appendix

Observation of Advertising on Facebook

Appendix 3:1

	Print ads	Broadcast ads	Ads pasted on packaging/ packaging inserts	Brochures	Billboards	Leaflets	Audio video	Logos	Posters	Booklets
H&M	√	√		√	√		√	√	√	√
Scorett	√	√		√	√		√	√	√	√
Modehus	√				√			√	√	
Shoppop	√	√		√	√		√	√	√	√
Mango	√			√	√		√	√	√	√
Have2have	√				√			√	√	
Brandos	√				√			√	√	
Nelly.com	√				√		√	√	√	
Ralph Lauren	√	√			√		√	√	√	
Peak Performance	√	√		√	√		√	√	√	√
Helly Hansen	√	√			√		√	√	√	
CUBUS	√				√			√	√	
Bagatoo.se	√	√			√		√	√	√	
Intersport	√	√			√		√	√	√	
Levis	√	√			√		√	√	√	
Converse	√	√			√		√	√	√	
BCBG MAXAZRIA	√	√			√		√	√	√	
Billabong	√			√	√		√	√	√	√
Burberry	√	√			√		√	√	√	
DKNY	√	√			√		√	√	√	
Dressmann	√				√			√	√	
Lee Jeans	√	√			√		√	√	√	
Mightes	√			√	√			√	√	√
Top Shop	√	√			√		√	√	√	
Din Sko	√				√			√	√	
Ecco	√	√			√		√	√	√	

Stradivarius	√				√			√	√	
New Look Company	√				√			√	√	
UC of Benetton	√	√		√	√			√	√	√
Diesel	√	√			√			√	√	√
Fred Perry	√				√			√	√	
Miss Sixty	√	√		√	√			√	√	√
Manbutiken.se										
Bonpix										

Observation of Sales and promotion on Facebook

Appendix 3:2

	Contests	Games	lotteries	Premiums/gifts	samples	Fairs & trade shows	exhibitions	Demonstrations	Rebates/coupons	Low-interest financing	entertainment	Continuity programs & tie-ins
H&M						√					√	√
Accessora	√								√		√	√
Scorett	√										√	√
Modehus												
Shopbop	√										√	√
Mango	√	√				√					√	√
Have2have				√					√		√	√
Brandos.se	√										√	√
Nelly.com	√			√					√		√	√
Ralph Lauren									√		√	√
Peak Performance									√		√	√
Helly Hansen											√	√
CUBUS						√	√	√	√		√	√
Bagatoo.se	√										√	√
Intersport									√		√	√
Levis									√		√	√
Converse											√	√
BCBG MAXAZRIA	√					√					√	√
Billabong	√					√					√	√
Burberry						√					√	√
DKNY											√	√
Dressmen											√	√
Lee Jeans	√								√		√	√
Mightes	√								√		√	√
Top Shop	√										√	√
Din Sko	√	√	√								√	√
Ecco	√										√	√
Stradivarius							√	√			√	√
New Look Company	√										√	√
Benetton	√					√	√				√	√
Diesel	√										√	√
Fred Perry	√					√					√	√
Miss Sixty	√					√	√	√			√	√
Manbutiken.se												
Bonpix												

Observation of Events & experiences on Facebook

Appendix 3:3

	Entertainment	Festivals	Arts	Campaigns	Factory tours	Street
--	---------------	-----------	------	-----------	---------------	--------

						activity
H&M	√		√	√		
Accessora						
Scorett	√			√		
Modehus	√			√		
Shopbop	√			√		
Mango	√		√	√		
Have2have	√			√		
Brandos.se	√			√		
Nelly.com	√			√		
Ralph Lauren	√			√		
Peak Performance	√			√		
Helly Hansen	√			√		
CUBUS	√			√		
Bagatoo.se	√			√		
Intersport	√					
Levis	√			√		
Converse	√					
BCBG MAXAZRIA	√		√	√		
Billabong	√		√	√		
Burberry	√		√			
DKNY	√		√	√		
Dressmen	√			√		
Lee Jeans	√		√			
Mightes	√			√		
Top Shop	√		√	√		
Din Sko	√			√		
Ecco	√			√		
Stradivarius	√					
New Look Company	√			√		
Benetton	√		√	√		
Diesel	√		√	√		
Fred Perry	√		√			
Miss Sixty	√		√	√		
Manbutiken.se						
Bonpix						

Observation of PR and publicity on Facebook

Appendix 3.4

	Speeches	Press Kits	Seminars	Annual reports	Publications	Community relations	Other findings
H&M	√						
Scorett	√				√		
Modehus	√						
Shopbop	√						
Mango	√						
Brados.se	√						
Have2have	√						
Nelly.com	√						
Ralph Lauren	√						
Peak Performance	√						
Helly Hansen	√						
CUBUS	√						
Bagatoo.se	√						
Intersport	√						
Levis	√						
Converse	√						
BCBG MAXAZRIA	√				√		
Billabong	√				√		
Burberry	√						
DKNY	√				√		

Dressmen	√						
Lee Jeans	√						
Mightes	√				√		
Top Shop	√				√		
Din Sko	√						
Ecco	√						
Stradivarius							
New Look Company	√						
Benetton	√						
Diesel	√						
Fred Perry	√						
Miss Sixty	√						
Manbutiken.se	√						
Bonpix	√						

Observation of Personal selling on Facebook

Appendix 3.5

	Sales Presentation	Sales Meeting	Incentive programs	Samples	Fairs and trade	Other findings
H&M	√	√			√	
Scorett	√	√				
Modehus	√	√				
Shopbop	√	√				
Mango	√	√				
Brados.se	√	√				
Have2have	√	√				
Nelly.com	√	√				
Ralph Lauren	√					
Peak Performance	√					
Helly Hansen	√					
CUBUS	√	√				
Bagatoo.se	√	√				
Intersport	√	√				
Levis	√	√				
Converse	√	√				
BCBG MAXAZRIA	√	√			√	
Billabong	√	√			√	
Burberry	√	√				
DKNY	√	√			√	
Dressmen	√	√				
Lee Jeans	√	√				
Mightes	√	√				
Top Shop	√	√			√	
Din Sko	√	√				
Ecco	√	√				
Stradivarius	√	√				
New Look Company	√	√				
Benetton	√	√				
Diesel	√	√				
Fred Perry	√	√				
Miss Sixty	√	√				
Manbutiken.se						
Bonpix						

Observation of direct marketing on Facebook

Appendix 3.6

	Catalogues	Mailing	Telemarketing	Electronic shopping	TV shopping	Email	Other Findings
H&M	√	√		√			
Scorett	√	√		√			
Modehus				√			

Shopbop	√	√		√			
Mango	√	√		√			
Brados.se	√	√		√			
Have2have	√	√		√			
Nelly.com	√	√		√			
Ralph Lauren	√	√		√			
Peak Performance	√	√		√			
Helly Hansen	√			√			
CUBUS	√						
Bagatoo.se							
Intersport	√						
Levis	√						
Converse							
BCBG MAXAZRIA	√	√		√			
Billabong	√	√		√			
Burberry	√	√		√			
DKNY	√	√		√			
Dressmen		√					
Lee Jeans	√	√		√			
Mightes	√		√				
Top Shop	√	√		√			
Din Sko	√						
Ecco	√						
Stradivarius							
New Look Company	√						
Benetton	√	√		√			
Diesel	√	√		√			
Fred Perry	√	√		√			
Miss Sixty	√	√		√			
Manbutiken.se							
Bonpix							

Observation of WOM (WOM) on Facebook

Appendix 3:7

	One Way communication	Two way communication	Between more than two
H&M	√	√	√
Scorett	√	√	
Modehus	√	√	√
Shopbop	√	√	√
Mango	√	√	√
Have2have	√	√	√
Brandos.se	√	√	√
Nelly.com	√	√	√
Ralph Lauren	√	√	√
Peak Performance	√	√	√
Helly Hansen	√	√	√
CUBUS	√	√	√
Bagatoo.se	√	√	√
Intersport	√	√	√
Levis	√	√	√
Converse	√	√	√
Billabong	√	√	√
Burberry	√	√	√
DKNY	√	√	√
Dressmen	√	√	√
Lee Jeans	√	√	√
Mightes	√	√	√
Top Shop	√	√	√
Din Sko	√	√	√
Ecco	√	√	√
Stradivarius	√	√	√
Benetton	√	√	√

Diesel	✓	✓	✓
Fred Perry	✓	✓	✓
Miss Sixty	✓	✓	✓
New Look Company	✓	✓	✓
BCBG MAXAZRIA	✓	✓	✓
Manbutiken.se			
Bonprix			

Picture of purchased advertisement on a Facebook-members private profile

Appendix 4:1



Picture of companies Facebook profile pages that are free of charge

Appendix 4:2



Picture of Facebook's advertising page

Appendix 4:3

