SOCIAL MEDIA MARKETING IN START-UP COMPANIES

Reaching New Consumers and Retaining Current Customers through Blogs and Facebook

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Abstract

The current recession has made it difficult for companies to find customers and therefore to finance their business which often leads to cuts in the marketing budget. Social media marketing could be the solution in these situations. The purpose of this study is to investigate how marketing efforts in social media, specifically in blogs and Facebook, can be successful in attracting consumers and also retain customers over time for start-up companies. This was examined through interviews with two recently started retail companies along with consumer surveys in these companies’ target markets. The paper has shown that Facebook is more efficient than blogs and that social media is effective in spreading word-of-mouth and communicating with customers. The conclusion of this study is that Facebook is an effective tool for start-up companies, both to reach new consumers and also to retain current customers.

KEYWORDS: Social Media Marketing, Start-up Companies, Facebook, Blogs, Word-of-Mouth, Communication
Preface

We would like to thank Hanna Hellström, owner of Hanazacka, and Martin Gällström, part-owner of Footish, for taking the time to meet with us and for giving us access to your experiences of social media marketing. And thanks to all of those who participated in the consumer survey. We would also like to thank our mentor Olivia Kang for guiding us through this process and giving us valuable advice.

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1. Introduction

A lot of people dream of running their own business, but many start-up companies encounter problems and are forced to file for bankruptcy during the first years of business. In 2009 approximately 55% of companies that filed for bankruptcy in Sweden had been started during the period 2004-2009 (Tillväxtanalys, 2009). Micro companies (i.e. companies with less than 10 employees) create many job opportunities in Sweden, as a matter of fact, in 2008 a percentage of 96% of all Swedish corporations were micro companies. These companies are significant employers since they employed approximately 1.2 million persons (FöretagarFörbundet, 2009).

The leading problem that small companies face in order to survive is simply to find customers and the second biggest problem is to finance the business (European Commission, 2011). As a consequence of the current recession the unemployment rate is expected to rise, the consumption has decreased and there has been a rise of bankruptcy in the retail industry in Sweden. The predictions are that the general economic concerns among consumers will continue to make it hard for companies to find customers (Upplysningscentralen, 2012). Despite the fact that companies have a hard time finding customers, especially in times of recession, what small companies cut their budget on when there is a need to cut costs is mainly the marketing (Wuorio, 2009). This may seem contradictory since their main obstacle is to find customers (European Commission, 2011).

It is possible for start-up companies to cut the marketing budget but still continue to market themselves. This is possible thanks to the development of the World Wide Web. The internet started out as a tool for users to share information with each other (Kaplan and Haenlein, 2010). Homepages became popular in the 1990s and people could share information about themselves and their interests on their own page, these homepages can be seen as an early version of the modern blog. In the late 1990s there was a change in the use of internet, it gradually moved toward containing e-commerce and corporate web pages where companies could present information to customers through one-way communication. However this era of one-way communication would show to be a short one. After the burst of the dot-com bubble in 2001, the internet has moved towards the trend of social media. This trend can be seen as going back to the roots of internet since users share information in a two-way communication again, as opposed to only being fed information without the same opportunity to dispute or contribute to the flow of information (Kaplan and Haenlein, 2010). Nowadays companies use
social media to market themselves through communication with consumers (Kaplan and Haenlein, 2010, Smith, 2011).

Social media can be a tempting tool for start-up companies to use since it is cheap (Wuorio, 2009), relatively simple to use and the company has the possibility to reach a big audience (Weinberg, 2009). Drawing on this, it is possible that social media marketing is a useful tool for start-up companies. Therefore the purpose of this study is to investigate the results of marketing efforts in social media for start-up companies. The results that are examined are how well marketing in social media attracts customers but also retain them over time. The research questions are; how do start-up companies use social media to market themselves, and how does the use of social media marketing affect the companies’ ability to attract and retain customers? This will be investigated in terms of the social media channels blog and Facebook since they have a high degree of self-presentation and self-disclosure. This will be explained in detail in section 2.1.

The disposition of the paper is as follows; initially previous research in social media marketing is reviewed, the focus is on the channels Facebook and blogs. This part is divided into two main areas which are how social media channels can help to attract customers through word-of-mouth and how it can help to retain them over time through communication. After this part, the method of the research is explained and then the results of this research are presented. The first part of the empirical results contains interviews with two companies and the second part the results of a consumer survey. The results are then analysed with the help of previous research in the analysis part. Finally there is a conclusion of what has been discussed in the analysis.

2. Social Media Marketing

In the first part of this section the concept of social media is explained along with specific types of social media. The choice of the two social media channels blog and Facebook are also described. Since the major problem that small companies encounter is to find customers, the ability to reach consumers through social media marketing is discussed in the second part. It is also important to keep the existing customers and therefore the ability to retain customers with the help of communication through social media is reviewed in the final part.
2.1. The Concept of Social Media

Social media consists of different internet sites and formats where users share information through two-way communication and it allows the creation and exchange of user generated content (Kaplan and Haenlein, 2010). User generated content is content that is available on the internet and contains some creative effort and, as the name implies, is created by the users and not by professional routines (Wunsch-Vincent et al., 2007).

Social media can be divided into a scheme depending on the special features that the media offers, this is shown in table 1. One side consists of the concepts media richness and social presence. Media richness is the degree of information that can be mediated, and social presence is the degree of contact the parts can achieve in communication through the media channel (Kaplan and Haenlein, 2010). The other side consists of the degree of self-presentation and self-disclosure. Self-presentation is how well the users are able to present information about themselves and thereby create an image of themselves and this is usually done through self-disclosure which is the revelation of personal information (e.g. feelings, preferences, dislikes), these revelations can be both conscious and unconscious (Kaplan and Haenlein, 2010).

<table>
<thead>
<tr>
<th>Self-presentation/ Self-disclosure</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blogs</td>
<td>Social networking sites (e.g., Facebook)</td>
<td>Virtual social worlds (e.g., Second Life)</td>
<td></td>
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<tr>
<td>Collaborative projects (e.g., Wikipedia)</td>
<td>Content communities (e.g., YouTube)</td>
<td>Virtual game worlds (e.g., World of Warcraft)</td>
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Table 1: Classification of social media by social presence/media richness and self-presentation/self-disclosure (Kaplan and Haenlein, 2010, p. 62)

In this paper the focus is on social media that offers a high degree of self-presentation and self-disclosure. This is due to the fact that since a start-up company is a new player on the market we argue that it is important for the company to educate the consumers about who they are and to do this they need to use a channel that allows for them to present themselves. As seen in table 1, the three types of media that fit these criteria are blogs, social networking sites and virtual social worlds.

Virtual social worlds are digital worlds where the users create a virtual person or creature and walk around in the virtual world and perform activities that are similar to real life situations,
such as talk with friends, go to work and go shopping (Kaplan and Haenlein, 2009). Advertising and communication can be made in this media through a number of ways. It is possible to set up flagship stores in the virtual world to present merchandise, buy advertising space or sponsor events, advertising in virtual worlds can also lead to attention in real life press (Kaplan and Haenlein, 2009). We judge that the marketing possibilities in virtual social worlds are either too time consuming or too costly for start-up companies and that there are other options that demand less resources and therefore are more attractive.

The second media type that matches the criteria is social networking sites. “Social networking sites are applications that enable users to connect by creating personal information profiles, inviting friends and colleagues to have access to those profiles, and sending e-mails and instant messages between each other” (Kaplan and Haenlein, 2010, p. 63). The study of social networking sites will examine Facebook, the reason for studying this specific site is that it is currently the fastest growing social networking site (Weinberg, 2009). This site was launched in 2004 and now millions of people use the network every day (Facebook, 2012a). The site can be used by companies to promote their business in a number of ways. There are the main formats which are Facebook pages and Facebook groups, there is also Facebook ads but this is a function that must be paid for and therefore it will not be examined in this paper. Facebook pages is the format that is intended for businesses; “Pages allow real organizations, businesses, celebrities and brands to communicate broadly with people who like them. Pages may only be created and managed by official representatives. Groups provide a closed space for small groups of people to communicate about shared interests. Groups can be created by anyone” (Facebook, 2012b). Facebook groups have recently been changed to the format they have today by becoming more personal and they are no longer intended for business use (Facebook, 2012b, Chai, 2010). Facebook groups have been used by companies for promotion before, therefore the research made on the old version of Facebook groups is still relevant, but in this paper the findings are applied for Facebook pages instead. This is based on the fact that companies can still use Facebook to send promotional messages, the only change is that instead of having a Facebook group, which is more personalised, companies can send the messages more openly through Facebook pages where those who do not follow the company also have the possibility to view the content much easier.

The terms connected to Facebook that will be used are; Facebook page which refers to companies’ pages; Facebook wall which refers to private users’ pages; and Newsfeed which
represents the private users’ first page when logging in on their account, the newsfeed shows the activities of friends and companies that the individual follows.

The third and final media type that fits the criteria for this paper is blogs. Blogs are the first version of social media and often comes in the form of a personal diary (Kaplan and Haenlein, 2010). Anybody can create a blog and use it to write about whatever they find interesting (Smith, 2011). The first blogs were created in the late 1990s’ and back then it was mostly used as a personal communication tool. Now it is used by companies as well (Rosencrance, 2004) and can be created in a marketing purpose to promote products and services and to have conversations with current and possible customers (Dearstyne, 2005). Blogs are not expensive because of the existence of free blogging sites (Smith, 2011) and they are easy to update since “anyone who can fill an online form or use a word processor is capable of blogging” (Haiwang and Rosemary, 2006, p. 24).

To conclude, the social media channels that will be studied in this paper are Facebook and blogs since they both have a high degree of self-presentation and self-disclosure (Kaplan and Haenlein, 2010), they are also cheap (Wuorio, 2009) and easy to use (Weinberg, 2009).

### 2.2. Attracting Consumers through Social Media

When getting started with social media marketing Weinberg (2009) highlights that goals should be set and a strategy should be developed in order to achieve the goals (Facebook, 2012c, Weinberg, 2009). No matter what the goals are, there is a need to know who the target group is and how to reach it. When trying to understand where the target is present on social media, an evaluation of what social media these persons are using should be done and the possibility to use the same media to reach them should be considered (Weinberg, 2009).

Social media do not affect only those who follow a company online, it affect others as well through word-of-mouth; a customer who follows a company online can tell their friends, who do not follow them online, about the company and thus bring them to the store (Pullen, 2011). Word-of-mouth can also bring traffic to a company’s webpage in the same way. Online users tell others about a web page and therefore they also start follow the web page and in turn they tell others about it etc. (Weinberg, 2009).

The spreading of word-of-mouth can be divided into three aspects; the stickiness factor, the power of context, and the law of the few. The stickiness factor is the importance of having something worth talking about; otherwise people will not spread the word. The power of
context is the importance of acting in an environment that is suitable for spreading word-of-mouth. The law of the few explains who is likely to spread the word, those are called opinion leaders. In any target market the opinion leaders constitute approximately 10% of the target market and it is those opinion leaders that will drive the behaviour of the other 90%. The majority of the opinion leaders are represented by regular consumers, the only difference is that they are highly connected and respected by the people around them. To find the opinion leaders is not an easy task but when marketing online it is possible to identify these leaders through looking at relevant blogs and websites for example (Kirby and Marsden, 2006). The logical thing to do is to find the opinion leaders and then create advocacy among those (i.e. higher likelihood that they will spread the word). There are also brand advocates that are not opinion leaders but simply very satisfied customers that advocate the brand. The interest for companies is to turn brand adopters and brand adorers into advocates and thereby enlarge the group of brand advocates. One way of doing this is through “bring-a-friend-campaigns”; special offers to customers that recommend the company to friends, this is a cost-effective tool (Kirby and Marsden, 2006).

To spread word-of-mouth about blogs it is possible to add widgets to a blog, for example a widget that allows “social share buttons”. The share buttons encourage readers to share the blog on for example Facebook or other social media. All the reader has to do is to push the share button. This may be desirable because it is possible to see statistics of how many persons that has done this. It is also possible to show the statistics to the visitors of the blog and if many persons who visit the blog share it on other social media sites then later visitors will think that it is an interesting blog and then they will read it as well and hopefully push the share button which can attract even more visitors (Smith, 2011).

To get visitors to a Facebook page the company can start by using their existing connections such as friends, family and customers who visit the company. It is also a good idea to use direct email to the employees’ existing lists of email addresses. The Facebook page should then be used to share exclusive content with the customers; this can get them talking and drive a positive word-of-mouth (Facebook, 2012c). The new technology that has become available through Facebook, blogs and other social media gives an opportunity to increase the speed and broaden the use of word-of-mouth (Kirby and Marsden, 2006). Emily White, Facebook's senior director of local, says in an interview, “Facebook enables word-of-mouth on a broad scale. We are taking behaviours that have been around thousands of years and putting control in the hands of the merchant.” (Ankeny, 2011, p. 58). To further get the customers interested
the company should try to get the customers involved by encouraging them and rewarding them by, for example offering special discounts, a chance to compete for products or other prizes, or offering other incentives (Facebook, 2012c, Shu-Chuan, 2011). The company’s goal is not only to make a lot of people click the like button but also to make them want to own the products that the company offers (Lin and Lu, 2011). Through the word-of-mouth that Facebook pages generates and through special offers that are made there it is possible to generate more customers. When someone clicks the like button on a company’s Facebook page their friends will have an ad that pops up and says that their friend likes this company (Hof, 2011). This is a good way to spread the word since people are more likely to remember an ad if their friends are a part of it (NielsenCo., 2010). Another way to reach more people is to encourage those visiting the company to use the check-in function. This way their friends will see this in their news feeds in the same way as when someone clicks like on a Facebook page (Facebook, 2012c). Since Facebook members have an average of 130 Facebook friends the word spreads fast and wide with each click (Hof, 2011).

A study was made on college students’ behaviour regarding Facebook groups. As mentioned, the research of groups will be used in this study since it is assessed to still have relevance. The study shows that users are more likely to join Facebook groups to receive promotional messages if they have a more positive attitude toward advertising in general. It is also shown that Facebook groups are not as effective as might be expected. A lot of the members of a Facebook group are not willing to forward messages sent by the company (Shu-Chuan, 2011). Facebook is used to stay connected with friends and family (Facebook, 2012a) and in order to maintain social relationships, members do not want to intrude on their Facebook friends by passing along advertising (Shu-Chuan, 2011). This implies that companies present on Facebook should turn their focus to encouraging those group members who have a positive attitude towards advertising in general to forward the messages to their peers. Further on this study also implies that companies can make their Facebook advertising more powerful by sending out more personalised messages with promotional content to group members’ inboxes. They can also, as mentioned before, add some kind of incentive for members to pass the message along (Shu-Chuan, 2011).

2.3. Communicating With Consumers through Social Media
Social media is an uncontrolled environment; it offers a two-way communication where the consumers are a part of the marketing. A risk combined with this is that it is not possible to control the actions of internet users (Weinberg, 2009). The possibility to post comments can
give the followers a feeling of belongingness and it also increases the reliability of the blog (Joshua et al., 2008). However, the readers are often critical and they will spread the word and/or post comments if incorrect information is posted (Joshua et al., 2008). The blog can also get affected by spam and people might post things that can damage the company (Haiwang and Rosemary, 2006), for example comments that contain unacceptable content that may be for example insulting or unethical (Joshua et al., 2008). The same applies in the case of Facebook since this media also allows an open two-way conversation. Consumers have the possibility to send negative feedback openly to the company which can be seen by anyone who visit the Facebook page (Facebook, 2012c). But as a matter of fact; people will talk about companies whether they are online or not. In these two-way connections that social media provides it is vital to listen to the comments and also respond to them to show that feedback is appreciated (Joshua et al., 2008). If handled the right way, a negative comment can turn into something positive and strengthen the relationship with the customers (Weinberg, 2009).

To create a loyal customer relationship it is important to keep the information up to date (Wuorio, 2009) and to be active continuously, not only when the company needs something (Weinberg, 2009). The company knows best how often their customers want to hear from them and it can be a good idea to set up a calendar for when promotional content should be sent. Even if messages are not sent daily it is still imperative to devote a few minutes every day to reply to comments and questions (Facebook, 2012c). When it comes to running a company blog, Haiwang and Rosemary (2006) suggests that several different persons can be engaged in blogging and the updates can be divided among those persons, this way blogging does not have to be time consuming.

When using social media marketing a question that needs to be researched is what types of content the target group values, e.g. “The lawyer might be accustomed to reading the heavily detailed research paper. The young adult may, on the other hand, prefer more image-heavy content with funny captions and explanations” (Weinberg, 2009, p. 35). The company must post information that the reader value and to publish only advertisements is often seen as uninteresting (Joshua et al., 2008). The bloggers must somehow give their own opinions and more personal access to the company in order to create value for the customer (Joshua et al., 2008, Sang et al., 2006). If the blog is to affect the reader there is a need to create a more personalised feeling and a relationship with the consumer, this can be achieved if the style on the blog shows an informal character (Joshua et al., 2008) and it has been shown that
individuals tend to trust the message more if it is personalised as opposed to standardised as in traditional advertising campaigns (Kirby and Marsden, 2006). However, consumers can also get affected by what is written on blogs because the blogger is seen as an expert and it is important that the blogger is seen as reliable (Joshua et al., 2008). It is also important to remember that when marketing on social media the strategy might not have desirable effects immediately and it is therefore crucial that the company is willing to change the strategy and try again until it works (Weinberg, 2009).

2.4. Theoretical Model

Based on the literature we have created a theoretical model and the continuation of this paper will be focused around this model. The model explains how the two media channels Facebook and blog should be suitable channels for start-up companies who wish to market themselves on social media. According to previous research, blogs and Facebook should have a positive effect on reaching new consumers through the spreading of word-of-mouth and it should also have a positive effect on retaining customers through an open two-way communication. The results of these social media channels will therefore be judged by how well they help the company to reach out to new consumers and how well it helps to retain current customers. The continuation of this paper will examine and analyse the accuracy of this model.

Figure 1: Theoretical model

WoM = Word-of-Mouth
Com. = Communication

Socia Media Marketing Channels Suitable for Start-Up Companies

Facebook Page

Company Blog

Reaching New Consumers

Retaining Current Customers
3. Method
In this section the conduction of the studies are discussed and the choices of method explained. The first part concerns the study of two companies that are active on social media and the second part the study of consumer opinion of companies on social media. The final part explains how the questions used in both studies were constructed.

3.1. Qualitative Study
Two case studies were conducted with two retail companies in Uppsala that have been active for five years. The reason for not choosing more recently started companies was because they would not have the same ability to judge the outcome of past marketing efforts. The companies were chosen through a search among all companies in the retail business in central Uppsala that had been started during the past five years. In this study the definition of central is that the companies should be located in connection to the main shopping streets. The retail industry was chosen since in the current recession the retail industry has experienced some difficulties (Upplysningscentralen, 2012) and therefore it is interesting to see how social media can help companies in this line of business. Further on the results were narrowed down by choosing to study companies within the clothing business. This, along with the criteria that the companies should be centrally located, contributed to a more homogeneous object for our research. The search generated 27 companies. Since the research question is concerning social media, those companies that did not use social media to market themselves were excluded. Five companies out of the 27 met the criteria of being central and using some kind of social media, these five companies were visited and asked to participate in the study. One company was no longer actively using social media and two of the remaining four chose to contribute to the study; the other two did not have a possibility to participate due to a lack of time.

The case studies consisted of semi-structured, face-to-face interviews with those employees involved in the marketing and also observations of their use of blogs and Facebook pages. The choice of doing face-to-face interviews was based on the assessment that it would give a better understanding of what the respondents meant since it is possible to read the body language and ask follow-up questions (Saunders et al., 2009). Even though the questions asked were specific, a discussion around the questions helped create a deeper understanding of the companies’ views. In both companies the respondent did the marketing on social media by him-/herself, therefore no additional interviews were conducted. Since the interviews were conducted with the person responsible for the marketing on social media it adds reliability to the study (Saunders et al., 2009). The plan was to interview other employees as well but since
they were not involved in the social media marketing it would not have contributed to the results. The interview questions were sent to the respondents two days before the interview in order for the respondents to prepare, and if necessary, collect information. A list of the interview questions can be found in appendix 1.

Both authors of this paper participated during the interviews. This decreases the risk of observer bias (Saunders et al., 2009). Further on, it made it possible to split the work tasks during the interview, one took notes while the other was more active in asking follow-up questions. Immediately after the interview the answers were summarised in order to confirm that the respondent was interpreted in the same way and to make sure that all information needed had been collected. Once the data was compiled it was sent back to the companies to make sure the answers had been comprehended in the way intended. There was no need for follow-up interviews.

To complement the answers from the interviews secondary data was gathered from the companies’ Facebook pages and blogs. This data consisted of information about updates such as; how often updates are posted, what content is published and also information about the followers and their behaviour. The secondary data was analysed in order to see patterns of how social media is used. It also gave more detailed information about the usage of social media and complemented the information gained from the interviews. The using of secondary data to complement the studies further adds reliability since it was possible to minimise the influence of possible participant bias from the interviews in the results (Saunders et al., 2009).

### 3.2. Quantitative Study

To gain the consumers’ perception of the impact of social media a consumer survey was made. The survey consisted of two different sample groups that represent each company’s target market. The target market of each company was investigated during the interviews with the companies’ representatives. The main purpose of the consumer study was to examine how consumers respond to social media marketing on Facebook and blogs. This enabled a comparison of how the companies investigated use social media and if this is consistent with how consumers respond to social media.

The choice to do a survey was based on the assessment that this method would generate the highest number of responses in the limited amount of time of this study, and therefore help create a more complete picture of the consumers’ opinions than other methods would be able
As mentioned there were two different sample groups, one that represented each target market of the companies in this study. The target market of the first company in this study, Hanazacka, consists of parents to younger kids (Hellström, 2012). The target market of the second company of this study, Footish, consists of adults aged 25-35, with a majority of male consumers (Gällström, 2012). The reason for having two sample groups was to make it possible to see connections between the companies investigated and their respective target market in order to see if their perceptions are coherent. The choice of not doing a general consumer survey but to have the companies’ target markets as sample groups was made since by studying the same target in both the qualitative and the quantitative study the studies has the possibility to generate consistent findings to accurately measure the results of social media marketing. This adds reliability to the findings (Saunders et al., 2009).

In addition to having two sample groups there were two different surveys, one was regarding Facebook (see appendix 2) and one regarding blogs (see appendix 3). The questions were divided into two surveys to add validity to the study by avoiding a too long survey that could make the respondents unmotivated to think about the questions and answer correctly, and also to reduce the risk that people would not want to participate due to a time consuming process. These two different surveys were constructed the same way in order to be able to make comparisons between what consumers expect from the two different forms of social media.

To reach the target market of Hanazacka, surveys were handed out on a number of preschools where the personnel handed them out to the parents. A total of 150 surveys were handed out. Out of those 75 were concerning Facebook and 75 concerning blogs. The aim was to get approximately 60% female respondents and 40% male respondents since Hellström (2012), the owner of Hanazacka, estimated that to be the distribution among their customers. The study resulted in 108 answers.

The other target market was reached through handing out surveys in central Uppsala. The surveys were mainly handed out to men but not exclusively. The survey resulted in 89 answers. The aim was to get approximately 70% male respondents and 30% female in order to have a representation of Footish’s target market.

In order to motivate the respondents and thereby generate more answers, the respondents of each target market were able to participate in a contest and win a gift certificate in the two companies investigated in this study. This has shown to have a high relative impact on raising
questionnaire responses (Saunders et al., 2009). The sample group of parents could participate in the draw of a gift certificate at Hanazacka and the other sample group in the draw of a gift certificate at Footish.

3.3. Operationalization
The questions asked were based on the literature regarding social media. The interview questions were constructed through dividing the area of reaching consumers through social media into four different research objectives, the questions asked were then based on these research objectives. Multiple questions were asked in each objective to add validity to the study (Saunders et al., 2009). The same principle was used to construct questions regarding retaining customers through social media. This research area was divided into three different research objectives. The interview questions were composed to get the opinion from the companies’ and to investigate the results of their marketing efforts on social media. A detailed operationalization of the interview questions can be found in appendix 4.

To design the survey the same research areas and research objectives were used. The questions were then formulated to investigate the consumers’ view of social media marketing. This study also contained multiple questions regarding the research objective in order to add validity. A detailed operationalization of the survey questions can be found in appendix 5.

4. Empirical Evidence
*In this section the result of the qualitative study is initially presented. In the second part the results of the quantitative study are presented.*

4.1. Qualitative Study
*The companies of this study are described and information gained from the interviews with the two companies as well as information that have been collected through the companies’ respective Facebook page and blog is presented.*

4.1.1. Hanazacka
Hanazacka is a children’s clothing store located in central Uppsala. The company was started in 2007 (Retriever, 2012b). They offer clothes for babies, younger kids, tweens and pregnant women, they also have accessories and other related products (Hanazacka, 2012b). An interview was conducted with the owner, Hanna Hellström, to get her perspective on social media marketing and how they use social media at Hanazacka.
The company is active on Facebook and they also have a blog, however, the blog is not in use for the moment. When they first started using Facebook they had a Facebook group but later on, when Facebook made changes in their formats, Hanazacka changed it into a Facebook page (Hellström, 2012). They currently have 278 followers on their Facebook page (Hanazacka, 2012a). Hanazacka’s target market is parents and Hellström (2012) believes that approximately 60% of the customers are women and 40% are men.

Hellström is doing all of the marketing for Hanazacka by herself. She tries to post updates on Facebook 3-4 times a week and at different times during the day. The content they publish is mostly information about specific products (Hellström, 2012).

4.1.2. Footish

Footish is a clothing and shoe store in central Uppsala with sneakers as their specialty (Footish, 2012b). The company was started in 2007 (Retriever, 2012a) and is active in social media through a blog and a Facebook page (Footish, 2012a, Footish, 2012b). An interview was conducted with one of the owners, Martin Gällström. Gällström does the marketing on social media by himself.

Footish has moved away from the blog a bit and now updates more often on Facebook (Footish, 2012a, Footish, 2012b, Gällström, 2012). In the beginning when they started using Facebook the format was a Facebook group but when Facebook made changes they created a Facebook page instead. The target market of Footish is men between 25 and 35 and Gällström believes that the majority of their customers have Facebook (Gällström, 2012). At the moment Footish have 622 followers on Facebook (Footish, 2012a).

The content published on Footish’s Facebook page and blog is mostly information about new arrivals, prices and sales. The tone is a little bit more personal and they sometimes publish music recommendations and information from suppliers. Status updates are usually made once a day but at the end of the season there might not be a lot of new products and then the updates might not be as frequent (Gällström, 2012).
4.2. Quantitative Study

*This section is divided into three parts, the first describes the sample groups, the second concerns the consumers’ perception of marketing on Facebook and the last concerns their perception of marketing on blogs. The second and third parts are further divided to show the results of each sample group.*

4.2.1. Description of the Sample Groups

The consumer survey generated in total 197 answers out of which 108 were in the sample group of parents and 89 were in the sample group of adults between 25 and 35.

Among the sample group of parents the male representation was 38.7% and the female representation 61.3% in the survey about Facebook. In the survey about blogs 34.8% of the parents were male and 65.2% were female.

In the sample group of adults between 25 and 35 the male respondents represented 70.5% and the female 29.5% in the survey about Facebook, the mean age in this group is 26.2 years. In the survey about blogs the male respondents represented 64.4% of the respondents and the female 35.6%, the mean age among the respondents in this group is 25.9 years.

Among the consumers in Hanazacka’s target market 84.2% say that they trust the message from companies on social media more if it has a professional tone, rather than a personal one, and in the target market of Footish the same percentage is 61.3%.

4.2.2. Consumers’ Perception of Companies’ Marketing on Facebook

4.2.2.1. Parents

In this group 71.0% use Facebook. Among those 50.0% like a few companies’ Facebook pages, 27.3% do not like any companies, 18.2% like some and 4.5% like many companies on Facebook (see figure 2). A majority of 83.3% of those who do not like companies on Facebook say that the reason is that they do not want to get messages from companies on their own Facebook wall. The following percentages in this part represent the division among those who are following companies on Facebook.
The most common way of finding companies’ Facebook pages are through friends’ activities and updates on Facebook which 41.2% answered, the second most common way with a percentage of 20.6% is through recommendations from friends. A percentage of 56.3% never share content from companies’ Facebook pages to friends on their own Facebook wall, 31.3% do it seldom and 12.5% do it sometimes (see figure 3). When asked if they share news and information from companies’ Facebook pages with their friends when they meet them 50.0% say that they do not, 37.5% do it seldom and 12.5% do it sometimes (see figure 3). The check-in function is never used by 62.5% to check-in at companies’ Facebook pages, among those who use it for this purpose they do it sometimes or seldom, no one do it often.

The frequency of updates from companies on Facebook should, according to 37.5%, be once a week and 31.3% think it should be a few days per week, 25.0% want it to be more seldom than once a week and 6.3% think it should be once a day (see figure 4). The percentage of consumers that never makes comments on companies’ Facebook pages are 75%, the other 25% do it seldom. Those who do make comments post questions, wishes or positive feedback, nobody say that they post complaints.

The content that 39.5% of the consumers are interested in is special offers and discounts, 34.2% want information about new products and services, 15.8% are interested in competitions where they have a chance to win products from the company and 10.5% want

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*In this question the respondents could choose more than one alternative, the percentage represent the number of times the alternative was chosen divided with the total amount of answers in the question (not the total amount of people that answered)*
information about the company and the employees. Many chose more than one alternative on this question.

**4.2.2.2. Adults between 25 and 35 years old**

In this sample group 88.9% use Facebook. Out of those who use Facebook 22.5% do not “like” any companies on Facebook, 37.5% like a few, 30.0% like some and 10.0% like a lot of companies on Facebook (see figure 5). Most of those who do not like companies on Facebook said that the reason is that they do not want to get messages from companies on their own newsfeed. Another reason for not liking companies on Facebook was said to be that Facebook is seen as a more private social networking site. The following percentages in this part represent the division among those who are following companies on Facebook.

The most common way to find companies’ Facebook pages is through friends’ updates and activities on Facebook which 35.2% does, 18.5% find Facebook pages through the company website and 16.7% through recommendations online.* On the question concerning if the respondent share content from companies on their own Facebook wall 42.0% say that they do not and 38.7% said that they do seldom, 19.4% do it sometimes and nobody say that they do it often (see figure 6). When asked if they share information seen on companies’ Facebook pages with their friends when they meet them 45.2% say that they do it seldom, 25.8% say that they do it sometimes, 22.6% say that they never do and 6.5% say that they often do (see figure 6). When visiting a store 51.6% say that they never use the check-in function and 29.0% say that they use it seldom.

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* In this question the respondents could choose more than one alternative, the percentage represent the number of times the alternative was chosen divided with the total amount of answers in the question (not the total amount of people that answered)
The frequency by which the consumers think that the company should post updates is a few times per week according to 37.5%, once a week according to 28.1% and 18.8% think it should be more seldom than that. The other 15.6% want companies to post updates once a day, nobody in this sample group want companies to post updates multiple times per day (see figure 7). A majority of 61.3% never comment on companies’ Facebook pages, the ones who do mostly post questions or comments that show appreciation.

When asked what content consumers are interested in getting from companies on Facebook 39.3% answered that they want to get information about new products and services through their Facebook page and 36.1% want special offers and discounts.* Many chose more than one alternative on this question.

4.2.3. Consumers’ Perception of Companies’ Marketing on Blogs

4.2.3.1. Parents

In the sample group of parents 57.1% read blogs and out of those 56.3% have not visited any company blogs, 25.0% have visited a few and 18.8% have visited some (see figure 8). The following percentages in this part represent the division among those who have read company blogs.

When reading company blogs 38.5% of the consumers find the blogs through recommendations online and 30.8% through friends’ updates and activities on internet.*

* In this question the respondents could choose more than one alternative, the percentage represent the number of times the alternative was chosen divided with the total amount of answers in the question (not the total amount of people that answered)
In this sample group 42.9% never share content from the company that they have read online to their friends on social media, 28.6% seldom do, 21.4% sometimes do and 7.1% do it often (see figure 9). According to 57.1% they never share content from companies when they meet with their friends and 14.3% do it seldom (see figure 9). Out of the respondents 85.7% never use social share buttons and the rest 14.3% use it seldom.

A majority of 71.4% expect to get updates on the blog a few times a week, 21.0% want to get updates once a week and 7.0% wants updates multiple times a day (see figure 10). In this sample group 71.4% never comments on company blogs, none of those who do post comments post complaints.

When asked what content the consumers want when visiting company blogs 42.9% say that they want information about new products and services, 28.6% want special offers and discounts and 14.3% want competitions with a chance to win products from the company, many chose more than one alternative on this question.*

* In this question the respondents could choose more than one alternative, the percentage represent the number of times the alternative was chosen divided with the total amount of answers in the question (not the total amount of people that answered)
4.2.3.2. Adults between 25 and 35 years old

Three quarters of the sample group reads blogs, out of those 54.5% have not visited any company blogs, 27.3% have visited some, 15.2% have visited a few and 3.0% have visited many (see figure 11). The following percentages in this part represent the division among those who are following companies on blogs.

The main way of finding company blogs is through the companies’ websites which 40.9% does.

A percentage of 46.7% seldom share content they have read on company blogs with their friends online, 33.3% never do and 20.0% do it sometimes (see figure 12). The people that sometimes share contents from company blogs with their friends when they meet them represent 57.1% of the sample group, 35.7% do it seldom and 7.1% never do (see figure 12).

Among the consumers 53.3% do not use social share buttons and the rest 46.7% use them but with a variation of frequency with a 26.7% predominance that use it sometimes, as opposed to 13.3% that use it seldom and 6.7% who use it often.

The frequency by which 40.0% think that a company should post something on their blog is a few times per week, 33.3% think that it should be once a day and 26.7% expects it to be once a week (see figure 13). A majority of 80.0% do not post comments on company blogs and of those who does, no one post complaints.

Figure 11: Have you visited any company blogs? Distribution among the sample group of adults between 25 and 35 years old

Figure 12: Do you share content from companies that you see on their blog? Distribution among the sample group of adults between 25 and 35 years old

Figure 13: How often do you expect companies to post updates on their blog? Distribution among the sample group of adults between 25 and 35 years old
When asked which content the respondents are interested in reading on corporate blogs 36.4% say that they want information about new products and services and 24.2% want special offers and discounts, 21.2% are interested in information about the company and the employees, and 18.2% want competitions with the chance of winning products from the company. Many chose more than one alternative on this question.

5. Analysis

In this section the results of the studies are analysed. In the first part the choice of media channel is discussed. The second part analyses how well social media marketing works in reaching consumers and the final part how well it can help start-up companies to retain customers.

5.1. Choosing Social Media Channel

The fact that Facebook and blogs are free social media channels are highlighted by both companies as one of the main reasons for choosing to use these media (Gällström, 2012, Hellström, 2012). This supports the usefulness of these media channels for start-up companies and the main purpose of this study. The other reason that was given is that it is easy to use (Gällström, 2012, Hellström, 2012). This also supports the underlying reasons for studying the two social media channels Facebook and blogs.

The two companies that have been studied in this article use social media for different purposes, Footish mainly use it to reach new consumers while Hanazacka primarily use it to retain and communicate with existing customers (Gällström, 2012, Hellström, 2012). This supports the premise that social media is a tool that can be used both to reach and retain consumers for start-up companies. The question is how effective it is and if it shows desired results.

Blogs seem to be less popular than Facebook. This is due to a number of reasons; it takes too much time and effort (Hellström, 2012) and it is less common that posts get comments (Gällström, 2012, Hanazacka, 2012a, Hanazacka, 2012b). More than half of the consumers read blogs and close to half of those who do read blogs in each target market, have visited company blogs. This shows that start-up companies have the possibility to reach consumers through blogs. However, it is more common that consumers follow companies on Facebook

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* In this question the respondents could choose more than one alternative, the percentage represent the number of times the alternative was chosen divided with the total amount of answers in the question (not the total amount of people that answered)
which means that it is possible to reach and communicate with more consumers through Facebook.

The fact that blogs have a lower degree of social presence and therefore do not mediate a high degree of contact between consumers and companies, since the focus is on the blogger and not those who read the blog, can contribute to a lesser popularity of this media channel both among the consumers and in the companies. Hellström (2012) feels that when she posts updates on the blog she has to have an interesting story to tell as opposed to using Facebook where the status updates are short. Consumers in Hanazacka’s target market expect companies to update their blogs a few times per week and those in Footish’s target market also wants updates a few times a week or once a day. This does not have to be time consuming if the company splits the blogging on multiple persons within the company. But in start-up companies this might not be possible since they do not have a large number of employees to divide the work among. The literature also suggests that social media marketing might not work perfectly immediately and therefore the company must be willing to change strategy and try again. This indicates that both companies could continue to put effort into marketing on their blogs, but change their strategies.

5.2. Reaching Consumers through Social Media

Both companies in this study have used their existing contacts to gain followers (Gällström, 2012, Hellström, 2012). This is a good way of gaining followers in the beginning of a start-up company’s life but one problematic aspect is that the friends are not necessarily in the company’s target market. As Gällström (2012) explained, they lost some followers when they changed format on Facebook from group to page. He believes that this might depend on friends who originally were invited to the Facebook group but when the formats changed they did not continue to follow the company because they were not in the target market.

Neither Hanazacka nor Footish has done research to observe where their target market are active online (Gällström, 2012, Hellström, 2012). Footish has during their past marketing efforts noticed that they get better statistics and more comments on their Facebook page than on the blog and therefore they are focusing more on that media (Gällström, 2012). The consumer surveys shows that more consumers in Footish’s target market post comments on companies’ Facebook pages than they do on company blogs and the fact that this has been noticed shows that even though start-up companies do not have the accurate facts of where to
find their target, they can eventually find where their customers are active by trying different channels.

Those who are not active on social media are not easy to reach through this type of marketing. It is also hard to reach those who are active but do not follow companies on Facebook or on blogs. Those consumers say that this is due to the fact that they do not want to receive messages from companies on Facebook; this could depend on a negative view on advertising in general among these consumers, consumers are also unwilling to receive promotional content because they see Facebook as a more personal social network. These consumers are not easy for companies to reach through social media but on Facebook these consumers can be reached anyway since their friends might be connected to the company and therefore spread the content. Even though it is hard to reach consumers that are not active on social media, they can get affected since the presence of companies on social media does not only affect the consumers online. This is proved in the consumers study since consumers are sharing information that originates from companies’ Facebook pages or blogs to their friends when they meet them. This development is hard, if even possible, for start-up companies to utilise and measure. The spreading of word-of-mouth on online channels is easier to map. Online channels makes it possible to see statistic of how many persons that are following a Facebook page or blog, it is thereby possible for the start-up company to measure the effects of their marketing, or at least how many persons who read the texts online.

Social media has the possibility to spread messages to a lot of people through online word-of-mouth. Since many consumers in both target markets are willing to spread content from companies to their Facebook contacts it shows that consumers are willing to spread information through Facebook and that the company can reach many people. Start-up companies can use social media to try to get even more people to spread news about their company and to do it more often. This can be done through campaigns where the company encourage followers to spread the word. This has not been used much by the companies in this study; however their posts are being spread through likes and comments and sometimes through check-ins at the store (Gällström, 2012, Hellström, 2012). Start-up companies can choose to give followers incentives to spread information; Footish once offered a discount for those who checked-in at the store (Gällström, 2012). This campaign worked well, both to reach new consumers through word-of-mouth but also to retain the current customers through giving them a good deal. The consumer survey showed that approximately half of Footish target market never use the check-in function and those who use it only use it seldom. A
campaign of the sort that Footish did is a way of encouraging more people to use the function than normally do. This type of campaign should be considered at Hanazacka as well since a majority of their target market never use the check-in function.

To reach as many people as possible start-up companies should try to target opinion leaders since they are most likely to spread the word. This makes it important to create a good relationship with the opinion leaders and retain them as customers. Footish, who uses social media to reach new consumers, could attract more people by doing so. A big problem is to find the opinion leaders, especially for a start-up company that might not have enough resources to do research in order to identify the opinion leaders. Hanazacka has gotten offers from personal bloggers who want to give them publicity in exchange for free samples but they have turned this opportunity down (Hellström, 2012). By doing this they might have missed a chance to take advantage of opinion leaders if the personal blogger has many readers in the target market. However, Hanazacka did not accept the offer because they cannot control what is being said about their brand or what the blogger publishes at other times and they are worried that they cannot stand for the opinions of the blogger (Hellström, 2012). Another approach to spreading word-of-mouth faster is to make loyal and satisfied customers into brand advocates. Footish, who have a lot of loyal customers (Gällström, 2012), can try to make those customers more willing to spread the word on social media in order to reach more people. This could be effective since the most common way to find companies on Facebook is through friends’ updates and activities on Facebook, this applies to both target markets. All those who like or comment on posts can be seen as automatically advocating the company to their friends and since the average Facebook user has 130 friends the word is spread to a lot of people even when only a few are advocating through Facebook.

A way that consumers can advocate a company blog is through social share buttons. Both companies studied have social share buttons on their blogs, but most consumers in both of the companies’ target markets never use this function. This makes it hard to discover company blogs through social media, it is also problematic since the reliability of the blog increases if more persons have shared it. The survey shows that most consumers in Footish’s target market find blogs through the website. This may be the reason why fewer people read company blogs; the company blog is not spread through social media as much as in the case of Facebook pages. In Hanazacka’s target market most consumers find company blogs through recommendations online which points to the possible usability of social share buttons.
but as mentioned, not many consumers use this function and therefore the company should
find other ways to spread the blog to consumers.

To conclude this part, social media has the possibility to be a good way for start-up companies
to spread word-of-mouth because it can be used in a way to utilise the three aspects of word-
of-mouth; “the stickiness factor”, “the power of context” and “the law of the few”. The
stickiness factor can be found through analysing the consumers’ opinions and working with
two-way communication in order to understand what contents the followers are interested in.
Both companies in this study have tried their way forward and they have found that the
content most likely to get attention from consumers is updates that contain information and
photos of specific products. The content consumers are interested in will be discussed further
in the next part. The power of context can be used since social media provides a good arena
for spreading word-of-mouth but it has been shown in this study that start-up companies
might not have the same possibility to spread word-of-mouth in blogs as they do on
Facebook. Consumers can easier spread the word on Facebook through likes or comments
which have the potential to reach a lot of people and it is also more likely that an ad is
remembered if a friend is associated with it. The law of the few is harder to utilise but since
everyone that likes or comments on a post automatically spreads the word along, they can be
seen as brand advocates. Start-up companies could use different campaigns to make followers
spread the word along to try to make more people into brand advocates.

5.3.  Retaining Customers through Social Media
Since social media offers two-way communication, companies’ are at risk of getting negative
feedback in the open. However, none of the companies have received negative comments and
the consumers generally do not post complaints on social media which decrease the risk
associated with two-way communication, however, negative comments can strengthen the
relationship to the customers because the company gets a chance to listen to the consumers’
views and adapt according to the feedback, but many consumers never post comments of any
kind. The fact that the companies in this study do not regularly get comments on their
updates, especially not on their blogs (Gällström, 2012, Hellström, 2012), indicates that it can
be hard for start-up companies to create a conversation through social media. On Facebook it
is possible for followers to click on the like button if they appreciate an update on the
company’s Facebook page, this function is used more regularly than comments and gives the
company a type of feedback that can give them an idea of what consumers are looking for
The consumer survey supports the low popularity of comments, especially on blogs.

The content that consumers in both target markets are interested in reading on blogs and Facebook is mainly information about new products and services and also special offers and discounts. The companies in this study mostly post information about specific products and they have seen that this is appreciated by their followers. The consumers had a tendency to choose more than one type of information when asked what content they want, which indicates that they want to have a variety in the content. This can be used by start-up companies to create more value for the customers. Previous research suggests that consumers tend to trust a personalised message more and that an informal character can help create a relationship with consumers, but our study shows that people tend to trust a message with a professional tone rather than one with a personal tone. In order to create a bigger value to the consumers, the company should research what tone their target find more trustworthy, but as mentioned, start-up companies might not have the resources to do this by themselves.

It is of importance to create a conversation with the consumers in order to investigate what they value. Hanazacka who use social media with the intention of retaining existing customers can investigate and create a perception of what their customers value through conversations on social media (Hellström, 2012). They can also observe what is popular among the followers through likes and shares on social media and thereby they have a possibility to offer products and services that consumers find valuable. This advantage that social media offers is utilised by Footish as well since they can get a good idea of what products that are popular (Gällström, 2012).

When it comes to some of Footish’s products they come in limited editions which means that they only get a small number of copies to the store and they do not have the possibility to order more (Gällström, 2012). Even though they cannot order more of these products Footish can make use of the fact that they get products in limited edition in another way. When they publish that they have a product that comes in limited edition in stock they notice that more people ask for that particular product. It is also possible to spread information about their products through social media that consumers otherwise might not have had knowledge about, it also decreases the need for the employees to inform the customers about products while they are in the store (Gällström, 2012).
Facebook provides a good way to communicate with consumers on a personal level and get their opinions according to Hellström (2012). It also offers an opportunity for companies to give the customers something extra. Facebook and blogs have, in both companies, been used to share exclusive content, in the form of information about new products and sales, with their followers (Gällström, 2012, Hellström, 2012). This is a way to create a bigger value for consumers. The content can be seen as exclusive since the followers are the first to know about the new arrivals and if there is something they like they have a greater possibility to get to the store before people that do not follow the company on social media. The same applies for information about sales; the company do not necessarily advertise in other media that they have a sale if it is not a big one but they can write it on their Facebook page which can easier be noticed by followers. The check-in campaign that Footish had is also in this category since it could only be utilised by users.

Gällström (2012) has noticed that if he publishes something in the evening it gets more likes than if he publishes at three o’clock. He tries to publish when followers are online because otherwise it will fall far down in the news flow on their Facebook. Footish believe that it is good to post something every day to remind customers that they exist and to keep them interested (Gällström, 2012). This goes against what the consumers prefer since the highest percentage of people in Footish’s target market wants companies to post updates a few times per week and a small amount wants updates every day. However, some people might miss the post in their news feed one day but see the post they publish the next day. With this in mind Footish makes sure to have something interesting to post. They do this by for example dividing the newly arrived products on multiple updates in order to catch the attention of more people (Gällström, 2012). Through that, the likelihood that more people press the like button or posts comments increase. Hellström (2012) does not want to post too often or too many times per day since it is very easy for consumers to quit following a Facebook page if they think it is annoying. In the target market of Hanazacka most of the consumers want to get updates once a week or a few times a week. Drawing on these findings the frequency of updates should be modified depending on the target market’s preferences but also on the purpose of using social media. Footish’s aim is to reach out to as many people as possible and this result in posting updates more often. Hanazacka on the other hand, do not have the main goal of reaching new consumers, but to retain their current customers through social media which result in posting updates slightly less often.
6. Conclusion

Social media marketing for start-up companies is much about trying different methods to figure out the most effective one for the specific company and target market. This way it is possible to evaluate what is most suitable in regards to what the company feel most comfortable with, and also where the target market can be found, what content they want to receive and how often they want to get information from the company. This shows that start-up companies should keep on trying even though their efforts might not have desired results from the beginning.

Social media enables companies to show what they supply and to see what consumers value. It has been shown that Facebook is a more effective type of social media for start-up companies than blogs. This is due to a higher participation among Facebook users, than among blog readers. Facebook users are more likely to share information with friends, like company pages, and comment on posts made by companies. These activities both create word-of-mouth and allows for communication between the company and the consumers. This shows that marketing on Facebook can be effective for start-up companies in both reaching and retaining customers (see figure 14). Even though Facebook is more effective than blogs, blogs should not be neglected. It is possible that the target market of some start-up companies are more active on blogs and further research should be made to get a deeper understanding of what aspects that can make a blog successful.

Figure 14: Illustration of findings
The spreading of word-of-mouth on Facebook is effective since the social media network makes a lot of people into brand advocates. Those who press the like button on companies’ Facebook pages are advocating the brand to their friends and it has been shown that a lot of people are doing this. This is possible since it is easy to consciously share content through different functions, but particularly due to the fact that a lot of activities conducted by users automatically are spread and thereby makes the users into brand advocates. For example, a lot of those who like companies on Facebook do not necessarily share contents to their friends consciously but they are advocating them despite of this due to the fact that they have clicked the like button on the company’s Facebook page which will automatically spread the content to the users’ Facebook friends. The same opportunity is not present on blogs since the reader has to actively share the content through for example social share buttons. When blog readers share content from company blogs it requires conscious actions to share and it has been shown that not many are willing to perform these actions.

The effectiveness of communication on Facebook is also connected to the functions that Facebook enables. Even though not a lot of people post comments on companies’ Facebook pages the company can still get a feeling of what the consumers value through for example likes and shares. This is favourable for both consumers and companies since the consumers let the companies know what they appreciate and the company then has the possibility to give that to the consumers. It is harder to communicate through blogs since comments or sharing content, which can give the company indications of what is appreciated, is not very common.

This paper has studied the results in reaching consumers and retaining customers, however to get a more complete picture of the results of social media marketing research should also be conducted to see more tangible results of social media marketing. This could be done by for example calculating return on investment or in other ways try to measure what the effects of social media marketing have on sales in start-up companies, or to understand how social media can help increase brand awareness in this kind of companies.
References


Appendix 1: Interview questions

1. Why do you use social media?
2. Do you have specific goals for your social media marketing?
3. How did you decide to use Facebook and blogs?
4. Did you investigate what types of content your followers are interested in receiving through social media?
5. How do you use social media to market your company?
6. - How often do you post updates on Facebook and blogs?
7. - How often do you log on to answer comments?
8. - What types of content do you publish on social media?
9. How do you perceive that the followers react towards the content you publish?
10. Do you think it is good to get feedback through Facebook and blogs?
11. How do you handle negative feedback?
12. How many people follow you on social media?
13. Did you quickly get a lot of followers on your Facebook page when you first started it?
14. Did you quickly get a lot of followers on your blog page when you first started it?
15. Do you know how the first followers found your Facebook page?
16. Do you know how the first followers found your blog?
17. Do you use social media the same way now as you did when you first started using it?
18. Did you have to change your social media marketing in some way? If so, why, how and what were the results?
19. Do you get many new followers every month nowadays?
20. Do you know how followers find your Facebook page and your blog now?
21. Do a lot of people spread your posts along through recommendations, comments or likes?
22. Do you encourage your followers to invite friends to your Facebook page and/or blog? If so, how do you do this and have you seen any results?
23. Do you encourage your followers to bring friends to the store? If so, how do you do this and have you seen any results?
24. Do a lot of people bring friends to the store after i.e. campaigns on social media?
25. Have you developed a more personal relationship to your customers through social media?
26. How do you perceive social media has affected you?
27. Have you noticed results in the store due to your social media marketing?
Appendix 2: Consumer survey - Facebook

Sex: Male [ ] Female [ ] Age: .............

1. Do you use Facebook? Yes [ ] No [ ]
   If your answer is no, you are finished with the survey.

2. Do you “like” any companies on Facebook?
   Yes, many [ ] Yes, some [ ] Yes, a few [ ] No, none [ ]

3. If not, why do you not like any company on Facebook?
   [ ] I did not know that companies were active on Facebook
   [ ] I do not want to receive messages from companies on Facebook
   [ ] I do follow companies on Facebook without pressing the like button
   [ ] Other: ........................................................................................................
   If you do not follow any company on Facebook you are finished with the survey.

4. How do you find companies’ Facebook pages?
   [ ] Friends’ recommendations
   [ ] Friends’ updates and activities on Facebook
   [ ] Information in the store
   [ ] Recommendations online (on blogs and other social media sites)
   [ ] Through the companies’ websites
   [ ] Other: ........................................................................................................

5. How often do you expect companies to post updates on Facebook?
   [ ] Multiple times per day
   [ ] Once a day
   [ ] A few times per week
   [ ] Once a week
   [ ] More seldom

6. What kind of content are you interested in getting by visiting companies’ Facebook pages?
   [ ] Information about new products and services
   [ ] Information about the company and the employees
   [ ] Offers and discounts
   [ ] Competitions with chances to win products from the company
   [ ] Other: ........................................................................................................

7. How does your perception of a company get affected by the social media marketing if it has a personal or a professional tone?
   [ ] I trust the content more if it has a personal tone
   [ ] I trust the content more if it has a professional tone

8. Do you share content from companies that you see on their Facebook pages, with your friends on your own Facebook wall?
   Yes, often [ ] Yes, sometimes [ ] Yes, seldom [ ] No, never [ ]

9. Do you share content from companies that you see on their Facebook pages, with your friends when you meet them?
   Yes, often [ ] Yes, sometimes [ ] Yes, seldom [ ] No, never [ ]

10. Do you post comments or make posts on companies’ Facebook pages?
    Yes, often [ ] Yes, sometimes [ ] Yes, seldom [ ] No, never [ ]

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11. If yes, what kind of comments do you post?
   [ ] Questions
   [ ] Wishes
   [ ] Complaints
   [ ] Positive feedback
   [ ] Other: ..........................................................................................................................................................

12. Do you use the function "Check-in" when you visit a store?
    Yes, often [ ]    Yes, sometimes [ ]    Yes, seldom [ ]    No, never [ ]
Appendix 3: Consumer survey - Blogs

Sex: Male [ ] Female [ ] Age: ............... 

1. Do you read blogs? Yes [ ] No [ ]
   *If your answer is no, you are finished with the survey.*

2. Have you visited any company blogs?
   Yes, many [ ] Yes, some [ ] Yes, a few [ ] No, none [ ]
   *If you have not visited any company blog you are finished with the survey.*

3. How do you find company blogs?
   [ ] Friends’ recommendations
   [ ] Friends’ updates and activities online
   [ ] Information in the store
   [ ] Recommendations online (on blogs and other social media sites)
   [ ] Through the companies’ websites
   [ ] Other:.........................................................................................................................

4. How often do you expect companies to post updates on their blog?
   [ ] Multiple times per day
   [ ] Once a day
   [ ] A few times per week
   [ ] Once a week
   [ ] More seldom

5. What kind of content are you interested in getting by visiting companies’ blogs?
   [ ] Information about new products and services
   [ ] Information about the company and the employees
   [ ] Offers and discounts
   [ ] Competitions with chances to win products from the company
   [ ] Other:.........................................................................................................................

6. How does your perception of a company get affected by the social media marketing if it has a personal or a professional tone?
   [ ] I trust the content more if it has a personal tone
   [ ] I trust the content more if it has a professional tone

7. Do you share content from companies that you see on their blog to your friends on social media?
   Yes, often [ ] Yes, sometimes [ ] Yes, seldom [ ] No, never [ ]

8. Do you share content from companies that you see on their blog to your friends when you meet them?
   Yes, often [ ] Yes, sometimes [ ] Yes, seldom [ ] No, never [ ]

9. Do you post comments on companies’ blogs?
   Yes, often [ ] Yes, sometimes [ ] Yes, seldom [ ] No, never [ ]

10. If yes, what kind of comments do you post?
    [ ] Questions
    [ ] Wishes
    [ ] Complaints
    [ ] Positive feedback
    [ ] Other:.........................................................................................................................

11. Do you use “social share buttons” when you read something interesting on a company blog?
    Yes, often [ ] Yes, sometimes [ ] Yes, seldom [ ] No, never [ ]
Appendix 4: Operationalization of interview questions

<table>
<thead>
<tr>
<th>Research Areas</th>
<th>Research Objectives</th>
</tr>
</thead>
</table>
| Reaching consumers through social media  | 1. Do start-up companies use social media in the purpose of reaching new consumers?  
2. How do start-up companies use social media in order to reach new consumers?  
3. Is social media effective in reaching new consumers?  
4. How do consumers find companies on social media?                                                                 |
| Retaining customers through social media | 5. Do start-up companies use social media in the purpose of retaining current customers?  
6. How do start-up companies use social media in order to retain customers?  
7. Is social media effective in retaining customers?                                                                 |

<table>
<thead>
<tr>
<th>Question</th>
<th>Research Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Why do you use social media?</td>
<td>1, 5</td>
</tr>
<tr>
<td>2. Do you have specific goals for your social media marketing?</td>
<td>2, 6</td>
</tr>
<tr>
<td>3. How did you decide to use Facebook and blogs?</td>
<td>1, 5</td>
</tr>
<tr>
<td>4. Did you investigate what types of content your followers are interested in receiving through social media?</td>
<td>2, 3, 6, 7</td>
</tr>
<tr>
<td>5. How do you use social media to market your company?</td>
<td>2, 6</td>
</tr>
<tr>
<td>6. - How often do you post updates on Facebook and blogs?</td>
<td>2, 6</td>
</tr>
<tr>
<td>7. - How often do you log on to answer comments?</td>
<td>2, 6</td>
</tr>
<tr>
<td>8. - What types of content do you publish on social media?</td>
<td>2, 6</td>
</tr>
<tr>
<td>9. How do you perceive that the followers react towards the content you publish?</td>
<td>3, 7</td>
</tr>
<tr>
<td>10. Do you think it is good to get feedback through Facebook and blogs?</td>
<td>2, 3, 6, 7</td>
</tr>
<tr>
<td>11. How do you handle negative feedback?</td>
<td>2, 6</td>
</tr>
<tr>
<td>12. How many people follow you on social media?</td>
<td>3, 7</td>
</tr>
<tr>
<td>13. Did you quickly get a lot of followers on your Facebook page when you first started it?</td>
<td>3</td>
</tr>
<tr>
<td>14. Did you quickly get a lot of followers on your blog page when you first started it?</td>
<td>3</td>
</tr>
<tr>
<td>15. Do you know how the first followers found your Facebook page?</td>
<td>4</td>
</tr>
<tr>
<td>16. Do you know how the first followers found your blog?</td>
<td>4</td>
</tr>
<tr>
<td>17. Do you use social media the same way now as you did when you first started using it?</td>
<td>1, 5</td>
</tr>
<tr>
<td>18. Did you have to change your social media marketing in some way?</td>
<td>1, 2, 3, 5, 6, 7</td>
</tr>
<tr>
<td>If so, why, how and what were the results?</td>
<td></td>
</tr>
<tr>
<td>19. Do you get many new followers every month nowadays?</td>
<td>3</td>
</tr>
<tr>
<td>20. Do you know how followers find your Facebook page and your blog now?</td>
<td>3, 4</td>
</tr>
<tr>
<td>21. Do a lot of people spread your posts along through recommendations, comments or likes?</td>
<td>3, 4</td>
</tr>
<tr>
<td>22. Do you encourage your followers to invite friends to your Facebook page and/or blog? If so, how do you do this and have you</td>
<td>1, 2, 3, 4</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>23. Do you encourage your followers to bring friends to the store? If so, how do you do this and have you seen any results?</td>
<td>1, 2, 3, 4</td>
</tr>
<tr>
<td>24. Do a lot of people bring friends to the store after i.e. campaigns on social media?</td>
<td>3</td>
</tr>
<tr>
<td>25. Have you developed a more personal relationship to your customers through social media?</td>
<td>5, 6</td>
</tr>
<tr>
<td>26. How do you perceive social media has affected you?</td>
<td>7</td>
</tr>
<tr>
<td>27. Have you noticed results in the store due to your social media marketing?</td>
<td>3, 7</td>
</tr>
</tbody>
</table>
### Appendix 5: Operationalization of survey questions

<table>
<thead>
<tr>
<th>Research Areas</th>
<th>Research Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reaching consumers through social media</td>
<td>1. Is social media effective in reaching new consumers?</td>
</tr>
<tr>
<td></td>
<td>2. How do consumers discover companies through the use of social media?</td>
</tr>
<tr>
<td></td>
<td>3. Are followers on social media likely to spread the word?</td>
</tr>
<tr>
<td>Retaining customers through social media</td>
<td>4. Is social media effective in retaining customers?</td>
</tr>
<tr>
<td></td>
<td>5. What content is consumers interested in receiving from companies through social media?</td>
</tr>
</tbody>
</table>

### Consumer survey: Facebook

<table>
<thead>
<tr>
<th>Question</th>
<th>Research Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do you use Facebook?</td>
<td>1, 4</td>
</tr>
<tr>
<td>2. Do you &quot;like&quot; any companies on Facebook?</td>
<td>1, 3, 4</td>
</tr>
<tr>
<td>3. If not, why do you not like any company on Facebook?</td>
<td>1, 3, 4</td>
</tr>
<tr>
<td>4. How do you find companies’ Facebook pages?</td>
<td>2</td>
</tr>
<tr>
<td>5. How often do you expect companies to post updates on Facebook?</td>
<td>4</td>
</tr>
<tr>
<td>6. What kind of content are you interested in getting by visiting companies’ Facebook pages?</td>
<td>5</td>
</tr>
<tr>
<td>7. How does your perception of a company get affected by the social media marketing if it has a personal or a professional tone?</td>
<td>4, 5</td>
</tr>
<tr>
<td>8. Do you share content from companies that you see on their Facebook pages to your friends on your own Facebook?</td>
<td>1, 3, 2</td>
</tr>
<tr>
<td>9. Do you share content from companies that you see on their Facebook pages to your friends when you meet them?</td>
<td>1, 3, 2</td>
</tr>
<tr>
<td>10. Do you post comments or make posts on companies’ Facebook pages?</td>
<td>4</td>
</tr>
<tr>
<td>11. If yes, what kind of comments do you post?</td>
<td>5</td>
</tr>
<tr>
<td>12. Do you use the function &quot;Check-in&quot; when you visit a store?</td>
<td>1, 3</td>
</tr>
</tbody>
</table>

### Consumer survey: blogs

<table>
<thead>
<tr>
<th>Question</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1. Do you read blogs?</td>
<td>1, 4</td>
</tr>
<tr>
<td>2. Have you visited any company blogs?</td>
<td>1, 4</td>
</tr>
<tr>
<td>3. How do you find company blogs?</td>
<td>2</td>
</tr>
<tr>
<td>4. How often do you expect companies to post updates on their blog?</td>
<td>4</td>
</tr>
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<td>5. What kind of content are you interested in getting by visiting companies’ blogs?</td>
<td>5</td>
</tr>
<tr>
<td>6. How does your perception of a company get affected by the social media marketing if it has a personal or a professional tone?</td>
<td>4, 5</td>
</tr>
<tr>
<td>7. Do you share content from companies that you see on their blog to your friends on social media?</td>
<td>1, 3, 2</td>
</tr>
<tr>
<td>8. Do you share content from companies that you see on their blog to your friends when you meet them?</td>
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</tr>
<tr>
<td>9. Do you post comments on company blogs?</td>
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<td>10. If yes, what kind of comments do you post?</td>
<td>5</td>
</tr>
<tr>
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<td>1, 3</td>
</tr>
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</table>