SOCIAL MEDIA – A NEW WAY TO SUCCESS?

Piia Mustonen

Sarja/Series KR-1:2009

Turku School of Economics
ABSTRACT

The study describes social media and its many forms. The aim of the study is to find out how social media is used as well as the challenges and many possibilities related to its future development and use.

The study shows that social media is about networking, building relationships and participating actively in online applications. Many companies and researchers are interested in using social media as a channel for gathering feedback and disseminating information as well as for marketing purposes. In addition to these, the potential of social media for product innovation and educational purposes has been realized.

The rapid development of social media applications and new versions requires concentration on the essential, ability to make good and flexible choices and understanding of the changing social media environment. In the near future social media will most likely to be included in to the strategies, if separate social media strategies will not be made.

Keywords: social media, social networking, social media marketing, product innovation, education
Table of contents

1 INTRODUCTION................................................................................................. 5

2 WHAT IS SOCIAL MEDIA?.................................................................................. 7
  2.1 Social media ............................................................................................ 7
  2.2 Social Web and Social Networking ......................................................... 8
  2.3 Web 2.0 ................................................................................................. 10

3 SOCIAL MEDIA APPLICATIONS ...................................................................... 13
  3.1 Blogs ....................................................................................................... 13
  3.2 Discussion forums .................................................................................. 14
  3.3 Wikis ....................................................................................................... 15
  3.4 Social networking sites ........................................................................... 15
  3.5 Virtual worlds ....................................................................................... 17
  3.6 Photo-, audio- and video sharing ............................................................ 18
  3.7 Synthesis of social media applications .................................................. 18

4 HOW TO USE SOCIAL MEDIA ...................................................................... 21
  4.1 Feedback- and information channel ....................................................... 21
  4.2 Product innovation ............................................................................... 23
  4.3 Advertising and promotion .................................................................... 25
  4.4 Education and training ......................................................................... 27
  4.5 Other ..................................................................................................... 28
  4.6 Synthesis of the use of social media applications today ....................... 28

5 SOCIA MEDIA IN THE FUTURE: CHALLENGES AND POSSIBILITIES ......... 31
  5.1 Feedback- and information channel ....................................................... 32
  5.2 Product innovation ............................................................................... 34
  5.3 Advertising and promotion .................................................................... 36
  5.4 Education and research ........................................................................ 39
  5.5 Other ..................................................................................................... 40
  5.6 Synthesis of the use of social media applications in the future.......... 41

6 CONCLUSIONS ............................................................................................... 45

REFERENCES.................................................................................................... 49
1 INTRODUCTION

The online marketplace is more competitive than ever and companies compete in building online relationships and networks with customers. Recent years have seen a transformation in the type of content available on the web. Agichtein et al. (2008, 1) describe the development of the Internet starting from the early 1990s onwards, when most online content resembled traditional published material with the majority of web users being consumers of content, created by a relatively small amount of publishers. From the early 2000s, user-generated content has become increasingly popular on the web: users are active participants in content creation. (Agichtein et al. 2008, 1.) This transformation challenges companies, who have to find new ways to succeed in the strange competitive environment.

Social media is a very often mentioned theme in media today. Innovative communities, possibilities for sharing information and getting connected are described in almost every magazine. The wise people use social media, use social networks to promote their business, and succeed. The others need to learn quickly if they want to succeed. The problems related to social media, like privacy and ownership rights, are not mentioned very often, but the positive sides are emphasized.

Articles related to social media can be found everywhere, but it is not clear for the most, what exactly is meant by the definition “social media”. The literature around social media is mostly either descriptions of different experiments or “how to earn a lot of money – handbooks”. Furthermore, success stories about millionaire-bloggers or creating huge networks very quickly are told. It is, however, unclear how to use social media applications effectively and what should be avoided.

Many companies are interested in using social media in the future, but do not have the resources to find out, what all should or could be done. It is not only about resources, but also about prejudices: Is it something that everyone can understand and use or does the person need to have special computer skills?

Social media has changed the society and business environments. Earlier, the ability to create content and distribute it to an audience was limited to media. Now everyone can contribute and participate. Social media is about sharing, interacting and socializing, and it is gaining more and more interested participants every day. The rapid and continuous development challenges
companies and force those interested in online possibilities to constant research and experiments.

Weber (2009, 13) argues that community building with communities focusing on a specific common interest is one of the fastest growing applications on the Internet. People want to discuss, belong, find new answers and be experts. Lately, the development of RSS, a technology that notifies a newsreader or a personal homepage that there is new content available and sends it the texts and images that allows people to subscribe to a blog or a website, has increased the reach of different social media applications. People are allowed to subscribe to social media applications, and it makes them much easier to build or become part of communities. (Mayfield 2008, 9.)

The popularity of social communities; for instance, blogs and discussion forums has created new, unforeseen, social possibilities both for individuals, companies and the society. Social media applications have a clear advantage compared to many traditional applications: they are often free of charge or at least very inexpensive (Kangas et al. 2008, 54). This makes them very attractive for the companies.

In this paper social media is studied from the business point of view and the individuals have only a secondary role. The aim of this paper is to give a general picture of social media and its applications, and to describe and analyze, how social media is used today, and will be used in the future. Four different approaches have been chosen for evaluation: gathering feedback and information, product innovation, advertising and promotion, and education and training. These themes have been chosen as the most outstanding in the social media literature.

Chapter 2 introduces basic concepts related to social media that are often mixed with each other. Chapter 3 continues with presenting different social media applications and their characteristics and chapter 4 describes how these applications can be or are used effectively today. Chapter 5 presents the challenges and possibilities that are related to social media and its future. The paper ends with conclusions.
2 WHAT IS SOCIAL MEDIA?

2.1 Social media

Social media is conversation between people; it means sharing thoughts, experiences and information for making a better or more-informed choice (Evans 2008, 31). In addition to sharing information, social media is also about interaction and its social aspects are very often emphasized (Hintikka 2007, 25). Social media can also mean strictly media contents that have been produced or shared in a community (Heinonen, 2009, 6), but usually social media is, however, linked with Internet-based applications that are planned for conversation, socializing and networking online.

Social media is based on natural and genuine conversation between people about something of mutual interest (Evans 2008, 38). It is built of content, different communities and Web 2.0 technologies (see 2.3.). The applications are either completely based on user generated content or user generated content and the actions of the users play a significant role in increasing the value of the application or service. (Kangas et al. 2007, 12.) Social media can be characterized by the content trail: ratings, reviews, comments, voting processes and related assessments that clearly mark what the people think of the content written on the Social Web (Evans 2008, 37).

Social media applications, which will be presented in chapter 3, are characterized by participation, openness, conversation, community and connectedness (Mayfield 2008, 5). The best social media applications are easy to use, understandable and reliable (Heinonen 2009, 6). Social media derives its value from the collective and the individual, not the mass (Evans 2008, 77). The collectives can be formed by individuals who produce content to the same services or new individuals can join an existing community. Users of social media may also include individuals who do not belong to the community and only utilize different applications of social media.

Social media allows everyone to publish and participate. People can find information, like-minded people, communities and help to their problems. As social media uses the collective wisdom, the information it contains is usually at least partly right, and seldom entirely wrong. Evans (2008, 35) argues that the effectiveness of social media applications lies in participance and
influence, not command and control. Attempts to influence by other means than transparent, genuine participation are most likely to lead to meaningless results or even negative effects. (Evans 2008, 35.)

Social media is a platform where new ideas, services, business models and technologies emerge and evolve at a very quick speed (Mayfield 2008, 7). The speed causes many challenges as new security, privacy and legal issues must be faced, but on the other hand offers companies many new possibilities for innovation and growth. Social media applications have many similar features, but they also differ from each other in their nature and use. Social media applications include for instance social networks, blogs, wikis, podcasts, discussion forums, virtual worlds and photo-, audio- and video sharing. These forms of social media are presented in chapter three.

2.2 Social Web and Social Networking

Social Web can be defined as the online place where people with a common interest can gather to share thoughts, comments, opinions and other information (Weber 2009, 4). The ability to easily manage subscriptions, to connect community experiences, and to efficiently keep track of the information flowing into and out of and through multiple communities has made the Social Web a reality (Evans 2008, 73-74).

Social Web includes social networks (MySpace, Facebook etc.), branded web destinations (Amazon.com and eBay etc.) and different enterprise sites (Weber 2009, 4). The role of the organization is to act as an enabler or as a platform provider and the role of participants should be emphasized. The visibility of the contents provided by the individual and the community should be maximized by different lists, groups and classifications that would make the information easily accessible and understandable. (Hintikka 2007, 28.) The challenge lies not only in attracting customers to participate but also in keeping them. Customers are encouraged to be active and participate in discussions, to comment and give feedback and to write articles, success stories or product descriptions.

Social networks are one element of the Social Web (Evans 2008, 73). Characteristic of online social networking is the sharing of activities, preferences, and information to socialize (Albrechtslund 2008, 2). Social networks are places where people with common interests or concern come together to meet people with similar interests, express themselves and act (Weber 2009, 5). Some social media applications are dedicated specifically to social networking, like for instance Facebook and MySpace, while others
support social networks, but are secondary to other features and purposes, like, for instance, YouTube (Golbeck, 2007, 2).

Definitions “social media” and “social networking” are often used as synonyms especially in spoken language. However, there is a difference between them. Social media can be characterized as a strategy; whereas social networking is more like a tool and a utility for people to connect with each other (Albrechtslund 2008, 2).

Social networks range widely in their purpose and size. Golbeck (2007, 9) argue that they tend to grow at a linear rate, which is affected up or down mostly by publicity and recruitment. Evermore, most people do not even realize the amount and variability of the existing networks. (Golbeck 2007, 9.) The networks vary from hobbies to product expertise and to solving technical problems.

Golbeck (2007, 10) describes relation formation as the social part of social networking and presents a new category to social networking: the outsiders. Outsiders include friendless members and members who have some social connection, but are members of only small groups that are not connected in to the main central cluster. Users that tend to be near the centre of the cluster are the members with the most number of friends and the longest and active history in that social media application. (Golbeck 2007, 14.) When looking at some people’s profiles at social networking sites, it seems obvious that they have joined all possible acquaintances in their network. A similar phenomenon is the wish to remain at a distant level; sending friend requests and requests to join puzzles, quizzes, or various groups is an everyday occurrence, but sending or answering to a personal message sent in the social network application, not. On the other hand contacts to further acquaintances are maintained.

Many active users of social media applications tend to build as large networks as possible and try to get as many friends as possible. On the other hand, the changing or removal of relationships is technically relatively easy in a social network. It is even easier than removing the profile from the social media application. However, the social implications of deleting friends can discourage members from doing so. The similar problem can be perceived when a member in a social media application, for instance in Facebook, receives constantly friend requests from people that he or she would not like to add as friends. Technically it is easy to ignore a friend request, but in practice it is sometimes impossible because of social pressure. Some even ask by email, why they have not been added as a friend.

MySpace and Facebook (see 3.3.) can be named as typical examples of social networking: Social networking is about communication and providing valuable information that will draw others to join the service (Weber 2007, 35). People joining a social network in MySpace or Facebook usually create a
profile and then build a network for themselves by either searching and connecting to friends and contacts in the network or by inviting their friends and other contacts from the real-world to join the social network. Golbeck (2007, 14) argues that as a rule, the membership of networks will grow at a linear rate. Members rarely delete their profiles from social networks and typically add relationships frequently. In most social media networks the networks grow denser with relationships growing more quickly than the number of new members. The number of friendless and socially disconnected people is much higher when networks have some other purpose than social networking. (Golbeck 2007, 14.)

Members of a social network application typically welcome intellectual activity and are eager to form and develop new ideas. People are encouraged to be thoughtful and to present their ideas to the community. Social media is a new way to do things: it brings people’s thinking processes out of isolation and into the open (Hauben 1998, 2-3). On the other hand social media is very quick and all the thoughts and ideas may not have been considered properly. However, they are published and saved forever. Such comments are available at least in almost every discussion forum.

2.3 Web 2.0.

There would not be any social media without the technological possibilities offered by Web 2.0. The development of digital technologies and applications for content creation and sharing, also called Web 2.0, is one of the crucial elements of social media (Ahlqvist et al. 2008, 13). Web 2.0 refers to what was perceived as a second generation of web development and closely linked to social media applications. However, not all professionals share this opinion. O’Reilly (2005) defines key features of Web 2.0 as the development of software which enables mass participation in social activities and collective activity. The social networks that are closely linked with Web 2.0 emerge from the ability of users to represent themselves and their interests in social platforms and to activate engagement with others via these social media channels. (O’Reilly 2005.)

Web 2.0 is a concept that combines different successful Internet based applications and models. In addition to developing and improving processes the emphasis lies on utilizing collective intelligence in product and service development. The main features are collective production and development, as well as sharing services and contents free of charge. (Hintikka 2007, 8-10.) Also reciprocity could be named as a key characteristic; people are eager to help others, but expect to find answers to their own questions as well.
Use of technologies is correlated with progressive advance in forging social networks which can be broken into three categories of community making: among social innovators, between social innovators and experts, and between social innovators and general public. The core value of open innovation is bringing a plurality of voices together to discuss fundamental principles of successful social innovation, allowing the solutions that result to have greater concrete impacts around the world. (Brown 2007, 132-134.)
3 SOCIAL MEDIA APPLICATIONS

Social media applications are changing constantly and at a very quick speed. It is thus impossible to present them all. In this chapter the most popular social media applications at the moment are described briefly: blogs, discussion forums, wikis, social networking sites, virtual worlds and photo-, audio-, video sharing.

3.1 Blogs

Blogs are both a one-to-many communication channel and two-ways communication channels (Demopoulos 2007, 5). A blog is basically a diary that others can comment on (Evans 2008, 57-58). Wright (2006, 1-3) describes a blog as an Internet page, where comments are asked and discussions are maintained through comments. Furthermore blogs are often updated more often than normal Internet sites and their contents are displayed in a chronological order. (Wright 2006, 1-3.) Blogs are not necessarily only about the writer’s own matters of interest or knowledge, but also comments and information from other blogs are encouraged (Bly 2006, 51). Although blogs are often considered as an information channel, the social aspects may not be forgotten: the readers comment actively the contents in many blogs (Hintikka 2007, 28).

The first blogs contained only texts. During the last couple of years also podcasts and videoblogs (vblogs) have become more typical. Blogs and their interconnections are defined by the term blogosphere, which emphasizes the idea of blogs existing together as a connected community (Hintikka 2007, 27).

A company can either provide a blog of its own or use other blogs for their own purposes. Weber (2007, 66) presents guest blogging or blog tours as a relevant methods for companies. Blog tours mean simply a tour through blogs. Blog tours have been used especially for promoting new books, but there have been some attempts to use them when launching new products or services (see, for instance, http://quiltsandcreativity.com/quilting/promote-your-quilt-product-with-a-blog-tour-e-book).

Blog tours are also beneficial for the host blogger, who gets free content for his or her services. When searching for potential host blogs it is important to evaluate their activity level, reader involvement and traffic volume. (Weber
Hosting can also bring publicity and new readers. In addition to touring and hosting, there are already also virtual tour coordinators that organize blog tours for others (see, for instance, http://www.pumpupyourbookpromotion.com). Weber (2007, 66) reminds that loyal readership is a key to a blog’s success. As the number of blogs is constantly growing, it is becoming more and more difficult to attract readers and getting them to comment actively. Most of the blogs are mainly written by their owner and there are only a few comments. Only a minority of blogs contains active discussion, and such blogs have been mostly built around a specific subject and information that interest certain target groups.

3.2 Discussion forums

Discussion forums are the longest established form of online social media. They usually exist around specific topics and interests. Each separate discussion in a forum is known as a thread, and many different threads can be active simultaneously. (Mayfield 2008, 23.) Discussion forums are a form of online communities that allow participants to post a topic for others to review. Other participants can view the topic and post their own comment in linear fashion after the previous one. Most forums are public allowing anyone to sign up at any time. (Antikainen 2007, 48.) Discussion forums are often an additional part of a private or company website (see, for instance, http://forums.jawbone.com/t5/Product-Discussions/bd-p/Jawbone) but some of them exist separately (see, for instance, http://keskustelu.suomi24.fi/).

The existence of common message storage, the option every forum participant has to read and write to any other participant, and a communication topology based on messages and knowledge as the main connection axes, are the characteristics typical to discussion groups (Ravid & Rafaeli 2004, 4). The challenge of the discussion forums is to remain interesting to their members by being useful to them and providing services that are entertaining or help them to expand their networks. The special nature of the Internet challenges the companies: they must constantly offer interesting topics for discussion to encourage the customers to come back to the discussion forums (Antikainen 2007, 15-17).

Mayfield (2008, 23) explains the difference between a blog and a discussion forum by the role of a moderator. Discussion forums are moderated by an administrator, who removes unsuitable posts or spams, but will not guide or lead the discussion. Blogs have also a clear owner, whereas discussion forum’s threads are started by their members. (Mayfield 2008, 23.)
Most discussion forums and blogs are easy to distinguish: the content of an active discussion forum is clearly a discussion with several participants, whereas in a blog there are remarks mainly from the owner of the blog. However passive discussion forums and active blogs may look quite similar.

3.3 Wikis

Wikis are websites that allow people to contribute or edit content on them (Mayfield 2008, 20). Like other forms of social media, also wikis are participative. The end result of the wiki is a single entry that reflects the collective consensus (Evans 2008, 58). The main idea lies in decentralization of authority, the freedom to share and re-use (Scholz 2008, 3). The idea behind wikis is that anyone can write one, and that anyone else can come along later and correct mistakes. Wikis are supposed to stick to the facts and avoid injecting their opinions. Wikis are also supposed to be self-correcting, but experience shows that this does not always happen. (Weber 2007, 100.)

Wikipedia is the most famous wiki. At the moment it contains more than 13 million articles (http://en.wikipedia.org/wiki/Wikipedia). In some cases the articles are not finished but additional comments are asked actively. The pages are edited freely and directly, which makes it easy to add and correct information. No-one is paid for content creation, and the contents are free to be used, added to and corrected. Wikipedia differs from other forms of social media in not accepting advertising.

A Wiki can be as private or as open as the people who create it want it to be. In many cases the articles reflect the shared view of people of quite many backgrounds as people from a wide variety of countries have contributed to them. The flip side is that the pages can be intentionally distorted and that disputes over opinions are likely to rise. Any user can restore the previous version, if he / she detects vandalism. (Kangas et al. 2008, 24-25.)

There is an uncountable number of wikis available. Just to name a few famous ones: Wikia is a community of wikis on different subjects, WikiHow is a practical, How to – manual for different themes, in Wikianswers anyone can ask a question and edit the answer, and Wikinews is Wikipedia’s news project.

3.4 Social networking sites

Jarrett (2008, 2) argues that social networks emerge from the ability of users to represent themselves and their interests and to activate engagement with other
users. Social networking is very popular at the moment and the number and variety of all social networking sites are impossible to cover. MySpace has long been the most famous and popular one, but lately Facebook has become immensely popular and more and more people are joining it every day. Although both these applications have a lot in common, there are also differences.

MySpace has captured more than 80 percents of the traffic on social networking sites. Weber (2007, 25) suggests using MySpace as a self-promotional tool and joining groups to connect with potential customers. Most MySpace members use the site to connect with friends, not as a promotional tool. However Myspace has also built a lot of its popularity around its music services (Mayfield 2008, 14).

The core of MySpace consists of user profiles and personal Web pages created around them. On these pages it is possible to give personal information, for instance, pictures, hobbies, characteristics of people that are interesting, favorite books and films. MySpace has a search function that helps to find interesting people and an internal e-mail system for communication between members. It is very typical to send messages to each other and give comments.

Whereas MySpace is a largely open and available to all, Facebook is a relatively closed community. The real content in Facebook is largely unavailable outside of its membership. Weber (2009, 208) notifies that most of the members in Facebook communicate with relatively few people. Facebook is often called this generation’s mass media, but is still highly segmentable into smaller audiences. (Weber 2009, 208.) Part of Facebook’s success is its creator’s decision to open up, develop applications and run them on Facebook without charging them (Mayfield 2008, 14).

An academic example of social networking sites is LinkedIn, known as a business-to-business social network, helping professionals to find and contact one another. Users enter their own network into the service and invite new members to join the network. Users gain new contacts in the network and generate new content. The main idea of LinkedIn is to allow users to build their business and professional contacts into an online network. Over 50 million professionals use LinkedIn to exchange information, maintain contacts and to share ideas (http://www.linkedin.com).

Forms of social networking in the Internet are changing and growing rapidly. In addition to social networking sites, many branded web destinations and enterprise sites have similar characteristics. One of the most famous examples is Amazon.com, which, according to Weber (2007, 93) has all the features of most social networking sites, such as MySpace. Amazon.com even
launched Amapedia (see http://amapedia.amazon.com) to allow customers to write their own articles or wikis on any product (Weber 2007, 100).

3.5 Virtual worlds

The Association of Virtual Worlds (2008) lists 250 virtual worlds. Just to name a few: Shining Stars, a virtual world for the children, Habbo, a virtual hotel for teens, Toyota Metapolis, including cars, events and a Toyota museum as well as Zon, where people can learn Chinese language and culture. The most famous and popular one is, however, Second Life, a three-dimensional virtual world created by its users. Users interact with each other using avatars, create content in the world and hold the copyrights. Second Life is a functional economic system in which money can be exchanged from Euros into play money: Content can be sold and bought inside and outside the game. (http://www.secondlife.com.)

Second Life is a user created world meaning that registered users can collaboratively or individually create everything from their own avatars, structures and vehicles to social groups, games and experiences. The simulations of real life in Second Life are very realistic. (Holmberg & Huvila 2008, 2.)

Second Life encourages community and social interaction (Mayfield 2008, 28). Residents of Second Life build or purchase digital objects to create environments that mimic real life, or create environments that are nothing like real life (Frank 2008, 2). One of the reasons for Second Life to become so popular is the fact that users can join free and stay on Second Life without spending any money. In addition to these, Second Life is open for anyone over 17 years of age, and it is possible to explore Second Life without time-consuming procedures, like waiting for a company’s approval or technical support. One drawback of Second Life is that objects cannot be exported for use in other virtual worlds. (Frank 2008, 5-6.)

Second Life provides means for multimodal communication, even in-world. The physical presence of avatars, the possibility to communicate in real time and the existence of a shared local space explain why Second Life produces a more realistic feel of presence than discussion forums or chat rooms. (Holmberg & Huvila 2008, 8.) In virtual worlds user emphasis is mostly on experiences, enjoyment, and excitement and only secondly on, for example socializing, content publishing or network building. Second Life has even given the intellectual property rights to the users. (Lietsala & Sirkkunen 2008, 52.)
3.6 Photo-, audio- and video sharing

*YouTube* is a free distribution channel for videos, where anyone can upload video material. Users and materials form and are formed into various communities, groups and Top10 lists. Users can post reviews and comments on the videos, thus producing feedback that facilitates the search for good material. Kangas et al. (2008, 23) explain the technical background of the service: the videos are presented using Adobe Flash technology and can thus be embedded into any Web page. This feature has made YouTube familiar with the users of different social networking sites such as MySpace; easy integration with existing sites and networks has made it possible for the company to become recognized quickly. (Kangas et al. 2008, 23.)

*Flickr* is similar to YouTube, but the idea is to share photos, not videos. Hintikka (2008, 29) describes Flickr to be one of the most popular forms of social media. Flickr is a good example of the simplicity of a social media application: a very basic function, sharing photos and their listing and categorization, can cause several new activities, create new communities and improve commitment to the service. (Hintikka 2008, 29.) Members upload their photos to the site and choose whether to make them public or just share with family and friends in their network. Thousands of groups have been formed on Flickr around areas of common interest. (Mayfield 2008, 24.)

*Diggs* is a news and content community. Members submit links to news stories that they think will be of interest and these are voted on by other members. (Mayfield 2008, 25.)

*Podcasting* has become popular among social media members. A podcast is an audio file hosted on the web, available to listeners anytime (Weber 2007, 84). Podcasters ask and receive feedback from their listeners and add podcasts to give more information about a product. For instance, Amazon.com uses podcast interviews of the authors to promote the book selling. Demopoulos (2007, 131) notifies that although podcasters receive feedback, the feedback is not really helpful: there is little information about what people are looking for or comments that would help to fine-tune the content or directions of the podcasts. Information about podcasting and famous podcasts can be found, for instance at [http://www.podcastalley.com](http://www.podcastalley.com).

3.7 Synthesis of social media applications

In this chapter only some social media applications were presented. The amount and variety of applications is growing every day. In the future, for
instance, virtual worlds will probably be more popular than today and there are already now hundreds of them.

Social media applications can be classified in many different ways. Some rules and common practices are general for all of them, like the need for interaction and sharing information, but also differences exist. One possible alternative for classification could be made by comparing the need for sharing information and on the other hand the need for social commitment and interaction. Although all these concepts are typical for social media applications, their importance varies. As presented in Figure 1, social media applications could be classified roughly into four categories. In applications for photo-, audio and video sharing and in wikis the main emphasis lies in sharing information, and the need for continuous social commitment is not the main reason to participate. It could also be said that these applications, for instance, wikis, are result-oriented as the important aspect is to create informative materials for everyone’s use or write large documents, like articles or project plans together. Similarly, discussion forums aim at sharing information, but the need for social interaction and commitment is stronger. The discussions are not only about finding or sharing relevant information, but also personal issues, matters of interest and opinions are discussed. Some of the discussions are even closed for only a small community to use.

In social networking sites the main emphasis lies in social interaction and social commitment. Social networking applications, like MySpace and Facebook, are mainly used for networking and keeping contact with friends and acquaintances, whereas creating or spreading information is not so important. Similarly, in virtual worlds people seek like-minded people to have fun with and interact, and sharing information is considered secondary.
### Figure 1 Classifying social media applications.

<table>
<thead>
<tr>
<th>Strong need for sharing information</th>
<th>Photo-, audio and video sharing</th>
<th>Discussion forums</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wikis</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Week need for sharing information</th>
<th>Virtual worlds</th>
<th>Social networking sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weak need for social commitment</td>
<td>Strong need for social commitment</td>
<td></td>
</tr>
</tbody>
</table>

Classification presented above is only a rough alternative that describes the different applications in general. As mentioned before, there are, for instance, already hundreds of virtual worlds that are by no means similar to each other. Therefore only a rough classification is possible.

The use of social media applications interests not only researchers but also different companies and individuals. The next two chapters will describe how social media is used today and what the possibilities are for the future.
4 HOW TO USE SOCIAL MEDIA

The ways to use social media in business are constantly increasing and changing. Social media does not require special technical resources to reach the masses, but the applications can be used from a normal computer and are mainly easy to use. Therefore the use of social media seems to attract many companies. On one hand there are relatively many books, how to use social media, but most of them are very practical. They concentrate on how to make a lot of money quickly by using especially blogs. On the other hand there are quite many articles about different experiments that have been made using social media. The most companies have not found the possibilities offered by the social media applications yet, but it is gradually coming. At the moment it is yet unclear for the most how to use social media applications effectively and economically; for instance how to gather relevant information with relatively little effort.

Four ways to use social media have been chosen here. First social media applications as a feedback and an interaction channel will be described. Here the blogs have been given the most emphasis. Secondly, the use of social media in product innovation will be considered. Thirdly, possibilities for advertising and promotion in social media are presented and fourthly, the use of social media in education and training described. A couple of special cases are presented shortly at the end of this chapter.

4.1 Feedback- and information channel

Evans (2008, 81) emphasizes the importance of participation in social media, saying that absence in social media is conspicuous. Failing to participate retards the advancement of trust, and can in fact increase the likelihood of mistrust. (Evans 2008, 81.) Weber (2007, 43) adds that only participation is not enough; anyone can have a profile on a social network, but the ones that are taken seriously and talked to, have credible people vouching for their trustworthiness. If a company builds a solid process around listening via the Social Web, it can learn about its products and services directly from the customers (Evans 2008, 34).

Customers will search for information by conducting a keyword search on the social networking. It is thus important to make sure to have created and
updated the profile with all the relevant details that the customer is looking for. Weber (2007, 43) suggests adding testimonials from happy customers or well-known people in the field. It is essential to have the largest number of online friends within the target market; the more complete the list, the better the possibilities that the new people in the target market will discover the message promptly. (Weber 2007, 43.) The most successful companies participate actively in online communities; provide ideas and advice on a wide variety of subjects and topics that they are knowledgeable about thus gaining the trust of their customers that help in different problem situations. (Scott 2007, 87.)

As everything else, the use of social media should be planned properly. Evans (2009, 101) considers creating a social feedback cycle, developed and maintained over time to be a key planning tool when developing a company’s social media plan. The social feedback cycle should be built on the post-purchase feedback and conversational loop that augments the traditional purchase funnel activities. (Evans 2008, 101.) It should be remembered that great conversationalists are also great listeners: listening well is an important skill (Demopoulos 2007, 107).

Blogs as a means of social media interaction have been studied relatively much in the literature. Wright (2006, 50-51) notifies that blogs can be an important channel for gathering information if the company knows how to use them. Blogs can help to gather relevant information and to understand what kind of information should be gathered to guarantee right managerial decisions. (Wright 2006, 4.) It is especially valuable for the company to find information about customer groups and get to know their customers (Chaffey et al. 2003, 245). Social media can help to maximize the effectiveness of the matters the company is already doing, for instance, answering e-mails from the customers (Weber 2007, 53).

Participating in online communities or maintaining an online community can help companies to connect more deeply with their best customers and gain valuable customer insight (Volmer & Precourt 2008, 54). Demopoulos (2007, 51) names the possibility to humanize the company as one of the main advantages is using the blog. A blog can give a company a face and a voice: a company becomes a group of people instead of being a faceless corporate unity. People can relate to and trust other people while no-one really relates to the abstract image of a company. (Demopoulos 2007, 51.)

From blog discussions the company can gather information about its customers’ consumption habits, as well as about the success of its marketing solutions and product development. The feedback channel is inexpensive and quick and the company can easily decide, if the persons commenting in a blog are representing the right target group. Blogs can thus even influence cost
efficiency, because decisions are based on real information about right customers at the right time. (Wright 2006, 46-48.)

4.2 Product innovation

Product innovation is the development of a new product or an improved product (Trott 2005, 17). Product innovation results from improvements that are made to existing products and services (Ulwick 2005, 2). In this article product innovation is based on these definitions, and does not necessarily mean development of totally new products, but improvements to existing products and services.

Cateora (2007, 230) names the Internet as an important influencer in product and service development. New product concepts and the effect of advertising can be tested on the Internet and immediate feedback can be received. George et al. (2005, 36-37) criticize traditional methods for gathering information about customers as ineffective. Furthermore most companies are not using these methods often and effectively enough. Customers cannot articulate everything they would like to have in a product or service because they do not have all the relevant information. However customers can help the companies to understand them and develop strong links to both the core and the fringes of the market. (George et al 2005, 36-37.)

Markides & Anderson (2006, 129) argue that successful innovations should focus on technology as a driver value, not just as a tool for operational efficiency. Successful innovators are early adopters of ICT in their industry, even if the technology is already dispersed in other industries. (Markides & Anderson 2006, 144-145.) Companies constantly look for customer opinions. In some cases the product development is not only customer orientated but also customer driven. Many customers are willing to tell about their wishes and expectations and to comment new products or product ideas. (Kettunen et al. 2007, 124.) Consumers use the Internet to exchange experiences regarding the latest equipment, share ideas for product modification, or develop entirely new concepts (Jawecki et al. 2009, 1).

Successful innovators do not wait for complete technology solutions to fit their customers’ requirements; if needed they develop technologies themselves (Markides & Anderson 2006, 144-145). The use of social media applications in product innovation is by no means a ready tailored package, but it changes rapidly and new possibilities are actively sought for. De Mooij et al. (2005, 108) remind that in concrete product development process the customer is seen as an active actor, not as a passive object who patiently waits for the new products. The customers are included into the whole product development
process, starting from the product innovation. (De Mooij et al. 2005, 108-110.) Scoble & Israel (2008, 13) present blogs as an example of product innovation in social media; blogs offer an easy way to get near the customer. A business blog can approach its topics from several directions, for instance new developments or new products or services (Weber 2007, 58).

A customer is the best expert of his life, and therefore his values, opinions, emotions and doings should be constantly monitored. The participation of a customer and his understanding is essential during the whole innovation process: the idea is to plan a product for the customer, not for the planning team. (De Mooij et al. 2005, 108-117.) Jawecki et al. (2009, 10) present discussion forums as possible places where to gather information for product innovation. As soon as creative members find a solution, idea or concept, or product design, it is presented to the community, either in verbal description or visual designs. (Jawecki et al. 2009, 10.)

Weber (2007, 33) presents ideas to use MySpace for business purposes: to create a group dedicated to a certain business or product, add information and gather feedback. Customers have become more demanding and they know what they want: they want better products that answer concretely to their needs. Therefore customers are the basis for the success of a product. Ready planning processes and easy solutions should be questioned and the goals and contents defined from the customer’s perspective. (De Mooij et al. 2005, 108-117.)

According to Cateora (2007, 230-231) systematic analysis of blogs, chats and personal Internet sites helps to find out the opinions of the customers on certain products and services. The customer on the Internet is changing towards a more and more sophisticated customer who is able to use the more and more developed Internet pages and opportunities offered by them. (Cateora 2007, 426-427.) Many companies have started to use social media, especially blogs, in order to find ideas for new product or service concepts or to test already existing ideas (Wright 2006, 51).

Kettunen et al. (2008, 124) argue that many smaller companies may however find it difficult to collect information on customer preferences directly from their targeted customers, even if they want to. Blogs and discussion forums can be an inexpensive and relatively easy possibility. They help to ask a large amount of people simultaneously; they do not need to be gathered together or be situated in the same geographical area.

Wright (2006, 5) describes the use of product innovation as an easy process: a company does not have to organize meetings for experimental groups, send questionnaires, ask for answers by e-mail or use other time-consuming methods. In practice, however, many companies do not really know how to implement all this. Just reading and analyzing blogs and discussion forums is
seen very time-consuming, and there is no guarantee of its usefulness. In addition to this, there often is no expertise how to use social networking sites, like MySpace or Facebook or virtual worlds for product innovation.

4.3 Advertising and promotion

Weber (2009, 15) argues that the social web will be the most critical marketing environment around and emphasizes the role of customers; the customer is in control. Social media demands interaction skills and active participation. Evans (2008, 102-103) reminds that it is not possible to earn the needed credibility by only watching; the actors need both willingness to listen and willingness to act.

The job of the marketer in the social web is to aggregate customers by providing interesting content on the company’s web site, creating environments that customers want to visit and by going out and participating in the public arena (Weber 2009, 15). A company’s discussion forum is a good place to discuss, to try out new ideas and let the others respond. Advertisers can subtly encourage the others to participate, ask the others to tell their personal opinions, success stories and ask for their opinion about a certain product or service.

Social networking sites enable the target market to find the company or the product, instead of the company finding them (Weber 2007, 11). Social media applications have many characteristics, typical to effective customer relationship marketing (Chaffey et al. 2003, 245). Customer relationship marketing is nothing new, just the tools and implementation are different in social media. It is easy to gather relevant information, get close to the customer and tailor offers and services to each relevant customer group. Weber (2007, 33) argue that creating networks or posting bulletins, advertising a certain product or business are effective in social media. However, not all groups or applications accept bulletins or advertisements, so getting to know the terms is essential. (Weber 2007, 33.) Hintikka (2007, 27) adds blogs here as an example: for an organization blogs offer an excellent channel for public relations; the writing style and amount of information may be chosen according to the situation.

Second Life is growing quickly and could popularize the idea of avatar-based marketing (http://www.secondlife.com). Marketers are beginning to use Second Life and experiment with the game world too (Mayfield 2008, 29). Second Life has attracted many real world brands as well as educational and nonprofit organizations. Second Life is a virtual world in its own right but many organizations and enterprises also have their business facilities and

The Web 3D model in virtual worlds uses a mixture of game, social networking and virtual world technology to offer an exciting, immersive, and futuristic experience to customers and employees alike. Some companies and organizations are already using virtual worlds to launch and extend their brands, for meetings, recruiting, and training. (The Green book 2008, 8.)

Weber (2009, 67) names special steps to marketing on social web: observe, recruit, evaluate platforms, engage, measure, promote and improve. However, the marketing approach in the social media should not be too obvious (Solomon et al. 2006, 355-356). There are many people that are already afraid of joining the social media communities and networking, because they do not like to be advertised or sold to.

Blogs can be regarded as a channel for communication and PR to support the marketing activities of a company. Blogs can be a marketing technique: a quick and inexpensive way to disseminate information to customers and receive immediate feedback. (Wright 2006, xi.) Solomon & al. (2006, 355-356) define blogs and discussion forums as relatively new phenomena that have huge potential. Potential customers discuss product characteristics and respect other opinions. Marketing personnel has a good opportunity to join the discussions and be part of these communities. However, marketing messages are not responded positively to. The participants value useful and rightful information, but are usually very sensitive to attempts to sell (Bly 2006, 95).

Blogs are important for consult organizations, who want to disseminate information about their services and knowledge or for companies who work in a business about which people like to talk, for instance tourism. In addition, blogs are especially helpful for businesses whose customers actively search for new information, for instance health products, or businesses about which there is controversial information or the information has recently changed. Blogs are an important way to disseminate information for independent consultants and representatives of technology businesses. (Bly 2006, 44-46.) Blogs tours (see 3.1.) are also a possibility to promote new books, products and services, but are at the moment still a relatively new and unknown phenomenon.

Many companies are interested in social media marketing, but do not have the knowledge or knowhow how to really do it. There is also a big fear of failing.
4.4 Education and training

Many universities and institutes have realized the potential of social media applications in education and training. Social media emphasizes collaboration, sharing knowledge and using information technology – all needed also in more traditional education. Using social media in education means selecting such applications and methods that are most relevant to the situation, for instance, open wiki, blogs, instant messaging, shared platform or a real-time feedback channel.

Especially Second Life has been a basis for many experiments. Some of the experiments have been relatively modest; Second Life is used for keeping materials and organizing group assignments. Others are trying to find more sophisticated ways to use Second Life, but the process is still at a rather preliminary stage.

Second Life as a learning platform has been used for group meetings, lectures, and discussions. Visits to different companies, travelling destinations, virtual hospitals and cultural events have also been organized. Holmberg & Huvila (2008) used Second Life as a platform to deliver lectures and as a place for organizing group assignments and having discussion. They saw Second Life as an addition to more traditional methods and platforms used in education and training. The basis for the experiment was the purchase of a small piece of virtual land in Second Life and building a virtual classroom there. Holmberg & Huvila (2008, 1) describe Second Life as a potential learning environment in distance education.

Ravid & Rafaeli (2004, 7) present discussion forums and discussion groups as relevant possibilities for distance learning at university level. The discussion forums are used for interaction among the students themselves, as well as between the students and instructors. Discussion forums organize naturally in a stable social structure which fits their purpose. This structure allows them to keep the social order along with increasing the level of control of the members of the network. (Ravid & Rafaeli 2004, 7-12.)

Also wikis are used in teaching and studying at different universities. Gao & Wong (2008) used wiki in their online course for university students. The reason for this was to improve the quality of students’ online discussion of assigned reading in an online course. The experiment showed that text-based wiki influenced focus, depth and flow of the discussion and made students more willing to participate. A higher frequency of idea exchange was noticed as well as sharing of ideas and a better quality of the discussion. (Gao & Wong 2008, 1-8.)

However, there is not much change to share personal experiences or to talk about real-life problems in a wiki. It might also not be the best environment
for participants to develop a broader view of the topic. Wiki constrains developing a broader view that would be possible in a discussion forum. On the other hand it helps to focus more on the text, go deeper into particular issues and experience a higher level of engagement (Gao & Wong 2008, 9-10).

Social media is a growing trend in higher education and already a part of many curriculums. At this moment the use of social media applications is mostly at an experimental stage and there certainly are new ways that are yet to come.

4.5 Other

Many social media innovations can be used effectively to improve organisation’s internal functions (Kangas et al. 2008, 54). Common applications are, for instance, wikis, Second Life and discussion forums. Some organizations have found their special ways to utilize social media applications. For instance, the police have used YouTube, MySpace and Facebook to solve crimes.

In Second Life a section called Information Archipelago is densely populated by libraries, schools and universities. Heilesen (2009, 2) presents a creation of Info island, where libraries could interact with users. The idea was to provide a framework for exhibitions and events, and to be a setting for networking between library staff and relevant partners as well as to instruct librarians and members of the general public in the use of second Life. (Heilesen 2009, 2.)

Discussion forums are used in many companies for internal information sharing, interaction and idea formation. Mayfield (2008, 19) suggests Wikis to be used for collaborative working, when creating a large document or a project plan with a team in several offices. Evans (2008, 58) describes Wikis as a natural place to build a product’s frequently asked questions: to post questions or suggest an answer and let the customers refine those answers over time based on their actual, collective experience.

4.6 Synthesis of the use of social media applications today

Social media has been a platform for many experiments; gathering feedback and information, advertising and promotion, product innovation and learning environments. Some of the experiments have been successful, many have not. Success in social media requires active participation and careful planning. It is
not enough to listen and evaluate, but activeness and interaction are needed as well. The most popular ideas to use social media applications in business today have been collected in Table 1. Missing forms of social media, like social networking sites and photo-, audio- and video sharing applications, are not usually mentioned in social media literature in relation to business experiments.

Table 1 The use of social media applications today.

<table>
<thead>
<tr>
<th>Forms of social media</th>
<th>For what social media applications are used today?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Feedback and information channel</td>
</tr>
<tr>
<td>Blogs</td>
<td>Gives face and voice, creating trust, spreading information</td>
</tr>
<tr>
<td>Discussion forums</td>
<td>Problem solving, connecting with customers</td>
</tr>
<tr>
<td>Wikis</td>
<td></td>
</tr>
<tr>
<td>Virtual worlds</td>
<td>Experiments with games, designing</td>
</tr>
</tbody>
</table>
promotional messages are mostly quite modest, but the interest is growing. Marketing as well as educational experiments in social media are attracting many companies and universities. The future of the social media will be discussed in the next chapter.
Social media applications are constantly being developed and changed. It is difficult, if not almost impossible, to foresee all the challenges and possibilities that will be faced later. However, some serious critics have already been voiced.

Social media innovations are emerging rapidly and no-one knows at the moment what all to expect. Demopoulos (2007, 26) states that it is too early to answer to many questions. He names the future of videoblog (vlog) as an example: how will it be used and what exactly will be a videoblog? (Demopoulos 2007, 26.) Scoble & Israel (2008, 13) foresee that the importance of blogs will quickly rise in the near future and force successful companies to find ways to use them. The social media discussion is full of predictions, some of them modest and practical, others even quite wild. The role of the customer is, however, always at a central place: it is important to follow what customers (potential or real) want and make flexible plans according to their relevant wishes. It is essential, however, to remember that customers should not only be listened to, nut also included in the processes.

There have been and are, however, attempts to foresee and follow the developments in social media. One of these is Gartner hype cycle that concentrates on representing the maturity and business adoption of a group of technologies. The Gartner Hype Cycle describes which forms of social media are on their way up or down or rising again. (DIGtrends 2008.)

Most experiments in social media applications have been related to marketing, especially to advertising and promotion. In literature, marketing is however, understood more widely than in these experiments. According to Baker (2006, 2) marketing is not a specialized activity, but the whole business seen from the customer’s point of view. Kotler (2001, 4) describes marketing as a process by which individuals and groups obtain what they need and want through creating, offering and exchanging products and services of value, whereas Jobber (2008, 5) adds the element of competition to the definition: Marketing is also the achievement of goals through meeting and exceeding customer needs better than the competition. In social media applications marketing is however understood more like advertising and promotion.
5.1 Feedback- and information channel

Some companies have already started to use social media for gathering feedback, but the attempts have been relatively modest. Except some big companies with resources to hire special personnel for following online discussions and blogs, the task and its unclear nature have been requiring too much resource from small companies. The desire to use social media for gathering feedback is definitely going to grow fast, as well as the willingness to find new ways to gather and evaluate feedback. Concrete models and handbooks are likely to be published soon.

Social media can be easily used to gather basic feedback for products, services or company performance, but also more defined tasks are possible. Some companies are already interested in finding answers to concrete questions, like why Russian tourists are travelling to a certain part of Finland. The interest lies not only in finding feedback for services but in using the information to make concrete changes in target marketing.

Social media is rich with comments and conversation and it might be difficult to find relevant information needed for the problem in question: Who originated the idea, what followed and what kind of situational factors influenced the outcome. Participation in discussions often includes giving advice, support or encouragement to other participants. It takes time and patience to find the relevant information, and not all companies have the resources. Therefore, concrete models for gathering feedback will probably be planned. There are already some companies with business ideas to collect feedback to others, and this direction will likely to be developed further: the information itself might be beneficial for the company, but not all the companies know how to proceed with that information.

Many companies are afraid of negative feedback and comments. On the other hand Scott (2007, 47) argues that also critical comments in Internet can be beneficial to the company. Critical discussion makes the blog or a discussion interesting in the eyes of the customers and most likely attracts more participants. Albrechtslund (2008, 4) adds the role of the invisible audience of social media networking to the discussion; the public nature of online social networking makes the information available to a much larger audience, potentially everyone with access to the internet.

Mathwick (2002, 43) argues that a consumer’s willingness to provide feedback to a product or a service is often linked with the hope of ultimately receiving product or service enhancements. However, many customers are concerned about privacy, spamming, abused information and comments, and menace of other participants. These obstacles have to be taken into consideration when planning a gathering of feedback and ways to attract
potential participants to discussions. The amount of material is not the only problem, but the quality of the discussions is an often voiced concern as well. In order to get relevant information, company representatives should probably start participating as individuals, ask the right questions and offer honest expert opinions.

The quality of separate discussions is easier to control and influence with a moderator, for instance, but companies use other social media applications for feedback as well. Agichtein et al. (2008, 1) raise a very common concern in social media discussion: The contents in social media vary from very high quality items to low quality, sometimes even abusive content, which means that the person gathering feedback cannot be just anyone, but has to have understanding of the content of the discussion. At the moment there no real suggestions to solve the problem, as the right for free participating, publishing and voicing opinions without any restrictions or control is considered very important in social media. There have been some very recent attempts to restrict the publishing rights in wikis for only professional experts, but it has caused a lot of heated discussion about the principles in social media.

Readers of an online community have to be able to evaluate opinions of complete strangers, at least in the beginning, as knowledge of individuals’ background is usually very limited. In addition to this, evaluations in an online environment must be made from a relatively impersonal text-based resource exchange provided by the actors in the site network (Brown et al. 2007, 7). In the near future this aspect will most likely be developed further, as it might not be very difficult to find out easy and better techniques to collect more background information to the discussions. In addition to this, Sohn & al. (2002, 2) remind that the online source of information is different from real-life discussions because customers care about how many people are talking with them. Generally speaking, the more participants the better, as the level and activity level of the discussion will improve.

One of the most often voiced concerns is the permanent nature of texts in social media. On one hand they may be commented or referenced later in their original form, on the other hand, they may live forever, even if the writer would not like them to. Albrechtslund (2008, 4) reminds that the digital trails of an online friendship last forever, since they are stored indefinitely on servers, and can be easily accessed. In that sense Scholz (2008, 8) even argues people can be easily abused in different Internet applications. Many people have voiced concern and amazement about the openness, or perhaps thoughtfulness, expressed in the behavior of social networking site’s users (Albrechtslund 2008, 5). On one hand free, uncontrolled and unrestricted discussions are a clear advantage for the companies. On the other hand, the discussion on ethical issues related to social media is only just getting started.
Online social networking is demanding, because the communication is stored indefinitely and will be available for later scrutiny. The digital nature of online social networking makes it replicable and it can be detached from its specific media and reproduced, even altered and put into other contexts. There have also been situations, where texts in blogs have had a negative influence on getting a job, or vice versa have caused some problems at work. Some companies are very careful and do not want anyone to write about them, but the rules are unclear. There have also been some negative cases related to the Facebook, someone even lost his job, when he was found using Facebook on sick leave. It seems that people do not know clearly what the company policies are in relation to social media, or there even might not be any written policies.

One of the developments in the future will probably be the testing of possible methods for gathering feedback effectively and reliably. This means gathering enough background information to know, whose opinion should be further evaluated. All the discussion as a whole is not interesting, but the opinions of the preferred target group are. The opinions are already there, which makes sending questionnaires and organizing discussion groups unnecessary, if the company has the ability to search for the right information. The possibility is so attractive, that it will probably speed up attempts to collect relevant information, which in its turn will lead to developed models of feedback gathering in the social media and how to do it handbooks.

5.2 Product innovation

At the moment social media is seen mostly as a feedback and information channel for companies as well as a potential marketing channel. In the literature, fewer experiments can be found about product innovation, but it is most certainly a trend for tomorrow. Most likely social media will be used more for incremental innovations, where an already existing product or service is improved or changed according to the wishes of the customers. There are however, some questions that need to be answered first.

Firstly, the role of the social media applications needs to be clarified in each product or service innovation process. Repo & Kotro (2008, 1) present involving customers in product innovation as an extension of in-house and between-house innovation capability. There are no tailored models at the moment where exactly “place” social media, and the speed of change is extreme, which demand flexible systems, ability to follow the technical proceedings, and a clear plan: Will information and ideas gathered in social media applications be only additional information to support already existing ideas and procedures, or could they be something bigger? It is possible to just
follow and evaluate online discussion and ideas, as some companies already do, but deeper customer involvement could also be possible.

Repo & Kotro (2008, 4) remind that in user involvement there are two kinds of customers: those, who are involved, and those who are targeted by the involvement procedures. The comments of potential online discussions need to be evaluated with little or none background information: what expertise does the participants have, what situational factors influenced the discussion, and who of the participants, if some, represents the preferred target group.

Secondly, customers are not necessarily experts or informed enough about the innovation process. Ulwick (2002, 91) argues that customers should not be listened too much, as they cannot imagine what they do not know about the technologies, new materials or procedures. On the other hand, it is easy to gain access to online discussions, stored in the Internet, but it is not always easy at all to know what suggestions are the most important ones for the customers, and for what kind of improvements will the customers be ready to pay more.

In addition to online discussions and blogs, virtual worlds will have an essential role in the future product innovation. The Association of Virtual Worlds describe in their Green book (2008, 8) the future Web 3D, the next evolution of the Internet. In a future virtual world the customers will be able to actually experience the product or the service as if they were right there. (The Green book 2008, 8.) Already now the customers are able to design their own clothes and products, sell their creations, but only with fake money. In the future, real money will most probably be available in virtual worlds as well, which will lead to increased interest in product and services design as well as marketing. A virtual experience is also a possibility to increase product or service knowledge.

In the future people will hop between the real and the virtual worlds while socializing, innovating and working (Toivonen 2007, 9). The borders between the real and the virtual worlds will probably at least partly disappear in product and service design, as a best combination of them will be planned. Lietsala & Sirkkunen (2008, 14) see the development of social media as foundations for participatory economy, where participants can gain use-value as the result of community action; People collaborate on social media, and as return, the action of the individuals produces something new, even unexpected results.

In product and service innovation the designer and the user will most likely combine their forces and develop a form of co-operation of higher intensity. Van Rompeay et al (2005, 1) argue that the main challenge for the designer lies in the ability to channel the enthusiasm and creativity of the user and the inspiration of the developer into a conveyable engineering result, taking into account marketing and business interests. Both the designer and the user have
their own perceptions, how a sociable, likable and usable product can be planned and built and are expected to leave their traditional positions as the borders are disappearing. The closer co-operation in product and service development will benefit the company as well otherwise: the more involved the customer is with the product, the more pronounced the impact of affective reactions on the customer’s attitude towards the firm will be (Nambisan & Baron 2007, 49).

5.3 Advertising and promotion

Toivonen (2007, 10) argues that concentrating on marketing is in line with Web 2.0. Practice supports this argument, as most articles and research experiments around social media have been written about marketing or marketing experiments, mainly advertising and promotion. Today, more and more companies are interested in using social media in their marketing, but do not know exactly, how. It is clear that unsuccessful attempts may cause significant damage, and therefore many companies avoid using social media, although see its potential. In the near future social media will most likely be included in the marketing plans, if social media marketing plans will not be made separately. The question for the future lies in the role of social media marketing: can it, and if yes, to what extent, replace traditional marketing or what is its role compared with the traditional marketing.

In some sense planning and implementing social media marketing seems easier and less time consuming than using social media for gathering feedback or product innovation. The risks are however big, and unclear and unwisely planned social media marketing is likely to lead to negative feedback and even loss of sales. A well planned and implemented social media marketing demands clear planning, strategy and time (active participation).

The strength of social media lies in building and maintaining relationships and networks of contacts. In that sense it is all about relationship marketing. To create networks and relationships, company managers and specialists will have to join the discussions, create contacts and actively participate. Social media is about mutual help and support between individual people, not companies as whole. Yoon et al. (2008, 613) argue that the fundamental process of relationship building remains similar in the online environment, but the level of interactivity and need for communication are higher. Building relationships in social media demands active, two-way communication, not only listening and evaluation. Sohn et al. (2002, 12) remind that the understanding of specific behavior of diverse consumers will help the marketers not only to select appropriate marketing strategies such as target
segment selection, positioning and pricing, but also to better appropriate technology strategies such as the manipulation of network capacity level.

Mathwick (2002, 42) argues that a virtual community may be a marketing context that affords the opportunity for relationship building based upon something more than mere communication or exchange of information. Social media is about mutual help and support; making helpful offers to online friends and giving useful advice, and at the same time receiving the same from others. The biggest challenge is not so much in attracting customers, but in keeping them. Gaining trust and credibility is hard work and demand a lot of effort. People in the social media expect honesty, however difficult it may be, not marketing or groundless promises.

Social media marketing is based on Internet presence and active participation, as only listening and evaluation will not bring sufficient results. From a marketer’s or advertiser’s point of view, however, approach to social media must be planned carefully. Most participants and online communities are sensitive to direct promotional messages and advertising and it is not an easy task to understand how a specific online community functions and which kinds of messages suit the elected environment. The answer might lie in company evangelists, customers, who want to tell their story. Lietsala & Sirkkunen (2008, 139) emphasize the popularity of sharing personal stories, photos, videos and other materials in social media and the secret wish of the participants to become unofficial journalists. Changing advertising from message sending to asking for stories about certain products or services (for instance customer experiences) could be an answer to this problem. The stories could be sent more traditionally by email or post and added to the Internet, or they could be created directly in blogs. Another alternative would be to try social writing in a wiki, open at first only for a certain amount of people, and later on for larger publicity.

As clear marketing messages are not embraced readily in social media, one way to promote products and services might be offering expert opinions. These expert comments should not be written in a form of marketing messages, but to give honest information for those, interested in them. Expert opinions are usually respected in social media and content of high value attracts attention.

Another way to plan marketing in social media is to use the positive effect of the word of mouth and find company evangelists. Dwyer (2007, 75-76) describes a typical evangelist to be a member of an online community, interested in certain products and services. Word of mouth is a network phenomenon, and therefore highly suitable for social media; the positive message spreads as the networks grow and get connected to other networks.
Until recently reliable measurement of consumer word of mouth has remained elusive, but online discussions offer a possibility for concrete evaluation (Dellarocas et al. 2007, 24). Online discussions are automatically stored in the Internet and can easily be accessed later on. Some discussions are available for members only, which leads us again to the need of active participation in social media. Online discussions cannot be controlled, and also negative information is likely to be spread. Lietsala & Sirkkunen (2008, 39) name this feeling of not being in control as one of the biggest obstacles for social media marketing.

In addition to online communities and blogs virtual worlds have caused a lot of interest among marketers and been a basis for many experiment. However, the virtual worlds have a lot more potential. Oh et al. (2009, 653) name the key factor to success to be an understanding of the concerns of customers and identifying the determinants that leads to individuals’ behavioral intention to adopt a virtual store. A virtual store allows companies to provide product information and offer direct sales to their customers through an electronic channel.

Other future trends in social media marketing will probably be the expansion of the use of online brand communities in marketing and the use of wikis as a marketing tool (Brown et al. 2007, 16). At the moment wikis are used mostly for writing texts but they have also other potential. The marketers will, for instance, have the possibility to address the issues of most importance for their readers and create materials together with their customers. Wikis and blogs could also be used as a modern help-desk and information service, with interactivity replacing traditional one-way information. New products, new methods and new structures can be presented in a blog for a larger audience. In a sense this replaces writing articles and placing advertisements to newspapers, if the target groups are active users of social media.

Some companies are already interested in finding help to develop their social media strategy and similar actions are likely to become very common in the near future. The question could be formulated, for instance, in a form of defining the need for visibility in different social media applications. The interest would most definitely lie not only in visibility but also in defining customer profiles, target groups and concrete marketing actions: if visibility will be found necessary, what exactly should be done and how the desired target groups should be approached?
5.4 Education and research

The use of social media applications is considered more and more in education. Most plans at the moment are however quite modest: social media is seen as a platform for materials and student assignments, blogs are offered as a collaborative space for students to work online and lessons are organized in a virtual classroom. The students, however, seem to prefer other forms for collaboration, for instance, Facebook or Messenger. Comments and texts will be spared in blogs; therefore there might also be some hesitation to use them effectively. Many students seem to be quite uncertain of their opinions and ability to write texts and might not want them to be stored forever.

Richardson (2006, 40) recommends blogs to be used in teacher’s self-reflection. The idea has been considered in some institutions but the problem of confidentiality remains: what information can a teacher really write in a blog? There are not many teachers who want to inform everyone about their unsuccessful experiments and many ideas are related to students of partners and cannot be published. However, blogs might be a good way to disseminate continuous results and perceptions from a new teaching model and its development. Blogs could also be used for collecting ideas about a certain subject, as the interactive nature of blogs could deepen the brainstorming process and generate new ideas.

At the moment blogs are used quite modestly in communication between parents and teachers (instead of an Internet page), class portals, online filing cabinets for student work and websites (Richardson 2007, 21). As new teaching methods and applications emerge, the use of blogs and other social media applications is likely to deepen and develop to answer to modern demands. One of the promising, but not yet utilized forms is using wikis for collaborative writing and student team work. The possibility to renew the text simultaneously online is attracting. Many programmes for negotiating, like Webex, offer the possibility for collaborate writing and discussion, but the created texts cannot be saved after the session.

Duncan-Howell (2009, 1) argues that online communities are being increasingly used by teachers for professional support, guidance and inspiration. Similarly online communities and blogs could be used for gathering and exchanging information about research interests, organizing cooperation between institutes and following new trends in education and learning. Social media has not yet been taken seriously by teacher masses but it will come. Similarly, ideas how to use social media in education and professional development will multiply and change towards more creative and collaborative forms. For instance wikis will definitely be used more for collaborative writing when planning an international (or just between
institutes) project of writing an article with several authors. Study plans and curriculums could also be planned in a wiki.

Toivonen (2007, 11) reminds teachers about the challenges of the social media. There is a huge amount of information available, but students should be reminded not to take everything for true. (Toivonen 2007, 11.) At the moment this is a very common problem in student assignments, as it is very easy to find information on the Internet about almost everything. In the future, part of the assignments should be preparing the students to understand, what is a good source for a research assignment and how to distinguish a high-quality article from short abstracts and non-scientific articles.

One opportunity for learning and education could also be using students as active planners for educational platforms. Toivonen (2007, 13) argues that traditional methods of using people as objects for planning are being replaced by more sophisticated and easy solutions that are offering people the possibility to join the network as active subjects. One future trend in training could be planning of training platforms from an advanced student perspective: new ideas, free from traditional settings for education could bring unforeseen possibilities. The modest attempts to use virtual worlds for building virtual classrooms could be replaced by more promising and sensible experiments.

It is, however, to be remembered, that social media is more about content than it is about technology. Lietsala & Sirkkunen (2008, 19) remind that people enjoy sharing the content that they have made themselves or maybe copied from others. In the future more and more content will be shared freely in the Internet, which will increase the speed for research, dissemination and networking. On the other hand this brings us to the growing concern for privacy, owner rights and misinterpreted and misused information.

5.5 Other

In addition to gathering feedback, product innovation, marketing and education, social media has been mentioned often as a possibility to get organized and make working easier in an organization. For instance, wikis can replace the intranet, ease up the work of helpdesk and disseminate information to the stakeholders of the company (Lietsala & Sirkkunen 2008, 34). Many wikis are private and for internal use only, and are at the moment used for project work and writing larger documents. In the future wikis might be used also for publishing articles, if the technology behind the application is improved: at the moment the texts have to be written in a way that the reading can be started from any page in the text.
Another example of getting organized is using virtual worlds in communication and project work. Most emphasis has been on technical possibilities and division of concrete work and other development of the team have usually been forgotten. Verbung & Bosch-Sijtsema (2007, 1) emphasize the opportunity to gather together rare expertise from all around the world in an easy way, as well as the possibility of crossing distances and time zones in order to get closer to new markets and customers.

Social media processes and innovations can be used to support open innovation and knowledge sharing in companies and institutional networks (Ahlqvist et al. 2007, 6). Social media is said to be a place where every visitor is valuable and every opinion important. Kangas et al. (2008, 22) state, however, that lately there has been some negative attention due to bullying and isolation in MySpace. Scholz (2008, 7) adds that the social web determines a good part of the psychological lives of its users. There is also a relevant possibility to become addicted to using Second Life or other social media applications. Frank (2008, 20) continues that some people have had to make a serious point of setting some personal limits on use.

Toivonen (2007, 12) predicts a future megatrend in social media to be the search for business models in the social media. Business models in social media are a theme not much approached in the social media discussion today. As using the web will be everyday activity for more and more people and participation in social media processes becomes a common occurrence in the very near future, new business models will most definitely emerge. New versions and applications as well as the growing interest of many companies in using social media, but inability to do so, will speed up the process and lead to new business opportunities. It is easy to see the successful future of the social media, but hard, if not impossible, to foresee, what all will be included and in what way.

5.6 Synthesis of the use of social media applications in the future

Social media is a trend of the future. New solutions, methods and applications will be found out and created and challenges overcome. It is impossible to see today, what all will be included in social media tomorrow. Social media applications are considered very attractive even today, but the social media for tomorrow will be different.

Companies that look for continuous competitive advantage will be forced to include social media in their business plans and business models. It will not be enough to look for possibilities to use social media in advertising, gathering of feedback, product innovation and other separate activities any more. To
succeed with the help of social media, companies will have to see social media as a relevant part of their business activities. Social media offers good possibilities for creating competitive advantage: a company has to realize how to include social media in its business models and thus create a unique model that will not be easily copied.

Reading the literature around social media experiments today (see Table 1) and ideas for the future, a certain difference can be noticed. In past or today’s experiments different social media applications are presented as separate entities and the writer is usually interested in only one channel. He might describe blogs as a feedback channel or virtual worlds as a platform for educational experiments, but the general picture is missing even for the companies. However, in ideas and opinions for the future, social media applications are regarded as one entity. The interest lies not, for instance, in blogs as a feedback- and informational channel, but in combining relevant social media applications for that purpose. In other words, the purpose has become more important than the method. Possible goals for using social media in the future have been collected in Table 2.
Table 2 The use of social media applications in the future.

<table>
<thead>
<tr>
<th>Purpose for using social media</th>
<th>Future goals</th>
</tr>
</thead>
</table>
| **Feedback- and informational channel**                       | - gathering feedback  
- finding answers to concrete questions, planning new services and products  
- supporting critical discussions, interesting readers and participants  
- creating methods for gathering background information  |
| **Product innovation**                                        | - supporting user involvement, discussions with users, collaborative designing  
- creating new methods for virtual experiences in product innovation  
- clarifying the relevance and restrictions of social media in product innovation |
| **Advertising and promotion**                                 | - writing clear social media marketing plans for advertising and promotion  
- building and maintaining relationships, supporting mutual help  
- gaining trust and credibility, avoiding clear marketing messages  
- maintaining Internet presence, participating actively  
- collecting customer stories, offering expert opinions, organizing collective writing experiences |
| **Education and training**                                    | - getting and offering professional support, guidance and inspiration  
- building new educational platforms  
- keeping contact, creating new contacts or networks  
- supporting collaborative writing, disseminating results |

Gathering feedback and information has been the easiest part in using social media. The materials are there, waiting to be used. The extensive amount of information forces companies to create plans and methods to gather and evaluate relevant information in an efficient way.
Using social media in product innovation is a growing trend. New strategies and plans for customer interaction and collaboration in social media will have to be created and used effectively.

Marketing in social media has meant mostly advertising and creating ways to send promotional messages. However, in the future, marketing should be seen in a more complex context. Marketing in social media is related to networking and social interaction, in other words to building relationships. Relationship marketing in social media is thus a most likely trend of the future.

Educational experiments in social media have been quite modest at the moment, but there is a lot of potential. Project work, collaborative writing, international programmes and information sharing could be organized easily in social media applications. As teaching and studying methods change towards more modern solutions, social media applications and their possibilities will be fully realized.
Social media applications are constantly developing and their amount is growing quickly. The most famous and popular social media channels are blogs, discussion forums, wikis, virtual worlds, social networking sites and photo-, studio and video sharing applications. In this study these applications were divided roughly into four categories according to the participants need for sharing information and on the other hand social commitment. As there are for instance hundreds of virtual worlds and social networking sites, the classification could be made only by their general characteristics.

Social media is changing at a very quick speed: new applications are emerging and older applications developed further all the time. Therefore it is difficult to describe in detail what exactly social media will be and how to use its many forms. The future social media will most likely be quite different from today’s: it will be even more participative, offer even more possibilities for networking and getting connected and let participants plan and tailor the applications and their contents much more according to each individual’s wishes and expectations. The fast and partly uncontrolled development will also cause unpredictable problems related to privacy, ownership rights and security.

Social media is not about information sharing in a traditional sense. It is more about writing and discussing and thus finding an answer together. The challenge lies in attracting customers to participate and in keeping them. O’Keefe (2008, 222) emphasizes the importance of a community and a feel of ownership in problem solving and success in social media. Ownership rights in social media are an issue for constant debate, as many articles and information in general are free for everyone. On the other hand, participants may feel that they own a discussion forum or a community, meaning that no changes should be made without asking their permission and suggestions before the change and feedback after the changes (O’Keefe 2008, 222).

Social media has given the power to the customers and thus challenges many companies. Brymer (2009, 37) describes this as a feeling of losing the magical power the companies once had to create images and brands. If the brand or product image is not believable or customers are not engaged into the conversation, just marketing messages will not bring them keep them. A typical solution in social media would be to find company or product evangelists to speak and write highly about the product or service in question.
However, one solution will not work for all social media applications, but they should each be considered separately.

Marketers are using the virtual worlds, especially Second life in their experiments. Animated talking avatars are used for product development, product trials and for guiding visitors to the company’s Internet sites (Brown et al 2007, 16). In the future virtual worlds will most likely provide much wider opportunities for concrete product development, marketing campaigns and even virtual shopping with real money. Using virtual worlds effectively demands creativity, courage and rather radical ideas. Other forms of social media, like discussion forums, blogs and wikis, are easier to use, as it is a question of mainly writing. Many companies have, however, prejudices against virtual worlds as it is not quite clear, how to use them in practice. Virtual worlds are unknown among older age groups, and thus creating avatars, organizing design games and working in a virtual space feels difficult, often even insane.

Today’s experiments in social media are still relatively modest. Furthermore, social media is seen as a group of different, separate applications, although they are all grouped under the definition “social media”. Attempts to use social media are usually restricted only to a certain field: a company might be interested in using blogs for gathering information, or discussion forums for promotional messages, but a good, overall picture is often missing. However, social media applications could support each other if not used only separately and better results could be reached.

The future of social media looks bright, although unclear. The rapid development and constant changes make predictions difficult, if not impossible. Companies that are planning to use social media in the future are, however, concentrating more on the bigger picture, not only on separate applications. Social media is seen as an entity, although it is not always clear what all is included. As it is also unclear how to use different social media applications and what are the company rules and recommendations, company specific handbooks with detailed instructions should be written. Handbooks would offer practical help, but also strategic decisions are needed: what will the role of social media be in relation to marketing plans, business plans and business strategies.

A company willing to use social media effectively in the future should create new business models including social media, just using some social media applications will not be enough. It is difficult to copy complete and unique business models, but competitive advantage can hardly be found in just creating new ways to use separate social media applications. It will not be wise just to try different applications either, but long-term plans are needed. It requires careful planning and resources (time) and is thus more expensive than
it seems. Due to its almost unlimited networks, possible damage is extensive as networks of networks spread unbeneﬁcial information to all around the world. The same networks can understandably be a huge beneﬁt, if handled wisely.

Social media is about building relationships. Although it is faster to build relationships in social media than in the “real” world, the same rules as for other relationships are important: trustworthiness, honesty, reliability and personal contacts. Like every relationship, creating and maintaining relationships in social media mean spending time together, although in a virtual space. Social media requires active participation between individual people, not between companies, which brings the discussion back to the question of resources and careful planning: who may participate, in which role and where.

Social media is a new way to succeed, but it is not for everyone and for every business. The rapid development of social media applications and new versions require concentration on the essential, ability to make good and ﬂexible choices and understanding of the changing social media environment. Serious concerns voiced today, like spamming, viruses, privacy and ownership protection will need to be solved, although the rapidly changing environment makes the task challenging. Despite the problems, it is however clear that social media has come to stay. The next steps are uncertain and can only be predicted, but one thing is clear: the development will continue rapidly and offer new possibilities to succeed— for those, who can do it.
REFERENCES


TURUN KAUPPAKORKEAKOULUN JULKAISUSARJASSA
KESKUSTELUA JA RAPORTTEJA OVAT VUODESTA 2008 LÄHTIEN
ILMESTYNEET SEURAAVAT JULKAISUT

KR-1:2008  Heli Marjanen (toim.)
Listää leipää – turkulaisia näkemyksiä leivän ostamisesta ja kulutuksesta

KR-2:2008  Maria Halme
Joulurauhata maailman turuilla ja toreilla? Turku Suomen Joulukaupunki -hankkeen vaikutusten muutokset erityisesti matkailun kannalta vuosien 2004 ja 2007 välisenä aikana Turun keskustan yrittäjien näkökulmasta

KR-3:2008  Outi Sarpila
Viideltä saunaan ja kuudelta kuorintaan? Miesten ulkonäöstä huolehtiminen ja ulkonäköön kuluttaminen 2000-luvun Suomessa

KR-4:2008  Timo Toivonen – Maria Halme (toim.)
Kulutturin, luonnon ja liiketoiminnan näkökulmia matkailuun

KR-1:2009  Piia Mustonen
Social media – a new way to success?

Kaikkia edellä mainittuja sekä muita Turun kauppakorkeakoulun julkaisusarjoissa ilmestyneitä julkaisuja voi tilata osoitteella:

KY-Dealing Oy
Rehtorinpellonkatu 3
20500 Turku
Puh. (02) 481 4422, fax (02) 481 4433
E-mail: ky-dealing@tse.fi

All the publications can be ordered from

KY-Dealing Oy
Rehtorinpellonkatu 3
20500 Turku, Finland
Phone +358-2-481 4422, fax +358-2-481 4433
E-mail: ky-dealing@tse.fi