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Users of the world, unite! The challenges and opportunities of Social Media

Andreas M. Kaplan [*], Michael Haenlein

ESCP Europe, 79 Avenue de la République, F-75011 Paris, France

Abstract   The concept of Social Media is top of the agenda for many business executives today. Decision makers, as well as consultants, try to identify ways in which firms can make profitable use of applications such as Wikipedia, YouTube, Facebook, Second Life, and Twitter. Yet despite this interest, there seems to be very limited understanding of what the term ''Social Media'' exactly means; this article intends to provide some clarification. We begin by describing the concept of Social Media, and discuss how it differs from related concepts such as Web 2.0 and User Generated Content. Based on this definition, we then provide a classification of Social Media which groups applications currently subsumed under the generalized term into more specific categories by characteristic: collaborative projects, blogs, content communities, social networking sites, virtual game worlds, and virtual social worlds. Finally, we present 10 pieces of advice for companies which decide to utilize Social Media.
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1. The specter of Social Media

As of January 2009, the online social networking application Facebook registered more than 175 million active users. To put that number in perspective, this is only slightly less than the population of Brazil (190 million) and over twice the population of Germany (80 million)! At the same time, every minute, 10 hours of content were uploaded to the video sharing platform YouTube. And, the image hosting site Flickr provided access to over 3 billion photographs, making the world-famous Louvre Museum's collection of 300,000 objects seem tiny in comparison.

According to Forrester Research, 75% of Internet surfers used ''Social Media'' in the second quarter of 2008 by joining social networks, reading blogs, or contributing reviews to shopping sites; this represents a significant rise from 56% in 2007. The growth is not limited to teenagers, either; members of Generation X, now 35—44 years old, increasingly populate the ranks of joiners, spectators, and critics. It is therefore reasonable to say that Social Media represent a revolutionary new trend that should be of interest to companies operating in online space—or any space, for that matter.

Yet, not overly many firms seem to act comfortably in a world where consumers can speak so freely

* Corresponding author.
  E-mail addresses: mail@andreaskaplan.eu (A.M. Kaplan),
haenlein@escpeurope.eu (M. Haenlein).

with each other and businesses have increasingly less control over the information available about them in cyberspace. Today, if an Internet user types the name of any leading brand into the Google search, what comes up among the top five results typically includes not only the corporate webpage, but also the corresponding entry in the online encyclopedia Wikipedia. Here, for example, customers can read that the 2007 model of Hasbro's Easy-Bake Oven may lead to serious burns on children's hands and fingers due to a poorly-designed oven door, and that the Firestone Tire and Rubber Company has been accused of using child labor in its Liberian rubber factory. Historically, companies were able to control the information available about them through strategically placed press announcements and good public relations managers. Today, however, firms have been increasingly relegated to the sidelines as mere observers, having neither the knowledge nor the chance—or, sometimes, even the right—to alter publicly posted comments provided by their customers. Wikipedia, for example, expressly forbids the participation of firms in its online community.

Such an evolution may not be surprising. After all, the Internet started out as nothing more than a giant Bulletin Board System (BBS) that allowed users to exchange software, data, messages, and news with each other. The late 1990s saw a popularity surge in homepages, whereby the Average Joe could share information about his private life; today's equivalent would be the weblog, or blog. The era of corporate web pages and e-commerce started relatively recently with the launch of Amazon and eBay in 1995, and got a right ticking-off only 6 years later when the dot-com bubble burst in 2001. The current trend toward Social Media can therefore be seen as an evolution back to the Internet's roots, since it re-transforms the World Wide Web to what it was initially created for: a platform to facilitate information exchange between users. But does that mean that Social Media is just old wine in new bottles? Probably not! As we will delve into further, the technical advances that have been made over the past 20 years now enable a form of virtual content sharing that is fundamentally different from, and more powerful than, the BBS of the late 1970s.

This article discusses the challenges and opportunities that emerge from this evolution for firms, and provides structure to better understand the rapidly evolving field of Social Media. We begin by providing a definition and classification of Social Media by looking at their historical roots, technical specificities, and differences from other entities such as Web 2.0 and User Generated Content. We then focus on six types of Social Media—collaborative projects, blogs,

content communities, social networking sites, virtual game worlds, and virtual social worlds—and present ways in which companies can efficiently make use of these applications. Based on this analysis, we then derive a set of 10 recommendations companies should follow when thinking about developing their own Social Media strategy, be it with respect to these aforementioned types or other applications which might emerge in the future.

2. What is Social Media—And what is it not?

As highlighted, the idea behind Social Media is far from groundbreaking. Nevertheless, there seems to be confusion among managers and academic researchers alike as to what exactly should be included under this term, and how Social Media differ from the seemingly-interchangeable related concepts of Web 2.0 and User Generated Content. It therefore makes sense to take a step back and provide insight regarding where Social Media come from and what they include.

By 1979, Tom Truscott and Jim Ellis from Duke University had created the Usenet, a worldwide discussion system that allowed Internet users to post public messages. Yet, the era of Social Media as we understand it today probably started about 20 years earlier, when Bruce and Susan Abelson founded "Open Diary," an early social networking site that brought together online diary writers into one community. The term "weblog" was first used at the same time, and truncated as "blog" a year later when one blogger jokingly transformed the noun "weblog" into the sentence "we blog." The growing availability of high-speed Internet access further added to the popularity of the concept, leading to the creation of social networking sites such as MySpace (in 2003) and Facebook (in 2004). This, in turn, coined the term "Social Media," and contributed to the prominence it has today. The most recent addition to this glamorous grouping has been so-called "virtual worlds": computer-based simulated environments inhabited by three-dimensional avatars. Perhaps the best known virtual world is that of Linden Lab's Second Life (Kaplan & Haenlein, 2009c).

Although the list of the aforementioned applications may give some idea about what is meant by Social Media, a formal definition of the term first requires drawing a line to two related concepts that are frequently named in conjunction with it: Web 2.0 and User Generated Content. Web 2.0 is a term that was first used in 2004 to describe a new way in which software developers and end-users started to

utilize the World Wide Web; that is, as a platform whereby content and applications are no longer created and published by individuals, but instead are continuously modified by all users in a participatory and collaborative fashion. While applications such as personal web pages, Encyclopedia Britannica Online, and the idea of content publishing belong to the era of Web 1.0, they are replaced by blogs, wikis, and collaborative projects in Web 2.0. Although Web 2.0 does not refer to any specific technical update of the World Wide Web, there is a set of basic functionalities that are necessary for its functioning. Among them are Adobe Flash (a popular method for adding animation, interactivity, and audio/video streams to web pages), RSS (Really Simple Syndication, a family of web feed formats used to publish frequently updated content, such as blog entries or news headlines, in a standardized format), and AJAX (Asynchronous Java Script, a technique to retrieve data from web servers asynchronously, allowing the update of web content without interfering with the display and behavior of the whole page). For the purpose of our article, we consider Web 2.0 as the platform for the evolution of Social Media.

When Web 2.0 represents the ideological and technological foundation, User Generated Content (UGC) can be seen as the sum of all ways in which people make use of Social Media. The term, which achieved broad popularity in 2005, is usually applied to describe the various forms of media content that are publicly available and created by end-users. According to the Organisation for Economic Cooperation and Development (OECD, 2007), UGC needs to fulfill three basic requirements in order to be considered as such: first, it needs to be published either on a publicly accessible website or on a social networking site accessible to a selected group of people; second, it needs to show a certain amount of creative effort; and finally, it needs to have been created outside of professional routines and practices. The first condition excludes content exchanged in e-mails or instant messages; the second, mere replications of already existing content (e.g., posting a copy of an existing newspaper article on a personal blog without any modifications or commenting); and the third, all content that has been created with a commercial market context in mind. While UGC has already been available prior to Web 2.0, as discussed above, the combination of technological drivers (e.g., increased broadband availability and hardware capacity), economic drivers (e.g., increased availability of tools for the creation of UGC), and social drivers (e.g., rise of a generation of "digital natives" and "screenagers": younger age groups with substantial technical knowledge and

willingness to engage online) make UGC nowadays fundamentally different from what was observed in the early 1980s. Based on these clarifications of Web 2.0 and UGC, it is now straightforward to give a more detailed definition of what we mean by Social Media. In our view—and as used herein—Social Media is a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content.

Within this general definition, there are various types of Social Media that need to be distinguished further. However, although most people would probably agree that Wikipedia, YouTube, Facebook, and Second Life are all part of this large group, there is no systematic way in which different Social Media applications can be categorized. Also, new sites appear in cyberspace every day, so it is important that any classification scheme takes into account applications which may be forthcoming. To create such a classification scheme, and to do so in a systematic manner, we rely on a set of theories in the field of media research (social presence, media richness) and social processes (self-presentation, self-disclosure), the two key elements of Social Media. Regarding the media-related component of Social Media, social presence theory (Short, Williams, & Christie, 1976) states that media differ in the degree of "social presence"—defined as the acoustic, visual, and physical contact that can be achieved—they allow to emerge between two communication partners. Social presence is influenced by the intimacy (interpersonal vs. mediated) and immediacy (asynchronous vs. synchronous) of the medium, and can be expected to be lower for mediated (e.g., telephone conversation) than interpersonal (e.g., face-to-face discussion) and for asynchronous (e.g., e-mail) than synchronous (e.g., live chat) communications. The higher the social presence, the larger the social influence that the communication partners have on each other's behavior. Closely related to the idea of social presence is the concept of media richness. Media richness theory (Daft & Lengel, 1986) is based on the assumption that the goal of any communication is the resolution of ambiguity and the reduction of uncertainty. It states that media differ in the degree of richness they possess—that is, the amount of information they allow to be transmitted in a given time interval—and that therefore some media are more effective than others in resolving ambiguity and uncertainty. Applied to the context of Social Media, we assume that a first classification can be made based on the richness of the medium and the degree of social presence it allows.

With respect to the social dimension of Social Media, the concept of self-presentation states that

in any type of social interaction people have the desire to control the impressions other people form of them (Goffman, 1959). On the one hand, this is done with the objective of influencing others to gain rewards (e.g., make a positive impression on your future in-laws); on the other hand, it is driven by a wish to create an image that is consistent with one's personal identity (e.g., wearing a fashionable outfit in order to be perceived as young and trendy). The key reason why people decide to create a personal webpage is, for example, the wish to present themselves in cyberspace (Schau & Gilly, 2003). Usually, such a presentation is done through self-disclosure; that is, the conscious or unconscious revelation of personal information (e.g., thoughts, feelings, likes, dislikes) that is consistent with the image one would like to give. Self-disclosure is a critical step in the development of close relationships (e.g., during dating) but can also occur between complete strangers; for example, when speaking about personal problems with the person seated next to you on an airplane. Applied to the context of Social Media, we assume that a second classification can be made based on the degree of self-disclosure it requires and the type of self-presentation it allows.

Combining both dimensions leads to a classification of Social Media which we have visualized in Table 1. With respect to social presence and media richness, applications such as collaborative projects (e.g., Wikipedia) and blogs score lowest, as they are often text-based and hence only allow for a relatively simple exchange. On the next level are content communities (e.g., YouTube) and social networking sites (e.g., Facebook) which, in addition to text-based communication, enable the sharing of pictures, videos, and other forms of media. On the highest level are virtual game and social worlds (e.g., World of Warcraft, Second Life), which try to replicate all dimensions of face-to-face interactions in a virtual environment. Regarding self-presentation and self-disclosure, blogs usually score higher than collaborative projects, as the latter tend to be focused on specific content domains.

In a similar spirit, social networking sites allow for more self-disclosure than content communities. Finally, virtual social worlds require a higher level of self-disclosure than virtual game worlds, as the latter are ruled by strict guidelines that force users to behave in a certain way (e.g., as warriors in an imaginary fantasy land). We will now provide more detail on each of these six different types of Social Media, and discuss the challenges and opportunities they offer companies.

3. The challenges and opportunities of Social Media

3.1. Collaborative projects

Collaborative projects enable the joint and simultaneous creation of content by many end-users and are, in this sense, probably the most democratic manifestation of UGC. Within collaborative projects, one differentiates between wikis—that is, websites which allow users to add, remove, and change text-based content—and social bookmarking applications—which enable the group-based collection and rating of Internet links or media content. Exemplary applications within this category include the online encyclopedia Wikipedia, a wiki currently available in more than 230 different languages, and the social bookmarking web service Delicious, which allows the storage and sharing of web bookmarks. The main idea underlying collaborative projects is that the joint effort of many actors leads to a better outcome than any actor could achieve individually; this is similar to the efficient-market hypothesis in behavioral finance (Fama, 1970). From a corporate perspective, firms must be aware that collaborative projects are trending toward becoming the main source of information for many consumers. As such, although not everything written on Wikipedia may actually be true, it is *believed* to be true by more and more Internet users. This may be particularly crucial as regards corporate crises. For example,

Table 1. Classification of Social Media by social presence/media richness and self-presentation/self-disclosure

| | | Social presence/ Media richness | | |
		Low	Medium	High
Self-presentation/ Self-disclosure	High	Blogs	Social networking sites (e.g., Facebook)	Virtual social worlds (e.g., Second Life)
	Low	Collaborative projects (e.g., Wikipedia)	Content communities (e.g., YouTube)	Virtual game worlds (e.g., World of Warcraft)

when online book retailer Amazon started to test the idea of dynamic pricing, comments declaring such a practice as unfair showed up instantaneously under the Wikipedia entry on "time-based pricing." Yet, collaborative projects also provide some unique opportunities for firms. Finnish handset manufacturer Nokia, for instance, uses internal wikis to update employees on project status and to trade ideas, which are used by about 20% of its 68,000 staff members. Likewise, American computer software company Adobe Systems maintains a list of bookmarks to company-related websites and conversations on Delicious.

3.2. Blogs

Blogs, which represent the earliest form of Social Media, are special types of websites that usually display date-stamped entries in reverse chronological order (OECD, 2007). They are the Social Media equivalent of personal web pages and can come in a multitude of different variations, from personal diaries describing the author's life to summaries of all relevant information in one specific content area. Blogs are usually managed by one person only, but provide the possibility of interaction with others through the addition of comments. Due to their historical roots, text-based blogs are still by far the most common. Nevertheless, blogs have also begun to take different media formats. For example, San Francisco-based Justin.tv allows users to create personalized television channels via which they can broadcast images from their webcam in real time to other users. Many companies are already using blogs to update employees, customers, and shareholders on developments they consider to be important. Jonathan Schwartz, CEO of Sun Microsystems, maintains a personal blog to improve the transparency of his company; so does automotive giant General Motors. Yet, as is the case with collaborative projects, blogs do not come without risks. These generally present in two fashions. First, customers who—for one reason or another—turn out to be dissatisfied with or disappointed by the company's offerings may decide to engage in virtual complaints in the form of protest websites or blogs (Ward & Ostrom, 2006), which results in the availability of potentially damaging information in online space. Second, once firms encourage employees to be active on blogs, they may need to live with the consequences of staff members writing negatively about the firm. Microsoft's former "technical evangelist" Robert Scoble, for example, had a tendency to fiercely criticize the products of his employer—before he decided to leave the Redmond-based software company in 2006.

3.3. Content communities

The main objective of content communities is the sharing of media content between users. Content communities exist for a wide range of different media types, including text (e.g., BookCrossing, via which 750,000+ people from over 130 countries share books), photos (e.g., Flickr), videos (e.g., YouTube), and PowerPoint presentations (e.g., Slideshare). Users on content communities are not required to create a personal profile page; if they do, these pages usually only contain basic information, such as the date they joined the community and the number of videos shared. From a corporate viewpoint, content communities carry the risk of being used as platforms for the sharing of copyright-protected materials. While major content communities have rules in place to ban and remove such illegal content, it is difficult to avoid popular videos—such as recent episodes of comedy dramas—being uploaded to YouTube only hours after they have been aired on television. On the positive side, the high popularity of content communities makes them a very attractive contact channel for many firms; this is easy to believe when one considers that YouTube serves over 100 million videos per day. In 2007, Procter & Gamble organized a contest for its over-the-counter drug Pepto-Bismol, whereby users were encouraged to upload to YouTube 1-minute videos of themselves singing about the ailments Pepto-Bismol counteracts, including heartburn and nausea. In a similar spirit, kitchen appliances manufacturer Blendtec became popular for its bevy of inexpensive "Will it blend?" videos, which have been watched by millions of people. Other firms, such as Cisco and Google, rely on content communities to share recruiting videos, as well as keynote speeches and press announcements, with their employees and investors.

3.4. Social networking sites

Social networking sites are applications that enable users to connect by creating personal information profiles, inviting friends and colleagues to have access to those profiles, and sending e-mails and instant messages between each other. These personal profiles can include any type of information, including photos, video, audio files, and blogs. According to Wikipedia, the largest social networking sites are U.S.-based Facebook (initially founded by Mark Zuckerberg to stay in touch with his fellow students from Harvard University) and MySpace (with 1,500 employees and more than 250 million registered users). Social networking sites are of such high popularity, specifically among younger Internet

users, that the term "Facebook addict" has been included in the Urban Dictionary, a collaborative project focused on developing a slang dictionary for the English language. Several companies are already using social networking sites to support the creation of brand communities (Muniz & O'Guinn, 2001) or for marketing research in the context of netnography (Kozinets, 2002). To promote the movie "Fred Claus," a 2007 Christmas comedy film, Warner Brothers created a Facebook profile via which visitors could watch trailers, download graphics, and play games. Likewise, the Adidas custom soccer community on MySpace allows visitors to associate themselves with one of two brands of elite soccer cleats produced by the German sports apparel manufacturer, and to access product reviews and information on professional soccer players who play using "their" shoes. Some firms even go one step further and use Facebook as a distribution channel. Consider U.S.-based florist 1-800-Flowers.com, which offers a widget on Facebook called "Gimme Love" whereby users can send "virtual bouquets" to friends or, with a click of the mouse, be directly transferred to the company's website to send real flowers.

3.5. Virtual game worlds

Virtual worlds are platforms that replicate a three-dimensional environment in which users can appear in the form of personalized avatars and interact with each other as they would in real life. In this sense, virtual worlds are probably the ultimate manifestation of Social Media, as they provide the highest level of social presence and media richness of all applications discussed thus far. Virtual worlds come in two forms. The first, virtual game worlds, require their users to behave according to strict rules in the context of a massively multiplayer online role-playing game (MMORPG). These applications have gained popularity in recent years, as standard game consoles—such as Microsoft's X-Box and Sony's PlayStation—now allow simultaneous play among a multitude of users around the globe. Examples of virtual game worlds include the cod-medieval "World of Warcraft," which counts around 8.5 million subscribers who explore the virtual planet of Azeroth in the form of humans, dwarves, orcs, or night elves, to fight monsters or to search for treasure; and Sony's EverQuest, in which 16 different races of players (e.g., wizards, clerics) travel the fantasy world of Norrath. The rules of such games usually limit the degree of self-presentation and self-disclosure possible, although some users spend so much time with these applications that their character—be it a warrior, a wizard, or a dragon

hunter—starts to more and more closely resemble their real life personality. Besides their use for in-game advertising (similar in idea to product placement in blockbuster movies), the high popularity of virtual game worlds can also be leveraged in more traditional communication campaigns. Japanese automotive giant Toyota, for example, used pictures and mechanics from the World of Warcraft application in its latest Tundra commercial to reach the 2.5 million players in the U.S. alone.

3.6. Virtual social worlds

The second group of virtual worlds, often referred to as virtual social worlds, allows inhabitants to choose their behavior more freely and essentially live a virtual life similar to their real life. As in virtual game worlds, virtual social world users appear in the form of avatars and interact in a three-dimensional virtual environment; however, in this realm, there are no rules restricting the range of possible interactions, except for basic physical laws such as gravity. This allows for an unlimited range of self presentation strategies, and it has been shown that with increasing usage intensity and consumption experience, users of virtual social worlds—or "residents," as they prefer to be called—show behavior that more and more closely mirrors the one observed in real life settings (Haenlein & Kaplan, 2009; Kaplan & Haenlein, 2009a, 2009b). Arguably, the most prominent example of virtual social worlds is the Second Life application, founded and managed by the San Francisco-based company Linden Research Inc. Besides doing everything that is possible in real life (e.g., speaking to other avatars, taking a walk, enjoying the virtual sunshine), Second Life also allows users to create content (e.g., to design virtual clothing or furniture items) and to sell this content to others in exchange for Linden Dollars, a virtual currency traded against the U.S. Dollar on the Second Life Exchange. Some residents are so successful in this task that the virtual money earned that way complements their real life income. Virtual social worlds offer a multitude of opportunities for companies in marketing (advertising/communication, virtual product sales/v-Commerce, marketing research), and human resource and internal process management; for a more detailed discussion, see Kaplan and Haenlein (2009c).

4. Ten pieces of advice for companies deciding to use Social Media

Social Media is a very active and fast-moving domain. What may be up-to-date today could have

disappeared from the virtual landscape tomorrow. It is therefore crucial for firms to have a set of guidelines that can be applied to any form of Social Media, whether they are part of the aforementioned list or not. Next, we provide such a set of recommendations. Given that Social Media have both a social- and a media-component, we split our advice into two sections: five points about using media and five points about being social.

4.1. Five points about using media

4.1.1. Choose carefully
There are dozens—if not hundreds—of Social Media applications, and new ones are appearing on the horizon every day. If you still need time to run your core business, you simply cannot participate in them all, especially since "being active" is one key requirement of success (see below). Choosing the right medium for any given purpose depends on the target group to be reached and the message to be communicated. On the one hand, each Social Media application usually attracts a certain group of people and firms should be active wherever their customers are present. For example, if your main target audience is book lovers, a content community via which users share self-written novels or poems is likely better suited to your purpose than a virtual world which centers on fighting dragons and finding treasures. On the other hand, there may be situations whereby certain features are necessary to ensure effective communication, and these features are only offered by one specific application. For example, when the U.S. Army undertook an initiative in 2007 to reach the Hispanic community, it decided to utilize the social networking site Univision rather than the more popular Facebook. This choice was driven in part by the fact that Univision—a Spanish-language television network in the U.S. and Puerto Rico—is the social networking application with the largest Latin American audience, due to an extensive range of telenovelas and Mexican programs produced by Grupo Televisa. However, another reason Univision was chosen is because it offers a moderating service which checks comments from users for appropriateness before posting them on the site. In contrast, other applications, including Facebook, allow users to post messages without supervision.

4.1.2. Pick the application, or make your own
Once you know which game you're playing, the next decision involves whether to make or buy. In some cases, it might just be best to join an existing Social Media application and benefit from its popularity and user base. After all, there is no need to reinvent the wheel if somebody has already done it, especially given that Social Media show positive network externalities in the sense that they get more attractive to join the more participants they already have. But in some cases, the right application might just not be available yet. Japan's Fujifilm, for example, recently launched its own social network to build a community of photo enthusiasts. In a similar spirit, U.S.-based department store firm Sears collaborated with MTV music television to create a social network around back-to-school shopping. Yet, whatever the ultimate decision—to buy, make, or both— it is vital that there is an understanding of the basic idea behind Social Media. It's all about participation, sharing, and collaboration, rather than straightforward advertising and selling.

4.1.3. Ensure activity alignment
Sometimes you may decide to rely on various Social Media, or a set of different applications within the same group, in order to have the largest possible reach. In this case, it is crucial to ensure that your Social Media activities are all aligned with each other. A prime example in this context is computer manufacturer Dell and its "Digital Nomads" campaign. Dell uses a combination of social networking sites (Facebook, LinkedIn), blogs, and content communities (YouTube videos) to show how its range of laptop computers enable individuals to become a nomadic mobile workforce. In a similar spirit, Chrysler's Jeep brand connects with its customers by combining photos shared on the content community Flickr, with groups on social networking sites such as MySpace and Facebook. Using different contact channels can be a worthwhile and profitable strategy. But remember: one goal of communication is the resolution of ambiguity and reduction of uncertainty, and nothing is more confusing than contradicting messages across different channels.

4.1.4. Media plan integration
What is true for different types of Social Media also holds for the relationship between Social Media and traditional media: Integration is key! While you may consider these two arenas to be completely different, in customers' eyes they are both part of the same: your corporate image. Consider the actions of soft drink giant Coca-Cola. In June 2006, a pair of performance artists shot a video featuring a series of geysers they created by dropping Mentos brand mints into 2-liter bottles of Coke; the clip became a major hit on YouTube. Realizing customers' enthusiasm for this performance, Coca-Cola fostered the sensation by airing the video on late-night television and ensuring broad digital distribution across different content communities. Besides the advantage of

high impact/low cost media coverage, the campaign also resulted in a measurable sales uplift.

4.1.5. Access for all

Although this might sound elementary, once the firm has decided to utilize Social Media applications, it is worth checking that all employees may actually access them. Commonly, firms block Facebook, YouTube, and Second Life on corporate PCs for fear that staff might spend too much time networking instead of working. While this is certainly a consideration, it cannot imply that employees must have special permission to be able to access the company blog. At the same time, there is a need to curtail the possibility of the entire organization spending all its time producing funny videos and uploading them to YouTube. One possible approach involves defining groups of employees whose primary objective is the management of corporate Social Media; all other staff members are treated as occasional participants. Under this scenario, the first group is given administrator rights—which allows the opening of new discussion threads and deletion of inappropriate posts—while the second group is not. Also, at some point, it will be necessary to develop certain guidelines for Social Media usage; as done, for instance, by "Big Blue" IBM, which has a corporate charta for appropriate behavior within Second Life. For example, it is important to highlight that every employee needs to identify himself or herself as such when posting a comment on the corporate blog. Otherwise, end-consumers could get the impression that anonymous accounts are used to enable employees to post fake messages and overly-positive feedback, which could severely damage the credibility of your whole Social Media campaign.

4.2. Five points about being social

4.2.1. Be active

If you want to develop a relationship with someone, it is always advisable to take the lead and to be active. Social Media are all about sharing and interaction, so ensure that your content is always fresh and that you engage in discussions with your customers. Consider the aforementioned blog kept by Sun Microsystems CEO Jonathan Schwartz. Via this outlet, the figurehead discusses—on an ongoing basis—his corporate strategy, new product development projects, and company values, and replies directly to correspondence received. In considering your Social Media efforts, be aware that firm involvement must extend beyond responding to negative comments and defending product offerings. Social Media is less about explaining why your baking mix, detergent, or shampoo is better than anyone

else's than it is about engaging others in open and active conversation. Participants on Social Media applications have the desire to actively engage and to become both producers and consumers of information, so-called "prosumers" (Toffler, 1980). Be considerate of this need and act accordingly.

4.2.2. Be interesting

Let's face it: nobody is interested in speaking to a boring person. As such, if you would like your customers to engage with you, you need to give them a reason for doing so—one which extends beyond saying you are the best airline in town, or manufacture the most robust kitchen blender. The first step is to listen to your customers. Find out what *they* would like to hear; what *they* would like to talk about; what *they* might find interesting, enjoyable, and valuable. Then, develop and post content that fits those expectations. Coffee powerhouse Starbucks, for example, created the "My Starbucks Idea" platform, via which customers can submit new ideas for the company. These ideas are subsequently voted on by other users, with the winners being considered for implementation by Starbucks top management. As stated by Oscar Wilde in his novel, *The Picture of Dorian Grey*: The one sin for which there is no forgiveness is ennui.

4.2.3. Be humble

Never forget that Social Media existed before you decided to engage in them; indeed, in many cases, even before you knew about their existence. In this light, do not expect that you know better how to use them than others who have spent countless hours on Facebook or Second Life, for example. Before you enter any application, first take some time to discover it and to learn about its history and basic rules. Only once you have gained the necessary understanding, start to participate. When aerospace and defense firm Boeing decided to launch its first corporate blog, the site was designed such that users were not allowed to comment on what they saw. Yet, interaction and feedback are critical elements of all Social Media, blogs included. Hence, many readers perceived the Boeing blog as a fake, and simply corporate advertising in disguise. If there is one certain path to failure, it involves thinking that Social Media is just about posting existing TV spots on YouTube or putting prefabricated press announcements on corporate blogs.

4.2.4. Be unprofessional

Have you ever noticed that in Hollywood blockbuster films, it's not usually the handsome guy who ends up with the girl, but rather the clumsy, charming one? The same goes for Social Media, and firms

would be wise to avoid overly-professional content offerings. There's no need to spend $100,000 to design the perfect MySpace presence, or hire a professional writer to manage your corporate blog. Instead, try to blend in with other users and don't be afraid to make mistakes! Bill Marriott, Chairman and CEO of the Marriott International Hotel chain, uses his blog, for example, to post regular updates and stories from his travels to Marriott properties around the world—very much in the same way as would a work colleague when describing her last vacation. Social Media users are people like you, who understand that things do not always go smoothly. And, if you're nice to them, they may even give you free advice on how to do it better the next time.

4.2.5. Be honest

Last but not least, be honest and respect the rules of the game. Some Social Media—such as Wikipedia—may not allow companies to be involved, so do not try to force your way in. Consider Anheuser-Busch, owner of SeaWorld marine mammal parks. Anheuser-Busch tried to "rectify" misleading information on Wikipedia through the use of PR firms, and failed miserably at it. Never expect that other participants may not find out who stands behind some anonymous user account; after all, you're dealing with some of the most technologically sophisticated people on the planet.

5. Nothing to lose but their chains

Today, everything is about Social Media. Some industry gurus claim that if you do not participate in Facebook, YouTube, and Second Life, you are not part of cyberspace anymore. Social Media allow firms to engage in timely and direct end-consumer contact at relatively low cost and higher levels of efficiency than can be achieved with more traditional communication tools. This makes Social Media not only relevant for large multinational firms, but also for small and medium sized companies, and even nonprofit and governmental agencies. Using Social Media is not an easy task and may require new ways of thinking, but the potential gains are far from being negligible. Dell, for example, states that its use of Twitter—a micro blogging application that allows sending out short, text-based posts of 140 characters or less—has generated $1 million in incremental revenue due to sales alerts. Some firms may even be too successful for their own good, as illustrated by Burger King's "Whopper Sacrifice" campaign: In December 2008, the fast food giant developed a Facebook application which gave users a free Whopper sandwich for every 10 friends they

deleted from their Facebook network. The campaign was adopted by over 20,000 users, resulting in the sacrificing of 233,906 friends in exchange for free burgers. Only one month later, in January 2009, Facebook shut down Whopper Sacrifice, citing privacy concerns. Who would have thought that the price of a friendship is less than $2 a dozen?

A new trend is on the horizon, though; Watch out for Mobile Social Media! Mobile Web 2.0 is very similar to Web 2.0, as discussed earlier. In contrast to its predecessor Mobile Web 1.0, which relied on proprietary protocols (e.g., WAP) and use-based pricing, Mobile Web 2.0 is characterized by open standards (e.g., a transition to the TCP/IP protocol, the technical foundation of the World Wide Web) and flat-rate systems. Even the manual entry of web addresses using small and difficult-to-handle keyboards is becoming history. Soon, all items around you will be equipped with Radio Frequency Identification (RFID) tags that will be able to automatically connect to your mobile phone and send URLs to them, similar to today's text messages. This technical evolution is laying the groundwork for moving Social Media applications away from desktop PCs and laptops, toward mobile devices. Why log into Facebook if you can easily update all your friends using Twitter? Why wait until you return home to watch the new YouTube video if you can do so conveniently on your iPhone?

According to Jupiter Research, the market for Mobile Web 2.0 evolutions will grow from a mere $5.5 billion today to an impressive $22.4 billion by 2013. Mobile Social Media applications are expected to be the main driver of this evolution, soon accounting for over 50% of the market. In one way, this surge toward Mobile Social Media can even be seen as another step toward Internet democratization and closing the digital divide between developed and emerging countries. In India, for example, mobile phones outnumber PCs by 10 to 1. In Thailand, only 13% of the population owns a computer, versus 82% who have access to a mobile phone. It is therefore not surprising that the Pew Research Center—a Washington-based think tank—estimates that by 2020, a mobile device will be the primary Internet connection tool for most people in the world. Making Social Media applications mobile is likely to tap a currently unexploited base of new users. Even if per-capita spending in these countries may still be low, vast population numbers make them relevant for virtually any firm.

Obviously, Mobile Social Media does not come without a price. Some would argue that while it enables the detailed following of friends half-way across the world, it can foster a society where we don't know the names of our own next-door neighbors. Be that as it may, and independent of

whether or not one approves of such an evolution, it seems undisputable that (Mobile) Social Media will be the locomotive via which the World Wide Web evolves. Businesses, take note—and don't miss this train!

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