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1.0 Executive summary

With the increasing popularity of social network sites, in particular Facebook and MySpace, some brands have taken advantage of both platforms' ready made communities in an attempt to tap into the social graph and build relationships with their consumers.

Through the use of engagement marketing tactics in the form of applications, social ads, brand groups, sponsored pages and sponsored apps, brands have opened up communication channels with their customers on these platforms.

No modern marketing plan targeting users online is complete without a social network marketing component and so brands and marketers looking to benefit from social networks should note the key findings of this research:

1.1 Key findings

Brands and marketers need to:

- 1) Look beyond the 'friend' and 'fan' metric which is a simple numbers game and place more emphasis on the quality of conversations
- 2) Plan engagement marketing both pre and post campaign launch and offer value beyond the first transaction - you get out of a relationship what you put in
- 3) Build trust first online or offline before requesting users to friend or fan brand and look to integrate all communications
- 4) Understand what the brand stands for in a user's mind by crowd sourcing data to assist with market research
- 5) Develop transparent communication as a key between a brand and the user. Users could be regarded as part employees being in control of the brand-not you.
- 6) Use the social network conceptual map in planning and managing a social network marketing campaign.

1.2 Background

Interestingly, despite the phenomenon of social media and social networks in particular, there is limited formal research available on social network marketing

campaigns and engagement marketing techniques illustrating exactly how brands have attempted to target users on the social network sites of Facebook and MySpace.

Again, there is also a lack of research data into the behaviours and opinions of social network users who come into direct contact with brand campaigns and social ads on Facebook and MySpace.

So this research wanted to find the answers to the following questions:

- Are Facebook and MySpace effective platforms for social network marketing?
- Is adding a brand as a friend or fan on MySpace and Facebook regarded as the most important metric for engagement marketing in building brand loyalty?
- How effective are social network ads on Facebook and MySpace?
- Is brand reputation management important on social network sites?

In summary, the findings from this research will help practitioners understand the planning, implementation, execution and measurement of social network marketing campaigns carried out by some of the UK's top brands and their use of engagement marketing techniques specific to Facebook and MySpace.

Furthermore it will also help practitioners to understand both Facebook and MySpace users' points of view of who directly engage with the platforms on a daily basis and their opinions of brand engagement strategies on the Facebook and MySpace platforms.

At the end of the study you will find a social network marketing concept map which offers great insight and benefit to brand managers, marketers, agencies and others who are actively involved or interested in the social media phenomena, in particular social networks.

1.3 Methodology

This research was a two part study that included quantitative online surveys and qualitative in-depth interviews.

The quantitative online research was carried out amongst users of Facebook and MySpace platforms. Both online questionnaires looked into the behaviours and attitudes of users toward brands on both platforms.

The qualitative research took the form of semi-structured in-depth interviews with brand executives who have used Facebook and MySpace in an attempt to engage with their customers.

2.0 Quantitative online survey

2.1 Brands and Fans

To understand the behaviours and opinions of Facebook and Myspace users who come into contact with brands, an online survey was conducted amongst users from both platforms. The survey results show:

Small % of social network users have become friend or fan of a brand



Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

Source: Facebook and MySpace user survey 2008

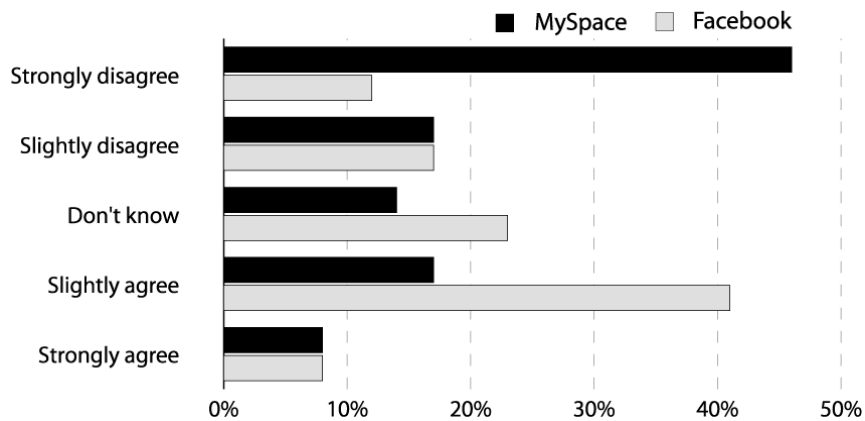
Interestingly only 12% of Facebook respondents have added a brand as a friend to their profile. 64% were female and 36% were male. 50% were aged 18-24 and 50% were aged 25-30. The industries of brands 'fanned' by Facebook respondents are: FMCG, Recruitment, Media & Entertainment, Charities and Travel.

Similarly only 23% of MySpace respondents have added a brand to their friend list. 67% were male and 33% were female. 80% of 18-24 year olds have become a friend of a brand and 20% of 25-30 year olds. The brand industries MySpace

respondents have added to their friend profile are: Retail, FMCG, Media & Entertainment and local businesses.

Facebook users more likely to promote brands to friends

“As a friend/fan of a brand how likely are you to promote or encourage your friends to also add the brand to their friend space/profile?”



Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

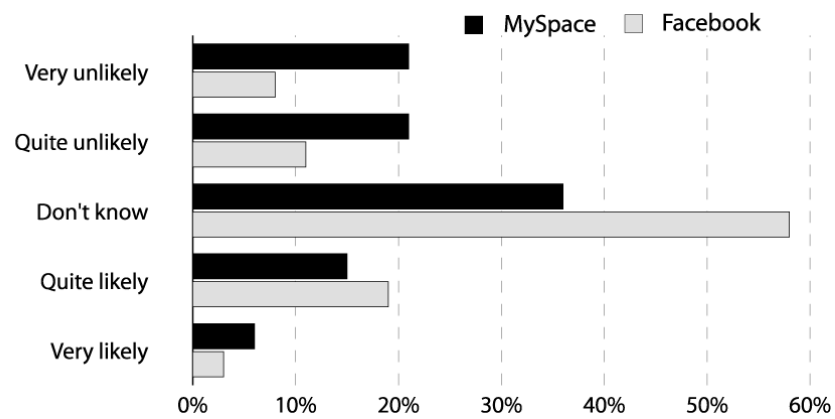
Source: Facebook and MySpace user survey 2008

49% of Facebook respondents who answered 4 (quite likely) and 5 (very likely) on the Likert scale would promote or encourage their friends to fan a brand that they have added to their own profile.

24% of MySpace respondents who answered 4 (quite likely) and 5 (very likely) on the Likert scale would promote or encourage their friends to add a brand they have added to their friend space. However, the majority of MySpace respondents (62%) would not promote or encourage a friend to add a brand to their friend profile.

Social network users unlikely to friend or fan a brand via friends

“If your friend became a fan/friend of a brand how likely would it be, that you would become a friend/fan of that brand too?”



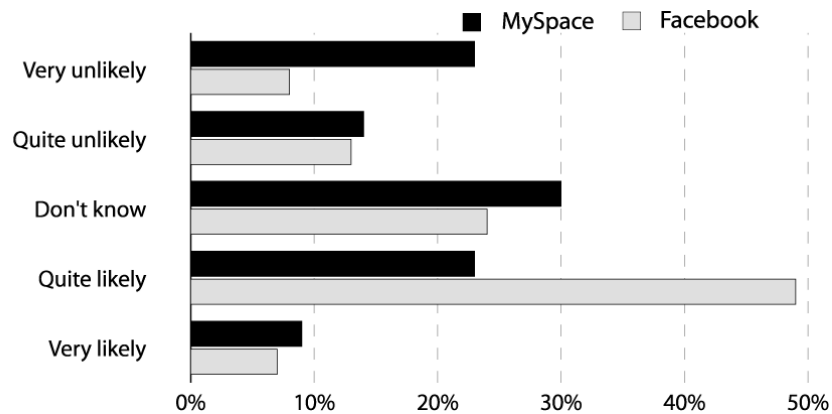
Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

Source: Facebook and MySpace user survey 2008

23% of Facebook respondents who answered 4 (quite likely) and 5 (very likely) on the Likert scale would also become a fan of a brand if their friend had done so. 21% of MySpace respondents who answered 4 (quite likely) and 5 (very likely) on the Likert scale would also become a friend of a brand if their friend had done so.

Facebook users more likely to share widgets and apps

“A brand you are a friend/fan of, creates a useful app/widget, how likely are you to share this with your friends?”



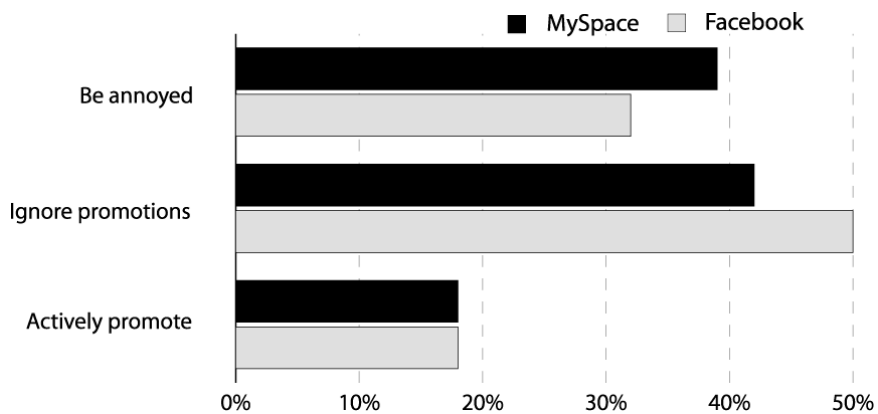
Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

Source: Facebook and MySpace user survey 2008

56% of Facebook respondents who answered 4 (quite likely) and 5 (very likely) on the Likert scale would share a brand application or widget amongst their friends. 31.8% of MySpace respondents would share a brand application or widget amongst their friends. However, the majority of MySpace respondents (36.3%) who answered 1 (very unlikely) and 2 (quite unlikely) on the Likert scale would not share an application or widget amongst their friends.

Social network users would ignore brand promotions from friends

“If your friend was paid by a brand on MySpace/Facebook to promote their products and services and they tried to promote to you would you?”



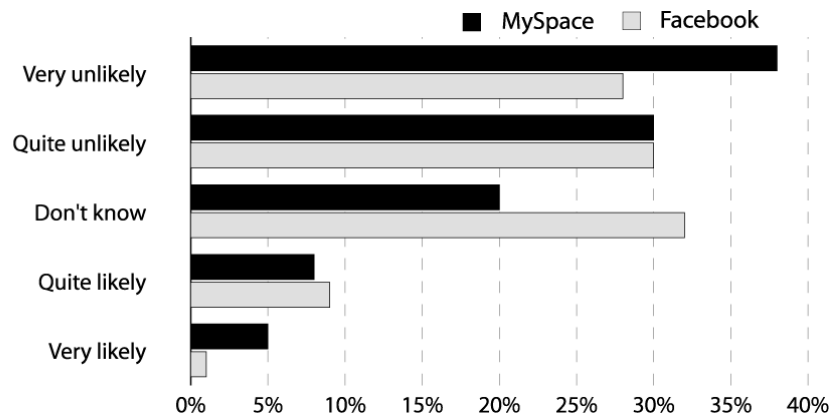
Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

Source: Facebook and MySpace user survey 2008

50% of Facebook respondents and 42% of MySpace respondents are more likely to ignore promotions from those who were paid to promote a brand. This compares with 18% of Facebook respondents and 18% of MySpace respondents who indicated they too would actively promote a brand to friends if they were paid to.

Social network users unlikely to remain loyal to brand if continually contacted with promotions and advertisements

”How likely are you to remain a friend/fan of a brand, if they continually sent you promotional info and adverts?”



Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

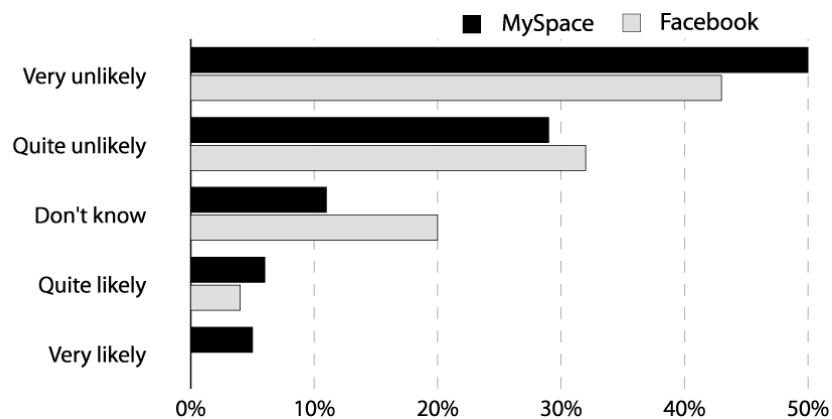
Source: Facebook and MySpace user survey 2008

Just over half of all Facebook respondents (58%) who answered 1 (very unlikely) and 2 (quite unlikely) on the Likert scale, would not remain a fan of a brand if they regularly received promotional information and advertisements from the brand.

This view is also reflected by the majority of MySpace respondents (68%), who answered 1 (very unlikely) and 2 (quite unlikely) on the Likert scale.

Social network users unlikely to purchase products via profile page

“How likely are you to purchase a product or service from a brand or business via your MySpace/Facebook profile page?”



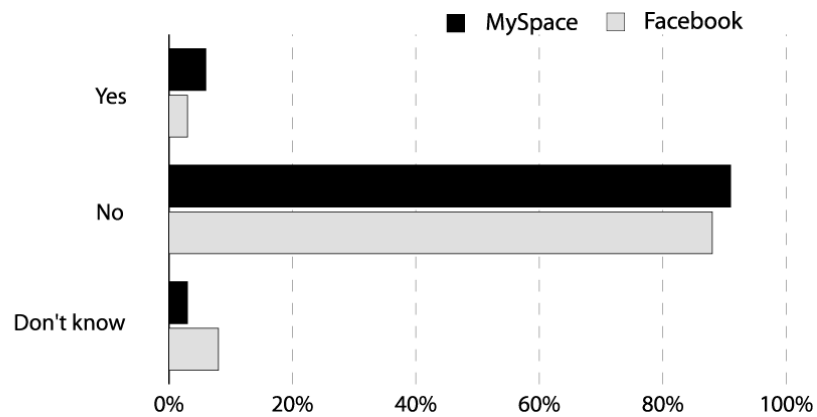
Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

Source: Facebook and MySpace user survey 2008

75% of Facebook respondents who answered 1 (very unlikely) and 2 (quite unlikely) on the Likert scale would not purchase a product or service from a brand via their profile page. This majority was also reflected by 79% of MySpace respondents who answered 1 (very unlikely) and 2 (quite unlikely) on the Likert scale.

Social network users object to their online purchases made public

“If you bought a product of service from a brand via MySpace/Facebook would you want your friends to immediately be notified of this purchase?”



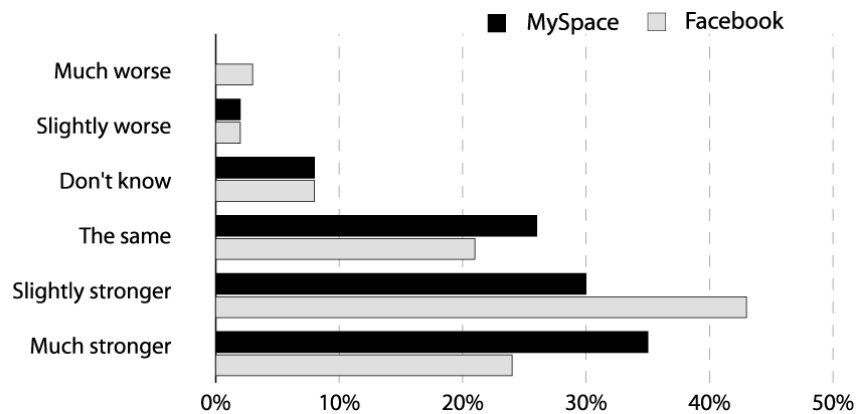
Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

Source: Facebook and MySpace user survey 2008

If users on social networks could directly purchase a product or service via their profile page, 88% of Facebook respondents and 91% of MySpace would not want these purchases to be made public to friends via notices or news feeds.

Social network users display loyalty to brands that communicate

“How strong would your relationship toward a brand you are a friend/fan of be, if they responded to your messages and listened to what you said?”



Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

Source: Facebook and MySpace user survey 2008

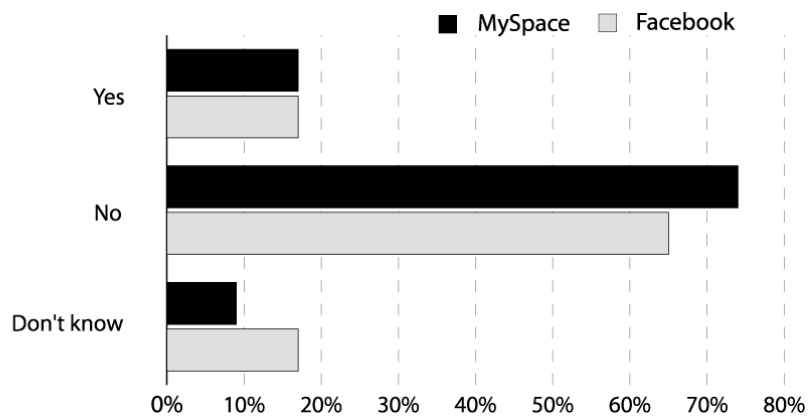
67% of Facebook respondents and 65% of MySpace respondents who answered 5 (slightly stronger) and 6 (much stronger) on the Likert scale indicated that they would feel more affinity and loyalty toward a brand they are a friend or fan of, if that brand listened to their opinions and responded to communications.

2.2 Brands and social media ads

Not only do social network sites allow brands to tap into their communities and form brand centered communities but they also encourage brands to purchase social ads to further target and engage with users. Our online survey with both Facebook and MySpace users found that:

Small % of social network users are aware of brand adverts

“Are you aware of any brand or business adverts that have appeared on your profile page?”



Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

Source: Facebook and MySpace user survey 2008

Only 17% of MySpace and 17% of Facebook respondents were aware of brand adverts that had appeared on their profile page.

The respondents on MySpace recalled adverts from Coca Cola, mobile phone providers (ringtones, games), Adidas, fake goods and the charity Red.

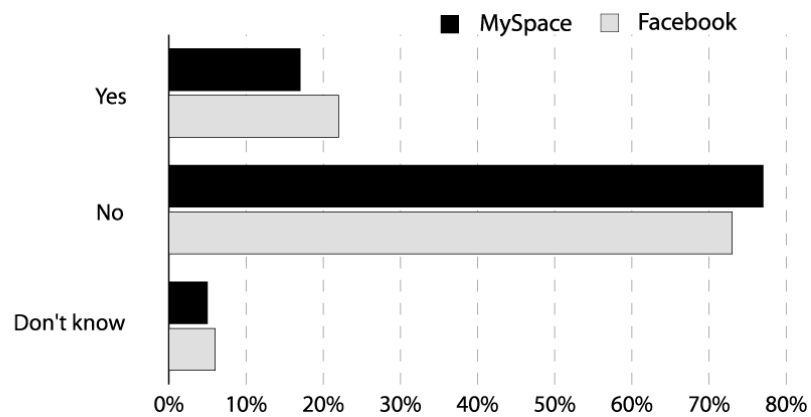
Facebook respondents recalled adverts for wedding photography, credit scoring, product testing, dating web sites, glassesdirect.co.uk and pinkpatch.co.uk.

“Consumers are so used to seeing banner adverts on websites that I think we're able to tune out and ignore them. We all know they're there, but it takes a really clever or interesting advert to retain any long term recognition. If we will be bombarded with

advert I would rather that they're targeted towards me, rather than being just randomly placed, so I appreciate advertisers using profiles to target more appropriately." - Female 25-30 (Facebook respondent)

Small % of social network users have become fan/friend via advert

“Have you ever become a friend/fan of a brand as a direct result of an advert via the SN platform?”



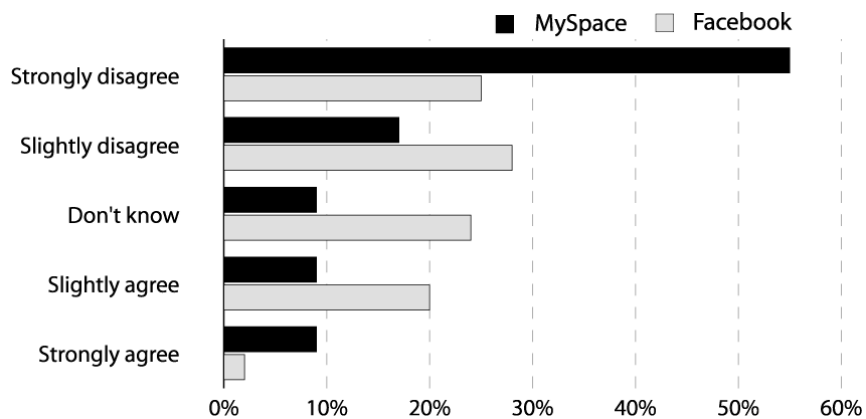
Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

Source: Facebook and MySpace user survey 2008

Only 17% of MySpace respondents and 22% of Facebook respondents have become a fan or friend of a brand as a direct response to an advert that has appeared on their profile page.

Small % of social network users would become fan/friend via advert

“If you received an advert from a brand encouraging you to add them to your friend space/profile you would accept?”



Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

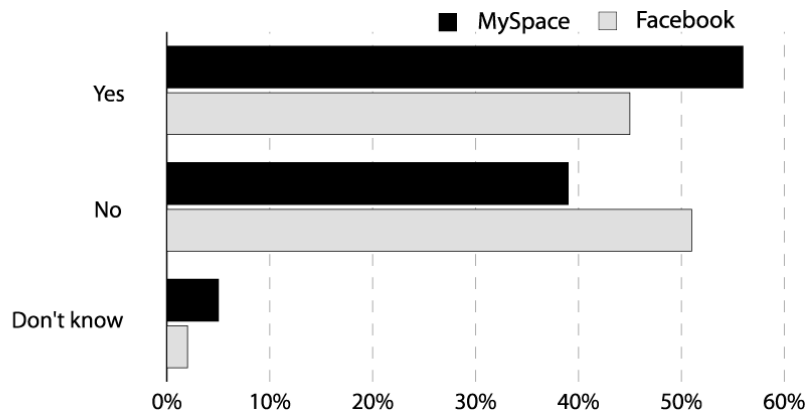
Source: Facebook and MySpace user survey 2008

Only 18% of MySpace respondents and 22% of Facebook respondents who answered 4 (slightly agree) and 5 (strongly agree) on the Likert scale, would fan or friend a brand if they received an advert encouraging them to do so.

“I use MySpace almost everyday. Apart from the odd 'shoot the duck' game, I could not tell you a single advert that I've seen on the site despite there being plenty.” – Male 25-30 (MySpace respondent)

Social network users aware of advertisers' use of social network sites

“Are you aware that MySpace/Facebook uses the interests of your profile and communities which you are part of, to allow other businesses to market or advertise to you?”



Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

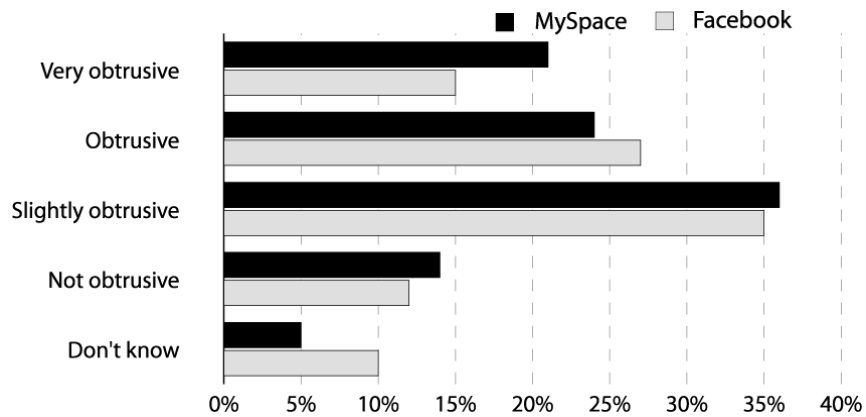
Source: Facebook and MySpace user survey 2008

56% of MySpace respondents were aware that the platform used their own personal data to allow advertisers to target them. On Facebook, 45% of respondents were aware that the platform allowed advertisers to target them based on their user profile data.

“I find advertising and the dissection of my personal data to feed this advertising quite invasive; however as most people use Facebook I accept it as a necessary evil of the modern world.” - Male 18-24 (Facebook Respondent)

Social network users do not regard social ads as obtrusive

“How obtrusive do you think business advertisements appearing on your profile are?”



Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

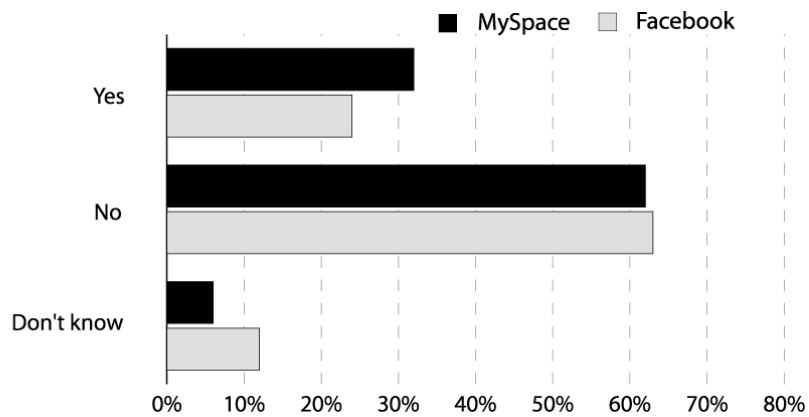
Source: Facebook and MySpace user survey 2008

The majority of respondents on both Facebook (47%), and MySpace (50%), who answered 4 (slightly obtrusive) and 5 (not obtrusive) on the Likert scale, did not regard brand advertisements on the platforms as ‘obtrusive’.

“I think the adverts currently on Facebook are quite unobtrusive, but if they were any more/any bigger then I would dislike it.” - Female 30-40 (Facebook respondent)

Social network users will not alter profile to disrupt social ads

“Would you consider making your MySpace/Facebook profile inaccurate to allow mis-targeting of business adverts?”



Base: MySpace users 18-50 (n=67) Facebook users 18-50 (n=120)

Source: Facebook and MySpace user survey 2008

63% of Facebook respondents and 62% of MySpace respondents would not consider altering their profile details to allow the mis-targeting of brand adverts.

“Facebook is like any other site where banners etc... appear with adverts to make the site profit. As these adverts have to be on the site to keep it going, I'd rather these were targeted to myself, then at least I might be slightly interested.” - Male 25-30 (Facebook respondent)

3.0 Qualitative interviews with leading brands

For this research, five senior managers/directors responsible for the digital marketing and social network strategies of their brands were interviewed independently, they were:

- Sam Bailey, Head of Interactive, BBC Radio 1 and the Chris Moyles Facebook page - the largest brand page on Facebook in the world with half a million fans.
- Ted Hunt, Digital Manager, innocent drinks - the most successful FMCG brand in the UK.
- James Kirkham, MD, digital agency Holler who developed the Channel 4 Skins brand page which is MySpace's most successful brand page to date.
- Matt Bamford-Bowes, Senior Account Director from Global agency MediaCom who have developed branded pages for Mars on Facebook and MySpace.
- Dom Cook, Marketing Manager, MySpace UK.

All interviews were conducted in a semi-structured format which allowed the respondents to express their feelings on social network marketing, engagement marketing and brands.

3.1 Social network marketing campaigns

3.1.1 Facebook and MySpace as part of a brand's online marketing mix

Both Facebook and MySpace are considered important to brand and digital marketing executives as part of their online marketing mix. Those interviewed commented that the two platforms offered an opportunity for their brand to engage with online users and communities they wanted to target. The executives agreed that it is important for their brands to be involved in the platforms and deliver content that is relevant to the audiences on those spaces.

Depending on what the brand or product is, greatly influenced which platform the executives will use for a campaign. MySpace was noted as the most useful platform for creating engaging and 'creative' content such as brand pages.

Facebook was seen as the preferred platform for increasing the viral effect of a

campaign. In terms of overall importance, the main focus of the online marketing for brands such as innocent drinks and BBC Radio 1 is their main corporate website as this is where they put the majority of their effort. Agencies such as MediaCom working for Mars and Holler working for Channel 4 deliver bespoke campaigns that form part of a company's overall online marketing strategy.

"Social networks are a vital component of most marketing activities. The simple reason is that this is where people spend time – therefore if you're able to engage them where they're already spending time then you have a strong chance of success." (James Kirkham, Holler)

"I don't think we ever place importance on MySpace or Facebook in one space, we try to find the right brand for the right platform... each platform plays an important role and no one dominates for a certain brand." (Matt Bamford-Bowes, MediaCom)

"It's really important that we are on Facebook. We're at the early stages so it's all about lesson learning and gaining those insights in the early days rather than waiting for it to become massive and then jumping in and not knowing what to do with it." (Ted Hunt, innocent drinks)

"We are a public service funded by the licence fee, so our mission is to get the content that we are making for our audience, to as large a section of that audience as possible. So what we are doing by publishing content on Facebook and MySpace is taking the content to the audience where they choose to go." (Sam Bailey, BBC Radio 1)

3.1.2 Social network campaigns

The majority of executives interviewed stated that they selected Facebook and MySpace platforms as part of an integrated campaign to target a specific audience. Executives from brands originally did not have a planning process for their Facebook campaign; they were carried out on a trial and error basis.

With regard to BBC Radio 1 and their 'Chris Moyles' Facebook page, this page was originally created by a fan and then adopted by the BBC who now work alongside that fan to manage and promote the page to a wider audience.

On the other hand executives from agencies working on behalf of brands set strategic objectives and detailed plans to justify budgets on both platforms for their client.

All executives interviewed agreed that at this moment in time social network campaigns are executed on a trial and error basis to help develop best practices for users to engage with their brands.

"We're still learning. We don't have all the knowledge so we can say 'we should be able to', 'or we want to be able to achieve this objective', we're sort of sticking our finger in the air and trying things." (Sam Bailey, BBC Radio 1)

"In terms of planning social network campaigns, there is no predefined route as it is a niche commodity. It is not like television where you can produce a campaign around a programme, it is more about having some best practises in the way you play in that area." (Matt Bamford-Bowes, MediaCom)

3.1.3 Social network campaign success

The number of users who 'fan' or 'friend' a campaign page or profile is regarded by those interviewed as the obvious measure for success, but not the most important.

"In my opinion 'friending' is not necessarily the key indicator of whether or not something has worked wel. Brands need to take into consideration the number of views and comments made not just the attraction to the brand. Friends are important, but it needs to be taken within the context of all those other metrics.

(Dom Cook, MySpace UK)

All executives agreed that user comments on a brand profile (word of mouth) as well as the viral effect are the most valuable measure of campaign success.

The issue of effectively measuring campaign success was seen as an important area of discussion for the executives. Many pointed out that there is currently no one predefined method or software program used to monitor the effect/success of a brand campaign on Facebook or MySpace.

"Success is determined by who finds out about it and how engaging the content is. Benchmarks are set from previous campaigns and others in the category – including number of friends, number of views of videos etc." (James Kirkham, Holler)

"Since it was free to create a Facebook profile in the outset we have been pretty carefree in measuring our activity. It could sound a bit relaxed but as I say its more worth for us at this point to learn the lessons for later on." (Ted Hunt, innocent drinks)

"We are more about good comments, things going viral so we like people sending round things to their friends, in a way that is reflected by numbers so in a way they are all interlinked. Don't get me wrong, we were punching the air when our Facebook page hit half a million, but we love it when people comment." (Sam Bailey, BBC Radio 1)

"We as an agency are doing a lot of research in the US on how to measure social media on behalf of our clients. It's difficult because ROI doesn't really play a part, the metrics we looks at are on our own profiles such as how many friends have we got? How many people are talking about us?" (Matt Bamford-Bowes, MediaCom)

3.1.4 Social network advertising

Those interviewed who had purchased adverts on Facebook and MySpace stated that the social network ads were bought to increase awareness of the brand campaign on the social network platform. Executives also indicated that if social network ads are to be used as part of a social network campaign, they are seen more successful when the user who clicks on the ad remains within the social

network environment so not to disengage them from the platform's user experience.

"Radio 1's Meet the DJ's campaign, which was a campaign that has recently been reflected in cinema adverts, is basically about our specialist music. It won a webby award as a marketing campaign and the majority of that was done as bought media, so little extracts of those video clips of individual DJ's talking about the music they love, were advertised on MySpace as well as other big music sites." (Sam Bailey, BBC Radio 1)

"We buy Facebook social ads on behalf of our clients and they do work well from a direct response mechanism. On average we pay between £1 and £3 per CPM, so relatively cheap and generate a good response but not a great method from a branding perspective." (Matt Bamford-Bowes, MediaCom)

3.1.5 Importance of Facebook and MySpace for brands

Facebook and MySpace are regarded by those interviewed as essential, as they assist brands to build loyalty and engage with users whom they would otherwise not be able to serve via their corporate website or micro-site. The general point of view is that they are an essential part of increasing a brand's reach but not essential to every brand's online marketing campaign. Some of the executives have used the platforms to access and engage with users to test future product ideas and obtain feedback.

"From our point of view, yes we are encouraging brands to invest in MySpace and Facebook if they have something interesting to say. We see it as another advertising channel and not as something totally separate." (Matt Bamford-Bowes, MediaCom)

"They are just an additional part of a campaign for us at this stage; it may be different for others. We would go for a broader digital campaign like a micro-site or a website and have MySpace or Facebook as an asset of that." (Ted Hunt, innocent drinks)

3.2 Building brand loyalty and relationships

3.2.1 Being part of the conversation

Engaging with social network users via one-to-one communications is considered important to the executives interviewed. The executives felt that communicating with users involves a large investment of their time in order to experience good results, such as word of mouth and user participation. Because the users invest a lot of their own time interacting with their friends on the Facebook and MySpace platforms, it makes sense that the brands interact and engage with them at the same time. This ensures that the brand is 'socialising' alongside users in their own environment.

*"We get brands involved with Facebook and MySpace to get consumers to talk about those brands. It's all about building the perception of the brand in those spaces, letting your consumers build that perception and talking about the brand as well."
(Matt Bamford-Bowes, MediaCom)*

"I think we do not engage our users as much as we could, or not as much as a commercial organisation that has an objective to sell products. Our way of engaging with users in MySpace is not via any pages or platforms of our own, but to engage with fans of particular artists on those artist spaces." (Sam Bailey, BBC Radio 1)

3.2.2 Fostering dialogue on Facebook and MySpace

Each of the executives gave examples of how they foster dialogue on Facebook and MySpace. They start with the brand throwing in an idea or topic amongst users and this is then followed by the users spawning off and starting their own discussions amongst themselves. These discussions which may or may not be about the brand could possibly involve positive or negative comments. If negative comments do occur then the brands ensure that they are answered, not ignored, and do not erase comments as this is not in the interest of transparency. The majority of executives indicated that starting the conversation is good practise but the conversation must be of interest to users, such as giving them

something to engage with, rather than directly asking for feedback on a product. If a spin off topic from the conversation occurs about a product amongst users, then this can be considered as an opportunity for free and valuable market research.

“The Chris Moyles Facebook page does foster dialogue, particularly when the show chooses to engage with the audience. The dialogue starts with the show offline and moves online where the social networks users respond with comments.” (Sam Bailey, BBC Radio 1)

“We have a policy on Facebook as well as our blog that unless people swear or put something really insulting we’ll leave the comment on there.” (Ted Hunt, innocent drinks)

“Consumers will put up a wall if you go into their spaces and start to talk about the products. You have to go in and use the experience you created as a starting point, and start the dialogue.” (Matt Bamford-Bowes, MediaCom)

“Brands need to be open and genuine. They need engaging content, and they need to be honest. If brands go in trying to hoodwink users they will get found out.” (James Kirkham, Holler)

3.2.3 Shift in power from brand to consumer

All executives interviewed have experienced a shift in power in terms of users controlling the conversations within their brand pages on Facebook and MySpace. They encounter what is described as ‘social intelligence’, whereby the collective minds of all the friends and fans result in providing valuable feedback for the brand in terms of opinions or ideas on the future direction for a brand’s product or service.

Executives talked about how important listening to their friends or fans points of view and concerns on these platforms has been incredibly valuable for their brand in terms of market research. Also, by accepting criticism and giving users

honest information the brands have been able to form deeper relationships with users increasing brand loyalty.

“It is ALL about the audience and all about the fans and people. Marketing departments in brands do not pull the strings anymore!” (James Kirkham, Holler)

“They are an intelligent bunch the Facebook users. When we put a post up on the discussion board about what should we do with our Facebook page, the fans came up with loads of ideas that we didn’t think of, and even if we went to a digital agency perhaps they wouldn’t have been able to suggest some of their ideas.” (Ted Hunt, innocent drinks)

“Brands can never control the conversation on social networks. They need not worry if somebody has said something negative, they just need to find out why they have said it rather than ignore them so they can be reassured and once they are reassured they will pass this onto their friends.” (Matt Bamford-Bowes, MediaCom)

3.2.4 Building relationships with users on Facebook and MySpace

In speaking with executives for this study they all expressed that there is a precedent for their brand to engage with users directly if they go out of their way to fan or friend their brand on the platforms. Most of the brands that use these platforms already have an internal employee responsible for managing other online content such as blogs and forums whereby they actively engage with their customers on a daily basis; so they see Facebook and MySpace as an extension of this role.

In the music industry for example brands already recruit fans that form a 'street team'. Street teams comprise of fanatical people who promote a band for free in exchange for tickets to gigs or merchandise. Similar brand ambassador programmes are seen to be replicated on Facebook and MySpace as best practice. Executives see the need for a brand agent to actively engage with the key leaders on these platforms and build deeper relationships with them, as these loyalists have a greater influence over other users within the brand page.

Although executives may disagree on whether or not incentives should be used to further develop relationships, they all agree on one thing and that is giving users' exclusive, first hand information. This transparency of information that takes place between a brand and friend/fan can be seen to build trust, further strengthening affinity toward the brand and may assist in kicking off the viral effect or word of mouth marketing.

*"Brands should provide incentives for loyal users on Facebook and MySpace. These incentives can be anything from money can't buy prizes to tickets, to exclusive information first."
(James Kirkham, Holler)*

"There are occasions that we will e-mail individuals to say 'have you seen this content?', or 'this content has gone up online now', because they will shout about it to others." (Sam Bailey, BBC Radio 1)

"The important thing to bear in mind is that transparency is vitally important in social media. So if we are giving people free products and then they are giving the brand positive PR then that is positive." (Matt Bamford-Bowes, MediaCom)

"If brands can work out an ethical way of providing incentives to users, I think it would be a good thing to be doing." (Dom Cook, MySpace UK)

3.2.5 E-commerce functionality on Facebook and MySpace

The ability for users to purchase products or services via brand pages is seen as an important future development for social networks by brand executives. Whether or not users will feel confident purchasing products or services directly from a brand page is not an issue. It was pointed out by the executives that if users are willing to share personal information such as photos, relationship status, an open friend list as well as their address book then they will be confident enough to use their credit card details on Facebook or MySpace. Cause related marketing linked to e-commerce has already been identified on Facebook and MySpace. BBC Radio 1's brand page on Facebook was an example

whereby users could click on a widget in the form of a badge to donate money to the 'Sport Relief' charity. The most important information came from MySpace UK who revealed that they are already looking into integrating e-commerce functionality on their platform.

"The amount of trust people already put into Facebook and MySpace is great, so I don't think that people would have a problem putting their credit card details in." (Ted Hunt, innocent drinks)

"MySpace UK have just announced a joint venture with music labels where if you are looking at a band's player it will give an option to buy the track/album." (Dom Cook, MySpace UK)

3.2.6 Viral marketing and word of mouth marketing

Brand executives described the ability to generate word of mouth and viral marketing as one of the most alluring features of Facebook and MySpace. However, in order to achieve viral marketing and word of mouth marketing, brands must look to develop an engaging and interesting campaign that is worthwhile of the users attention, and employ Facebook and MySpace as part of a wider integrated campaign.

It is seen that the most lucrative place for brands to be on Facebook is within the news feeds, where brands can facilitate word of mouth amongst users. MySpace is seen as a platform that can deliver great success for engaging content such as music, video and games.

"We see Facebook as a pyramid scheme for promotion like word of mouth, and the further you go up the pyramid the more people you reach which is the real potential of Facebook." (Ted Hunt, innocent drinks)

"Clearly word of mouth gets you to a certain point but there is a big difference between 40,000 via word of mouth and 500,000 through Chris promoting the page on his show with the audience on air, that's the main power that we have got." (Sam Bailey, BBC Radio 1)

"Great ideas are what people want to talk about; they want to be the first to tell people 'have you seen this!' That's what creates viral marketing and word of mouth marketing on these platforms." (Matt Bamford-Bowes, MediaCom)

3.3 Social network campaign management

3.3.1 Profile monitoring

Executives do not actively monitor those users who fan or friend a brand, or invest time researching into how far a user comment extends.

Brand executives place emphasis on trust between their fans or friends on Facebook and MySpace. The common thought is that if users go out of their way to friend or fan a brand page, and invest time engaging with the brand then they are not likely to damage a brand's reputation.

Because brand pages sit within the overall platform of a social network site, there is only so much an executive can control. On MySpace for example, those users who request to be a friend of a brand have to be individually accepted so brands have the power to filter profiles. However, individually screening fans or friends would mean investing a lot of time going through each fan's profile on MySpace to see what comments they have made in relation to a brand once they become a friend. On Facebook, the ability to go deep into a users profile is not available.

"I'm a bit wary about doing too much monitoring as it is a bit like vanity surfing, and overreacting if people say good or bad things about you. At the end of the day it is one individual and you've got to think of the bigger picture. Obviously you've got to look after the key ones." (Ted Hunt, innocent drinks)

"We do not look at every single profile but we will look at a buzz monitor study that will track people's profiles and understand what people are saying about a brand." (Matt Bamford-Bowes, MediaCom)

3.3.2 Fans turning on brands

It is widely accepted by all executives that brands experience a loss of control within social networks. In order to prevent users turning against the brand, executives agree that brands have an ongoing responsibility to develop and maintain good relationships with their friends and fans. As with any information in the public domain there is always the risk of negative word of mouth.

Fortunately for those brands who have fans or friends on MySpace and Facebook, they have the support of these brand loyalists who can rally together to defend a brand against negative word of mouth.

Overall, the executives are aware that if they use social networks for brand image then users will turn on the brand. The brand should look toward transparency and engagement by giving users the control and making them understand why the brand wants to engage with them, reducing the chance of negativity.

"Brands should definitely take into consideration that users at any time can turn on a brand; this is why they need to engage with them honestly." (James Kirkham, Holler)

"There's not a lot you can do with negative comments. I think you've just got to let people get it out of their system and just treat everyone else with the intelligence that they will be able to make their own decisions from the comments." (Ted Hunt, innocent drinks)

"In the case of our client brands you do get the occasional negative comment that gets posted up on pages we have created, but what you will see is that other users will actually attack that minority of negative users so they protect the brand like an army of ants." Matt Bamford-Bowes, MediaCom)

3.3.3 Empowered fans

Due to the apparent shift in power from brand to consumers on social networks, the consumer themselves may look to promote the brand on their own terms. Those interviewed had no problem with consumers adopting their brand and content. In fact the majority of executives commented that if users did not want

to talk about their brand, or did not want to become a fan or friend and promote their brand, then they would be doing something very wrong.

While they realise that users will promote their brand within the social network platforms and throughout the social media landscape on their own terms, they are still concerned with the way in which their messages are translated by users. They felt that some management and control needs to exist particularly with regard to the issues of spamming messages and publishing correct information which could otherwise be seen as unethical business practice. However, if management of a brand page or an individual user on Facebook and MySpace is required, they should approach the issue in a non-formal way or else they risk presenting their brand as 'parental' on the platforms.

"The danger for brands on MySpace is that they are seen as the parent as our platform is a playground, and if brands come in and force their brand on users then it feels parental. So users need to feel as if the brands are getting involved and having some fun with the users playing in the playground too!" (Dom Cook, MySpace)

"There will never be a Facebook or MySpace guidelines saying you should do this or you should not do that. If someone is annoyed with a brand users probably wouldn't care what Facebook or MySpace would do, they would just do it anyway. So it would be best for both platforms to leave it open and not put too many restrictions on users and brands interacting within their platforms." (Matt Bamford-Bowes, MediaCom)

The success of the platforms is because people want to engage with them, and if things become too corporate and too bogged down, and their interactions are obstructed in any way then people will not want to engage with them." Sam Bailey, BBC Radio 1)

4.0 Discussion of quantitative and qualitative research findings

4.1 Are Facebook and MySpace effective platforms for social network marketing?

The research found partial support for Facebook and MySpace as effective platforms for those brands using engagement marketing to drive brand value creation.

The viral effect emerged as an important factor for brand value creation on the Facebook platform. 56% of Facebook respondents would pass on an application or widget to their friends and 49% of Facebook respondents would encourage their friends to add a brand to their profile. These positive results reinforce the positioning of Facebook's platform as 'the more useable atmosphere.'

However, only 24% of MySpace respondents would encourage their friends to add a brand to their friend space and only 32% of MySpace respondents would share an app, widget or piece of content with friends. The results are surprising, as MySpace is regarded as a content platform that focuses its service offering on premiere content such as widgets, apps, and video, and supports the viral effect. One reason why MySpace respondents may not engage in the viral effect could be due to many of their friends are not immediate friends. Thus recipients of a recommendation on MySpace may call into question the reputation of the individual recommending the app, widget or video and indeed the reputation of the brand associated with the content.

The research did not find strong support for e-commerce functionality and purchase intent on the platforms. These findings illustrate that respondents of both Facebook and MySpace are using the platforms for networking and conversation only. In this context the thought of purchasing products or services via the respondents profile page only serves to irritate them rather than stimulate engagement with a brand.

Furthermore both Facebook and MySpace respondents strongly disagree with the platform publicly displaying a user's purchase to their network. This is seen to collapse the entire process of value creation in terms of building trust and loyalty between brands and users.

Consumer conversation appears to be the most significant contributor to brand value creation on both platforms. Respondents to the Facebook and MySpace surveys felt that the level of intimacy between themselves and the brands would increase considerably if the brand listened to their opinions and points of view. Thus using points of view to engage people in conversation is seen as effective. The brand executives interviewed also see engaging with social network users as a great way to 'crowd source' and innovate a brand product or idea with the consumers.

The findings also support the need for brands to participate in the dialogue of consumer conversations on social network sites. Not only because a brand can help stimulate loyalty amongst users, but also because the conversations are connected to a brand's reputation and thus influences the overall position of a brand within the social media world.

On the contrary, the consumer conversation between brands and social network users should be controlled by the users themselves. This idea is backed up by the response to the Facebook and MySpace surveys, whereby the respondents strongly indicated that their loyalty to a brand on a social network site would be lost rapidly if the brand itself controlled the conversation. By giving up control on a social network, a brand is seen to display trust toward the users. This trust is a powerful brand value which forms the basis of loyalty.

4.2 Is adding a brand as a friend or fan on MySpace and Facebook regarded as the most important metric for engagement marketing in building brand loyalty?

From the qualitative research, all executives interviewed agreed that becoming a friend or fan of a brand is an important metric; but it is not the most important metric for building brand loyalty on social networks. Other metrics such as viral marketing, word of mouth marketing (WOMM) and consumer conversation are equally important.

Based upon the quantitative data it is evident that those respondents who have added a brand or friend to their profile are in the minority (12% Facebook, 23% MySpace). This shows that there are very few brands on either platforms that

users feel an affinity with, or who they would want to link their personal identity to. Similarly only a small percentage of users would friend or fan a brand because their friend had done so (23% Facebook, 21% MySpace). This illustrates that users do not feel connected to their own friends because of their mutual affinity to a particular brand.

MySpace represented the platform whereby respondents were more likely to friend a brand. This could be due to the fact that historically users of the MySpace environment are more acceptable to randomly adding users who they do not know as friends, and so brands suit this platform's behaviour.

The low brand 'fans' evident on Facebook reinforces the idea that the platform is only used to maintain relationships that users have developed off of the site, and that it is only for people users know personally.

Those brands or friends who request users to 'fan' or 'friend' a brand without developing a relationship first through conveying a brand's message, purpose and/or values have experienced the recipient questioning their motivation and automatically rejecting their request.

The research illustrates that for those brands who want to engage effectively with Facebook and indeed MySpace users should look to develop engaging content outside of the platform to help the user understand the brand's function and how the brand applies to them. Only then should a brand look to send out 'fan' or 'friend' requests.

BBC Radio 1's Chris Moyles Facebook profile can be used as a case study of friend/fan success. By engaging with users first 'on air' via one-to-one communication, Chris Moyles consistently communicates and instills trust within his listeners. Chris then reinforces the trust by his request for listeners to become a fan of the show on Facebook whereby listener loyalty can be expressed. As a result, Chris Moyles and BBC Radio 1 have used the Facebook platform and brand page as a public ritual where shared meetings can occur, extending the engagement from offline to online at the same time building brand loyalty.

This approach is also used by innocent drinks, as the brand communicates with its loyal customers termed 'the innocent family' through permission marketing via an e-mail newsletter. Because a user has signed up to join the family, trust with the brand has already been formed. Within the e-mail newsletter, innocent encourages members to also 'fan' the innocent brand within Facebook, allowing family members to further express their loyalty to the brand.

Once again this approach has been reinforced further by the most successful campaign on MySpace UK to date which was created by the agency Holler on behalf of Channel 4's cult television programme 'Skins'. Holler developed a digital strategy where a community site was built featuring character MySpace pages and online incentives in the form of competitions to get users involved in the show's creation. Fans of the show could express their loyalty to the brand online by becoming a friend of Skin's MySpace profile which was set up to promote the new series. Friends of the show could engage further with the brand through exclusive online video footage and games before a single episode of the show had been aired.

Overall it is evident that there are very few brands on Facebook and MySpace whom users would want to engage with based upon the respondents who have become a friend or fan.

Therefore engagement marketing success on social networks should not be tied to the one overall important metric - friends or fans even if it is the easiest to measure.

4.3 How effective are social network ads on Facebook and MySpace?

While only 12% of Facebook and 23% of MySpace users have become a friend or fan of a brand, what is more significant is that 22% of Facebook users and 17% MySpace users have become a fan or friend of a brand directly from a social ad. Interestingly these figures are mirrored by 22% of Facebook users and 18% of MySpace users who indicated that they would become a fan or friend of a brand via a social ad. Thus the correlation between those that have become a friend or fan of a brand via a social network advert and those who would is seen as positive.

Social network ads should be used as part of an integrated campaign, to increase the awareness of a brand's presence on that platform. Because advertising's aim is to break down unfamiliarity and install knowledge it thereby creates consumer trust. With regard to social network ads, the more a user is aware of a brand advert the more familiar it becomes and thus they develop trust with the brand. Thus consumer trust is responsible for branding success and ultimately loyalty.

If those respondents who have become a friend or fan via a social network ad, and those respondents who would, are closely related, then this can also explain why the majority of social network users (47% Facebook and 50% MySpace) do not see social network ads as obtrusive. Furthermore respondents are also aware that brands use social network ads to target them based upon their profile settings and would not want to deliberately alter their profile to create mis-targeting, as users go to great lengths to identify themselves by behaviour and interests.

Many respondents were able to recall social network ads on both platforms, all of which fell into the self esteem and lifestyle brand categories.

Clearly advertisements on social network sites are important, not only for the platforms themselves in terms of monetization, but for the brands that carry out social network campaigns and the users who are the consumers. How effective social ads are, depends on how they engage with the social network users rather than direct selling.

4.4 Is brand reputation management important on social network sites?

The brand executives interviewed believed in the fundamental goodness of users participating with and representing their brands in a positive way.

It is understood that brand guidelines should not be discarded, instead guidance and communication with the users about the brand on both platforms is seen as the most positive way of engaging with users.

This guidance should involve brands providing users with a framework of how to communicate the brand with each other, rather than introducing rules and constraints which are seen as parental.

Interestingly brand executives felt that it is only poor management of a social network campaign that would result in issues turning into a PR crisis. Because user issues are made public on social network sites, brands can react to negative publicity immediately and communicate with the user individually to diffuse a situation, thus turning a negative situation into a positive one that could reinforce loyalty. Equally poor execution of a campaign such as the brand acting in an unethical way and not being honest is also seen as pointless, and it can only be expected that brands deserve a negative reaction.

One area of concern for brand reputation management is the issue of creating incentives for social network users to promote their brand to their own networks. These incentives are seen to encourage users to request their connections to become a friend or fan of a brand or application. Although the majority of survey respondents would ignore promotions from friends who were receiving incentives to encourage them to friend or fan a brand, it could result in users turning against the brand because of their unethical behaviour. If however, brands are seen to offer a valuable contribution on MySpace and Facebook, the probability of users who friend or fan a brand and subsequently turn against the brand is perceived by all brand executives as nil. Brands executives felt confident that if users turned against their brand, other brand loyalists would work on behalf of the brand to educate and communicate the brand's core values taking on the role of brand 'ambassador'. Therefore, by brands being honest and open from the outset, providing transparency within their communications, the brand is more likely to get support from participants in online conversations which will result in brand loyalty.

5.0 Summary of key findings

5.1 Brands must use transparent communication

Transparent communication between brands and their friends/fans contributes the most to brand value creation on Facebook and MySpace. This research has shown that users subconsciously want to be associated with the brand that they self-identify with and so marketers of brands should look to engage with them via one-to-one and one-to-many communications, helping to reinforce a user's loyalty to a brand sub-culture that they have chosen to belong to.

5.2 Users do not want to purchase products and services via their profile page

It is seen that e-commerce on both platforms is likely to reduce brand value creation and brands need to find other ways to add value to users. However, this does not mean that marketers and brands if they use transparent communication can not promote products and services to their friends/fans, as both platforms are all about communication and sharing information. Therefore the traditional 'hard sell' should become a consultative approach underpinned by engagement but consistent with a brand's identity.

5.3 Brands and marketers must listen to their friends/fans

Marketers and brand executives should also ask for their friends/fans point of view, listen carefully to what issues, concerns they may have and look for trends that are emerging and the shared feelings of users. Effective brand networks on both platforms do provide valuable market research data as illustrated by the brand executives interviewed for this research. This suggests that marketers and brand executives have nothing to lose and everything to gain through engaging and listening to friends/fans on social network sites.

5.4 Any brand can benefit from social networks

Contrary to popular belief, this research illustrates that it is not just iconic brands that can tap into the social graph of Facebook and MySpace. Web 2.0 is in fact all about the long tail and niche interests, so any brand that offers value can tap into social network sites to create niche communities that users will want to self-

identify with. This is evident from the variety of brands the survey respondents are friends/fans of, which span industries from FMCG to small businesses.

5.5 Engage users far beyond the first transaction

With regard to regularly refreshing content, the most appropriate example is the MySpace Skin's campaign, whereby the agency Holler planned the campaign taking into account the long term view of its fans. When season two of Skins had finished being shown on television, they had already produced mini films specifically for the MySpace platform which they drip released, thereby continuing the engagement with the brand's friends. This is a best practice example of a brand offering value beyond the first transaction, extending long term customer value and maintaining loyalty.

5.6 User comments and suggestions offer real value

Brands should place significant importance on the value of comments made by users after they have become a friend or fan, and their ability to influence others as brand advocates. This really is the focus of a brands attention, not just the number of friends or fans they have.

However at present consumer conversation is a social media intelligence metric that is not easily measured within both Facebook and MySpace so brands will need to invest time into monitoring and measuring the voicescape.

5.7 Great creative is the key to effective engagement

It is not enough for a brand to just have a profile on a platform with a 'build it and they will come' mentality. Brands need to come up with creative ways to facilitate engagement before they can request people to become a friend or fan. Once they are a friend or fan, then a brand can engage further by providing more creative for them to discuss amongst fellow connections. If this creative is good enough, then the brand will have a chance of achieving the viral effect whereby users pass on the content or encourage others to participate in a dialogue.

5.8 Social ads help build trust between brand and user

Social network ads within this research are seen as useful for building trust through recognition which can lead to a user becoming a friend/fan of a brand

thus stimulating engagement resulting in loyalty.

In addition brand loyalty would be affected between fans and brands if users were continually targeted by adverts from the brand, reinforcing the need for brands to engage and not directly advertise if brands want loyalty on social network sites.

5.9 Loyalty and trust is the key metric not the number of friends or fans

The number of friend/fans a brand has does not determine the success of a social network campaign and as a metric looks good, but is worthless without engagement.

Those brands that use the number of friends or fans as the key metric for a successful campaign are fooling themselves as it is just vanity not true engagement or loyalty.

It is seen from this research that the activity, conversations and engagement taking place beyond the action of becoming a friend or fan within a brand community is of most value and where true brand loyalty exists.

Developing true loyalty on social network sites is also not achieved via adverts, promotions, incentives or requesting users to friend or fan their brand. Instead loyalty is obtained through engaging with user conversations, listening to their comments and responding to criticisms which all contribute to trust and building relationships that reinforce loyalty.

A brand community with 10,000 friends/fans that is stagnant could be seen as a pointless exercise and a vain attempt to play the 'numbers' game. A brand community with 500 fans/friends that is thriving with activity in terms of group discussions, contributions from both users and brand is incredibly valuable, and can be regarded as a successful social network campaign. This is where a return on marketing investment (ROMI) can be achieved within social network sites.

6.0 Conclusion

In conclusion this research has shown that all brands should consider a presence on Facebook and MySpace to access potential brand loyalists.

Although the number of users on these platforms who have become a fan or friend are small in terms of the sample size of the survey within this research; in comparison to the entire population of social network users as a whole, they represent a very small fraction which can all add up to a very large audience for brands to engage with.

Those brands who do decide to build group forming networks on Facebook and MySpace could well experience high numbers of friend/fans if they provide engaging content that users want, will talk about and will want to promote to their friends virally.

Brands must also look to engage with loyal friends/fans consistently to further develop relationships. They will get out of the relationship what time and effort they invest which is no different to traditional marketing campaigns or 'real world' relationships.

Similarly marketers and brand executives should look to plan communication strategies and objectives for continuing engagement which they can measure independently, whilst the platforms develop analytical tools to measure a brand's campaign and goals in the future. It is important for marketers to note that when executing a social network marketing campaign they should keep users within the platforms rather than taking them outside of the social network environment. By not doing so, users will immediately question the trust formed which could adversely affect their loyalty.

From a cost-benefit point of view Facebook and MySpace platforms provide ready made communities of users for brands, thus making the task of engaging with them easier. They are a neutral territory as opposed to a bespoke branded community, which further supports the findings within this research that users want to control the conversation with brands on their own terms. They do not feel threatened by brands on these platforms; instead both brands and fans are

equal. Therefore if brands treat friends/fans as colleagues rather than customers, then trust is reinforced and the need to manage brand reputation is reduced.

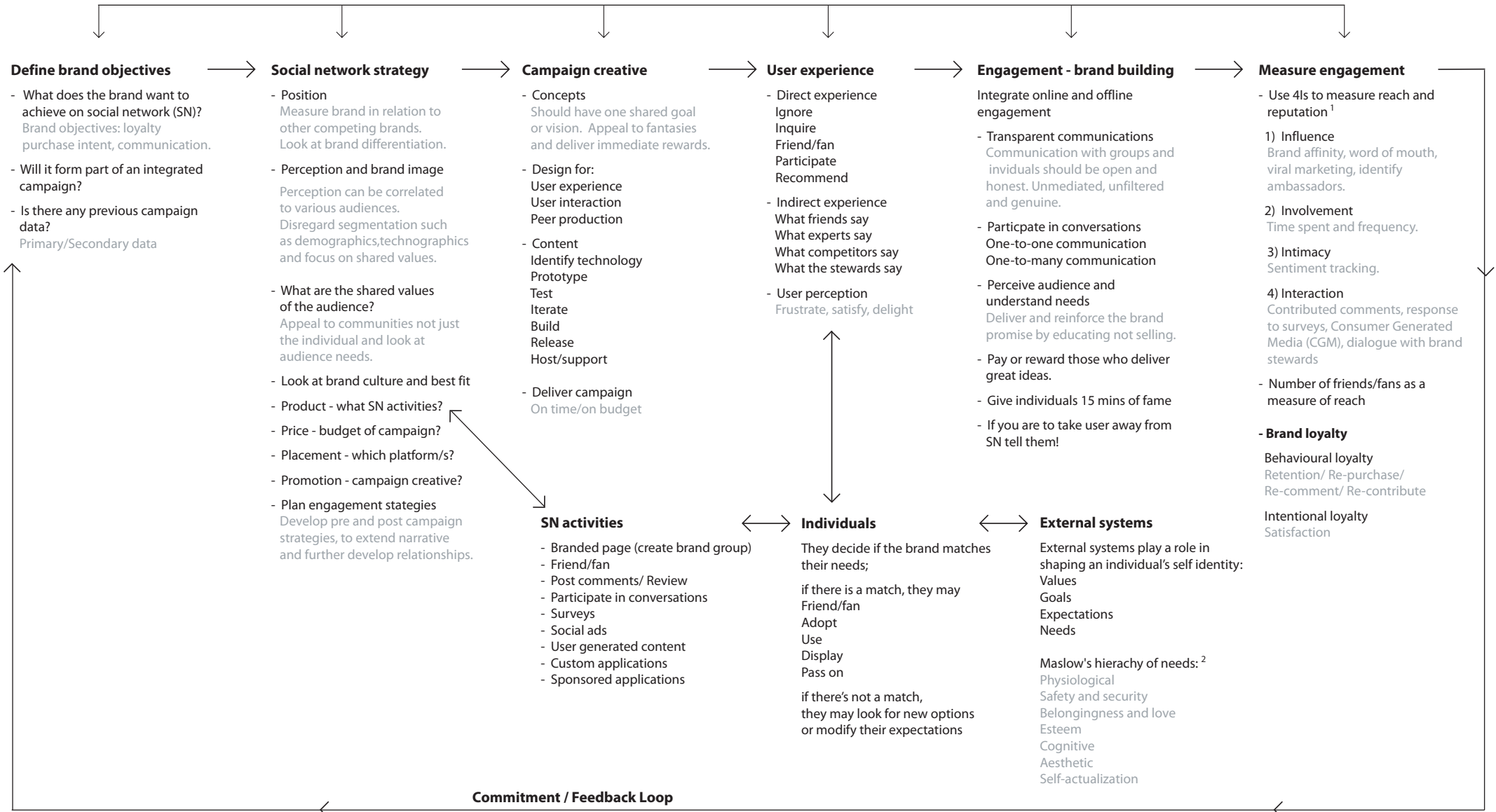
Interestingly this research illustrates that any brand can achieve success on Facebook and MySpace; they do not have to be iconic. As long as brands emotionally engage with the users with great content, they will create a desire for users to participate, thus building trust around a brand and ultimately loyalty.

6.1 Social network marketing concept map

The social network marketing concept map is a first-of-its-kind framework and is designed for brands and marketers who would like to know how to plan a social network campaign, how to engage with social network users and how to measure social network marketing.

Brands and marketers looking to address these questions and more can use the social network concept map which offers specific guidelines on how to achieve maximum results from a social network marketing campaign.

Brand Stewards - senior management, brand managers, product managers, marketing managers, engineers, designers, sales, support
 Need to hold the brand in trust, both for financial owners and the emotional owners who experience the brand
 Stewards shape the product by managing and marketing development of brand via Social Network Sites (SNSs) and all contribute to the process below



References:
 1. 4I's of Engagement (Haven, 2007)
 2. Maslow's Hierarchy of Needs (Maslow, 1954)